



**OVOBEL**  
**FOODS LIMITED**

## **OVOBEL FOODS LIMITED**

Ground Floor, No.46 Old No. 32/1,  
3rd Cross, Aga Abbas Ali Road,  
Ulsoor, Bangalore - 560042,  
Karnataka, India.

Tel: 080-2559 4145, 080-2559 4146

**ANNUAL REPORT**  
**FINANCIAL YEAR 2017-18**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY:**

Mr. Shanti Swarup Aggarwal	Managing Director
Mr. Narendra Haldawar	Director ( <i>Independent Director</i> )
Ms. Anisha Agarwal	Director ( <i>Woman Director</i> )
Mr. Philip Jan Clement Maria Jozef Van Bosstraeten	Director
Mr. Swapan Kumar Majumder	Director ( <i>Independent Director</i> )
Mr. Satish Narayana Swamy	Director ( <i>Independent Director</i> )
Mr. Sudhir Kulkarni	Chief Financial Officer
Ms. Ritu Singh	Compliance Officer cum Company Secretary

### **STATUTORY AUDITOR FOR FINANCIAL YEAR 2017-18:**

#### **Nara Hari & Raghavendra**

Chartered Accountants,

No. 271, GJ Homes, 3<sup>rd</sup> Floor, 5<sup>th</sup> Cross, 8<sup>th</sup> Main, Pramod Layout,  
Near Nice Road, Bangalore – 560039, Karnataka, India.

**Contact details:** 8095304250, 9538068831.

**Email:** naraharica@gmail.com | raghava.ca1984@gmail.com

### **REGISTRAR SHARE TRANSFER AGENT:**

#### **Maheshwari Datamatics Pvt. Ltd.**

No. 23, R.N Mukherjee Road, 5th Floor, Kolkata – 700 001  
West Bengal, India.

**Contact:** 033-22482248, 2243-5029

**Fax:** 033-22484787

**Email:** mdpldc@yahoo.com

### **REGISTERED OFFICE OF THE COMPANY:**

Ground Floor, No.46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road,  
Ulsoor, Bangalore – 560 042, Karnataka, India.

**Email:** info@ovobelfoods.com

**Website:** www.ovobelfoods.com

**Telephone No:** +91-80-2559 4145/ 91-80-2559 4146

**Fax:** +91-80-2559 4147

**CIN:** L85110KA1993PLC013875

**PLANT LOCATION:**

Plot # 30, KIADB. Industrial Area  
Malur – 563 160, Kolar, Karnataka, India.

**Contact Details:** +91 (80) 2559 4145

**Email:** [operations@ovobelfoods.com](mailto:operations@ovobelfoods.com)

**DETAILS OF COMMITTEES OF THE COMPANY**

**AUDIT COMMITTEE:**

Mr. Satish Narayana Swamy	: Chairman
Mr. Swapan Kumar Majumder	: Member
Mr. Narendra Haldawar	: Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Mr. Satish Narayana Swamy	: Chairman
Mr. Swapan Kumar Majumder	: Member
Mr. Narendra Haldawar	: Member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Mr. Satish Narayana Swamy	: Chairman
Mr. Swapan Kumar Majumder	: Member
Mr. Narendra Haldawar	: Member
Mr. Shanti Swarup Aggarwal	: Member

**NOMINATION AND REMUNERATION COMMITTEE:**

Mr. Narendra Haldawar	: Chairman
Mr. Satish Narayana Swamy	: Member
Mr. Swapan Kumar Majumder	: Member

**COMPANY SECRETARY & COMPLIANCE OFFICER:**

Mrs. Ritu Singh

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## **NOTICE FOR 26<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the **Twenty Sixth (26<sup>th</sup>)** Annual General Meeting of the Company will be held on Monday 24<sup>th</sup> September 2018 at 10:30 A.M, at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No. 21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru – 560 001, Karnataka, India to transact the following business:

### **ORDINARY BUSINESS:**

#### **Agenda Item No. 1:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Directors and the Auditors thereon.

#### **Agenda Item No. 2:**

To appoint Anisha Agarwal (DIN: 01961776) as Director who retires by rotation and, being eligible, seeks re-appointment.

#### **Agenda Item No. 3:**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force) and applicable provisions of SEBI (LODR) Regulations, 2015 and pursuant to the resolution passed by the Members at the Twenty-Forth Annual General Meeting held on December 29, 2016, the appointment of M/s. Nara Hari & Raghavendra, Chartered Accountants (Firm Registration No. 014509S) as the Statutory Auditors of the Company until the conclusion of the Twenty-Ninth Annual General Meeting, be and is hereby ratified and the Board of Directors be and are hereby authorised to fix the remuneration payable to them for the period commencing from the Financial Year ending March 31, 2018 to the Financial Year ending March 31, 2021, as may be determined by the Audit Committee in consultation with the Statutory Auditors.”

**“RESOLVED FURTHER THAT** the members of the Company be and hereby take note on the amendment made by of the Companies Act, 2013 giving relaxation on ratification of statutory

auditors by the members going forward at every Annual General Meeting till the completion of above mentioned period i.e., till the Financial Year ending March 31, 2021.”

**“RESOLVED FURTHER THAT** any one of the directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required for the above resolutions.”

#### **SPECIAL BUSINESS.**

##### **Agenda Item No. 4:**

To re-appoint Mr. Satish Narayana Swamy as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Satish Narayana Swamy (DIN: 05264105), who was appointed as an Independent Director and who holds office of Independent Director up to 31<sup>st</sup> March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 1<sup>st</sup> April, 2019 on the Board of the Company.”

**“RESOLVED FURTHER THAT** any of the Directors/Company Secretary/Chief Financial Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and other things as may be considered necessary, incidental or proper for carrying out the above resolution including issuing of appointment letter to the Independent Director.”

##### **Agenda Item No. 5:**

To re-appoint Mr. Swapan Kumar Majumder as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Swapan Kumar Majumder (DIN: 03178122), who was

appointed as an Independent Director and who holds office of Independent Director up to 31<sup>st</sup> March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 1<sup>st</sup> April, 2019 on the Board of the Company.”

**“RESOLVED FURTHER THAT** any of the Directors/Company Secretary/Chief Financial Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and other things as may be considered necessary, incidental or proper for carrying out the above resolution including issuing of appointment letter to the Independent Director.”

**Agenda Item No. 6:**

To re-appoint Mr. Shanti Swarup Aggarwal as Managing Director of the Company and fix his remuneration and in this regard, pass the following resolutions as a Special Resolution:

**“RESOLVED THAT** the Company hereby accords its approval and consent under Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the re-appointment of Mr. Shanti Swarup Aggarwal (DIN: 00322011) as Managing Director of the Company for a period of five years with effect from 24<sup>th</sup> September, 2018 and to his receiving remuneration, benefits and amenities as Managing Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. Shanti Swarup Aggarwal, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting.

**“RESOLVED FURTHER THAT** the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. Shanti Swarup Aggarwal as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

**For Ovobel Foods Limited**

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**Ritu Singh**

Company Secretary & Compliance Officer

Membership No. A24934

**Date:** 14<sup>th</sup> August 2018

**Place:** Bangalore



**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.
2. 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.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The business set out in the Notice will be transacted through E-voting system through CDSL. Complete details of the instructions for E-voting are annexed to this Notice. In accordance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the Company has provided the facility for voting through physical ballot or shareholder who do not have access to internet. Facility for voting through Poll will also be provided to the shareholders at the Meeting who have not cast their Ballot either through Ballot Paper or e-Voting.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to our Registrar to Transfer Agents, M/s

Maheshwari Datamatics Private Limited at No. 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001.

9. Shareholders are requested to lodge the Share Transfer Deeds duly executed and intimate change of addresses if any, to its Registrars M/s Maheshwari Datamatics Private Limited at No. 23, R.N Mukherjee Road, 5th Floor, Kolkata – 700 001.
10. To Ratify M/s. Nara Hari & Raghavendra, Chartered Accountants, (Firm Registration Number: 014509S) as Statutory Auditors of the Company who were previously appointed for a term of 5 years at the 24<sup>th</sup> Annual General Meeting (till FY 2020-21).
11. The Board has appointed Mr. Rafeeulla Shariff, Practicing Company Secretary as Scrutinizer for the POLL and e-voting for the ensuing Annual General Meeting dated 24<sup>th</sup> September, 2018.
12. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members, as on 17.09.2018 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purpose only.
13. The Register of Members and Share Transfer Books of the Company shall remain closed from 18.09.2018 to 24.09.2018 (both days inclusive).

**For Ovobel Foods Limited**

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**Ritu Singh**  
**Company Secretary & Compliance Officer**  
**Membership No. A24934**

**Place:** Bangalore

**Date:** 14<sup>th</sup> August 2018

**ANNEXURE TO THE NOTICE**  
**Explanatory Statement**  
**[Pursuant to Section 102(2) of the Companies Act, 2013]**

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**Agenda Item No. 4 & 5:**

**Approval for Re-appointment of Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder as Independent Directors of the company.**

Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company till 31st March, 2019. The Nomination and Remuneration Committee has recommended reappointment of Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder fulfil the conditions for appointment as Independent

Directors as specified in the Act and the Listing Regulations. Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4 and 5, are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India. Mr. Satish Narayana Swamy & Mr. Swapan Kumar Majumder are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective re-appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the members.

#### **Agenda Item No. 6:**

**To re-appoint Mr. Shanti Swarup Aggarwal as Managing Director of the Company and fix his remuneration and in this regard, pass the following resolutions as a Special Resolution:**

The present proposal is to seek the Shareholders’ approval for the re-appointment of Mr. Shanti Swarup Aggarwal as the Managing Director in terms of the applicable provisions of the Companies Act, 2013 and rules made thereunder. The Nomination & Remuneration Committee and Board of Directors of the Company (the ‘Board’), at its meeting held on 02.08.2018 and 14<sup>th</sup> August 2018 respectively has, subject to the approval of the Shareholders, gave their approval for re-appointment for a further period of 5 years effective from 24<sup>th</sup> September 2018 and fixed the remuneration of Mr. Shanti Swarup Aggarwal. Details of Director whose re-appointment as Managing Director is proposed at Item Nos. 6, are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

The remuneration proposed to be paid to Mr. Shanti Swarup Aggarwal and the perquisites proposed to be provided to him are set out below:

- i) Salary - Rs. 10,00,000 per month
- ii) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 10,00,000 to Rs.12,50,000 per month.
- iii) Provident Fund - Company's contribution not to exceed 12% of salary.

- iv) Housing – House rent allowance as per the policy of Company which may be evaluated as per the Income-tax Rules, 1962.
- v) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company which may be evaluated as per the Income-tax Rules, 1962.
- vi) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- vii) Reimbursement of expenses on mobile phone and landline phone at residence as per rules of the Company.
- viii) Other terms and conditions as per the agreement and as may be applicable for other employees of the Company.

(All the above perquisites shall be evaluated as per Income-tax Rules and any other applicable laws, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

**MINIMUM REMUNERATION:**

The above remuneration (including perquisites) shall be paid to Mr. Shanti Swarup Aggarwal as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

The Directors are of the opinion that Mr. Shanti Swarup Aggarwal knowledge and experience of over 33 years of experience in the business of manufacturing of Food Processing plants, food processing like Ice Cream. He has also expanded his work in Hatchery and Livestock Feed and has immensely contributed towards the development of the Company and will be of immense value to the Company. The Board, therefore, recommends the acceptance of the Resolution set out at Item No. 6 of the Notice convening the Meeting.

The said draft Agreement referred to in the Resolution is available for inspection to the Members at the Registered Office of the Company on any working day between 10 a.m. and 5.30 p.m. prior to the date of the Annual General Meeting.

The Special resolution proposed to be passed is an enabling resolution, permitting for maximum of twice the limit prescribed by the Companies Act, 2013 and the rules made thereunder by passing special resolution as required under the Companies Act, 2013 read with applicable rules and Schedule V of the Companies Act and Company to pay the fixed remuneration even during absence or inadequacy of profits in any financial year.

Except Mr. Shanti Swarup Aggarwal and Ms. Anisha Agarwal, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of the resolution set out at item no.6 of the Notice.

**For Ovobel Foods Limited**

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**Ritu Singh**  
**Company Secretary & Compliance Officer**  
**Membership No. A24934**

**Place:** Bangalore

**Date:** 14<sup>th</sup> August 2018

**ANNEXURE TO THE NOTICE DATED 14<sup>TH</sup> AUGUST 2018 – ITEM NO. 4, 5 & 6**

Details of directors seeking re-appointment at the forthcoming Annual General Meeting  
[pursuant to regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard-2]

<b>Particulars</b>	<b>Satish Narayana Swamy</b>	<b>Swapan Kumar Majumder</b>
Date of Birth	10/12/1982	06/08/1965
Age	36 Years	53 Years
Nature of his expertise in specific functional areas	He is a Practicing Advocate and has rich experience of 8 year in the field of Law.	He has rich experience of 28 years in Finance Department in Induss Groups
Qualification	B.A & L.L.B	B.Com
Names of other listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil	Nil
Shareholding in the Company as on 31st March, 2018	Nil	900
Disclosure of relationships with other directors	NA	NA

<b>Particulars</b>	<b>Mr. Shanti Swarup Aggarwal</b>
Date of Birth	05/09/1951
Age	67 Years
Experience	33 Years (approx.)
Date of first appointment	24.02.2014
Expertise in specific functional areas	His business expertise ranges from manufacturing of Food Processing plants, food processing like Ice Cream. He has also expanded his work in Hatchery and Livestock Feed.
Qualifications	B.Com
Names of other listed entities in which the person also holds the directorship.	Induss Food Products & Equipments Limited
Names of other entities in which the person also holds membership/Chairmanship of Committees of the board	Nil
Shareholding in the Company as on 31st March, 2018	7,72,409
Remuneration drawn during the FY 2017-18	Rs. 84 Lakhs per annum
Number of meetings of the Board attended during the financial year 2017-18	6
Relationship with other Directors, Manager and other Key Managerial Personnel of the company,	Anisha Aggarwal (Director) Relationship: Daughter
Terms and conditions of re-appointment	As per the agreement

**Route Map** for Twenty Sixth Annual General Meeting of the Company Ovobel Foods Limited scheduled to be held on Monday 24<sup>th</sup> September 2018 at 10:30 AM at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru - 560 001, Karnataka, India.





**The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on 21.09.2018 at 09:00 A.M to 23.09.2018 at 05:00 P.M. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on Shareholders.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first-time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are

eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Ovobel Foods Limited> on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & entering the details as prompted by the system.
- xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Form No. MGT-11**

Affix  
Revenue  
Stamp

**Proxy form**

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

CIN:	L85110KA1993PLC013875
Name of the company:	Ovobel Foods Limited
Registered office:	Ground Floor, No.46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bangalore -560042, Karnataka, India
Name of the member(s): Registered address: Email Id: Folio No./Client Id: DP ID:	

I/We being the member(s) of.....shares of the above named Company hereby appoint:

Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....  
or failing him/her

Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....  
or failing him/her

Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....  
or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Sixth** Annual General Meeting of the Company, to be held on Monday 24<sup>th</sup> September, 2018 At 10:30 AM at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated below

<b>Resolution No.</b>	<b>Particulars</b>
<b>ORDINARY BUSINESS</b>	
1	To receive, consider and adopt the Books of Accounts, Balance Sheet as on 31st March 2018, the Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors report thereon.
2	To re-appoint Anisha Agarwal, Director of the Company, who retires by rotation and being eligible, offers herself for reappointment.
3	To Ratify Nara Hari & Raghavendra, Chartered Accountants, (Firm Registration Number: 014509S) as Statutory Auditors of the Company shall hold office from the conclusion of this 26 <sup>th</sup> Annual General Meeting till the conclusion of the 27 <sup>th</sup> Annual General Meeting, who were previously appointed for a term of 5 years at the 24 <sup>th</sup> Annual General Meeting (till FY 2020-21).
<b>SPECIAL BUSINESS</b>	
4	To consider and approval for Re-appointment of Mr. Satish Narayana Swamy as Independent Director of the company
5	To consider and approval for Re-appointment of Mr. Swapan Kumar Majumder as Independent Director of the Company.
6	To re-appoint Mr. Shanti Swarup Aggarwal as Managing Director of the Company and fix his remuneration.

Signed this.....day..... 2018

Signature of shareholder.....

Signature of Proxy holder(s).....

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

### ATTENDANCE SLIP

*(Please complete this attendance slip and hand it over at the entrance of the Hall)*

I, hereby record my presence at the **Twenty Sixth (26th)** Annual General Meeting Scheduled to be held on Monday 24<sup>th</sup> September 2018 at 10:30 AM at Vasudev Adigas Fast Food, 2nd Floor Party Hall, No. 21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru – 560 001, Karnataka, India.

Registered Folio No. / DP ID-Client ID	
Full Name of the Shareholder in Block Letters	
No. of Shares held	
Name of Proxy (if any) in Block Letters	

Signature of the Shareholder/Proxy/Representative

\*Strike out whichever is not applicable

**Note:**

Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

## DIRECTORS' REPORT

### To the members of Ovobel Foods Limited

Your Directors are pleased to present the 26<sup>th</sup> (Twenty Sixth) Annual Report of **Ovobel Foods Limited** together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2018.

#### 1. FINANCIAL RESULTS

The financial results of the Company during the year under review are summarized as under:

*(Rupees In Lakhs)*

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Total Income	9,997	8,133
Total Expenses excluding Finance Cost & Depreciation	9,251	8,218
Finance Cost & Depreciation	219	206
Total Expenses including Finance Cost & Depreciation	9,470	8,424
<b>Net Profit (Loss) Before Tax</b>	<b>527</b>	<b>(291)</b>
Tax Expenses:		
Current Tax / Taxes of earlier year	105	50
Deferred Tax charge/(Income)	(29)	10
<b>Net Profit (Loss) After Tax</b>	<b>451</b>	<b>(351)</b>
Earnings Per Share –		
Basic &	4.29	(3.34)
Diluted (in Rs.)	4.29	(3.34)

#### 2. OPERATIONAL REVIEW:

The highlights of the Company performance are as under:

- The Net Sales for the period increased from Rs. 7,611 lakhs in the previous year to Rs. 8,360 lakhs.
- The Profit Before Tax for the period increased from Rs. -291 Lakhs (previous year) to Rs. +527 Lakhs (Current year).

- Profit/(Loss) after tax for the period increased from Rs. -351 Lakhs (previous year) to Rs. 451 lakhs (Current year).

Your board will take required actions for further increasing the revenue and reducing the cost of the Company.

### **3. NATURE OF BUSINESS:**

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

There has been no change in the nature of business of the Company during the year under review.

### **4. DIVIDEND:**

During the year ended 31st March 2018, the company has not proposed for any dividend payable to the shareholders.

The Board regret its inability to recommend any dividend as it is considered prudent to conserve the resources for investments in the business.

### **5. SHARE CAPITAL:**

The Authorized Capital and Paid-up Capital of the Company as on March 31, 2018 was Rs. 11,00,00,000/- and Rs. 10,50,08,000/- respectively. There has been no change in the capital structure of the company during the year.

### **6. SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary Company during the period under review.

### **7. FIXED DEPOSITS:**

During the financial year under review, the Company did not accept any deposits covered under chapter V of the Companies Act, 2013 and Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has invested in 10,000 Equity Instruments at a face value of Rs. 10/- each fully paid in SMIFS Capital Markets Limited (Quoted) on 28<sup>th</sup> March, 1995. (Market value of the equity shares as on 31<sup>st</sup> March 2018 was Rs. 5.68 lakhs).

## **9. MATERIAL CHANGES AND COMMITMENTS:**

Material changes and commitments affecting our financial position between the end of the financial year to which this financial statement relates and date of this report:

During the financial year 2017-18, following to the repealment of SICA, KSIIDC have accepted the One-time settlement scheme and have issued no due certificate and also released the 5,00,000 equity shares to the Company. A similar approval and issue of no due certificate are awaited from MFPI as well. Consequently, the Company has written back its excess provisions towards accrued interest to KSIIDC amounting to Rs. 1,041 lakhs and awaiting a similar approval to be received by MFPI to approach CDBT/ SEBI seeking extension of the reliefs/ waivers as envisaged in the Rehabilitation Scheme.

## **10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company had laid down guidelines, policies, procedures and structure to enable implementation of appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & Managing Director.

## **11. EXTRACT OF ANNUAL RETURN:**

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act 2013 read with applicable Rules made thereunder is annexed to this report as *Annexure-I*.

## **12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Company has adopted a framework and policy for approving relating party arrangements / transactions. Review of Related Party arrangements / transactions is carried by the Audit Committee at its meetings. Company has framed Related Party Transactions Policy



providing the framework for approval of related party transactions by the Audit Committee and Board.

The details of the Related Party Transactions during the period under review are provided in **Annexure II** (AOC-2) which forms part of Board Report.

The policy on the Related Parties Transactions has been disclosed on the website of the Company. Below is the link of the website.

<http://www.ovobelfoods.com/general-information/policies/related-party-transaction/>

### **13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Report on Management Discussion and Analysis Report as required under Listing Regulations forms part of this Annual Report and is annexed to this Report as **Annexure III**. Certain Statements in the said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

### **14. CORPORATE GOVERNANCE:**

Your Company is committed to observe good Corporate Governance practices. The report on Corporate Governance for the financial year ended March 31, 2018 as per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report and is annexed to this Report as **Annexure V**. The requisite certificate from Statutory Auditors, M/s, Narahari & Raghavendra, Bangalore confirming Compliance with the provisions of Corporate Governance, is attached to this Report as **Annexure IV**.

### **15. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Board of Directors has appointed Mr. Rafeeulla Shariff, Practicing Company Secretary, Bangalore as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2018-19.

### **16. SECRETARIAL AUDITOR'S REPORT:**

Section 204 of the Companies Act, 2013 read with rules made thereunder inter-alia requires every listed company to annex with its Board report, a Secretarial Audit Report given by a Company Secretary in Practice, in the Form MR-3.

As per the above-mentioned provisions Secretarial Audit report is hereby annexed as ***Annexure VI***.

In Secretarial Audit report issued by Mr. Rafeeulla Shariff, Practising Company Secretary for the Financial Year 2017-18 the following observations were made.

**Observation:**

- a. *Listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group to be in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board. We observed that, one of the promoters (M/s. Ovobel NV) shares are not in dematerialized form as prescribed in the provisions of Regulation 31 (2) of SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015.*
- b. *The Company is suspended from trading of securities at Calcutta Stock Exchange Limited.*

**Management Reply:**

- a. The directors of the Company have intimated to the respective promoters to convert their shares from physical form into dematerialized form and the respective promoters are in the process of conversion of their physical shares into dematerialized form.
- b. The Directors of the Company will take necessary steps for delisting of securities at Calcutta Stock Exchange Limited.

**17. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy and the details of the CSR activities are given as ***Annexure VII*** forming part of this Report.

**18. CHANGES IN COMPOSITION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the financial year 2017-18, there were no changes in the composition of Board of Directors and Key managerial personnel.

**19. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In Compliance with Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and hereby confirm the following:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The Board of Directors has constituted four Committees i.e., Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee as per requirement of Corporate Governance under SEBI (LODR) Regulation 2015. The majority of the members of these Committees are Independent and non-executives directors.

During the financial year 2017-18, 4 (Four) Audit Committee Meetings, 1 (One) Nomination and Remuneration Committee Meeting, 11 (Eleven) Stakeholders Relationship Committee Meetings and 1 (One) Corporate Social Responsibility Meetings were held at the Company as per requirement of Corporate Governance and any other applicable Regulations of the SEBI (LODR) Regulation 2015.

## **20. CFO CERTIFICATION:**

CFO Certification Pursuant to SEBI (LODR) Regulation, 2015, forms part of this Annual Report and annexed to this Report as *Annexure VIII*.

## **21. DECLARATION BY INDEPENDENT DIRECTORS:**

All independent directors have given declarations stating that they meet the criteria of independence as laid down under section 149(7) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and as per the requirement of SEBI (LODR) Regulation 2015.

## **22. BOARD EVALUATION:**

- As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors.
- The Independent Directors meeting to review the performance of the non-Independent Directors and Board as whole was held on 27.03.2018.

## **23. BOARD MEETINGS/COMMITTEE MEETINGS:**

During the financial year 2017-18, Six Board Meetings and Seventeen Committee Meetings were held. The details of all Board meeting and Various Committee's Meeting are given in the Corporate Governance Report. The intervening gap between the Meetings was within the time prescribed under the Companies Act, 2013 and the rules made thereunder.

## **24. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:**

- The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in each situation and the reporting structure.
- All the Board Members and the Senior Management personnel have confirmed compliance with the Code.
- The Code of conduct has been posted on the Company website <http://www.ovobelfoods.com/general-information/policies/code-conduct/>

## **25. AUDIT COMMITTEE /STAKEHOLDER RELATIONSHIP COMMITTEE /NOMINATION AND REMUNERATION COMMITTEE /CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Board of Directors has constituted four Committees i.e., Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee as per requirement of Corporate Governance under SEBI (LODR) Regulation 2015 and any other applicable provisions of Statutes. The majority of the members of these committees are Independent and non-executives.

## **26. STATUTORY AUDITORS:**

The Statutory Auditors M/s, Nara Hari & Raghavedra, Chartered Accountants, Bangalore, (Firm registration No. 014509S) was appointed as Statutory Auditor of the Company on

Annual General Meeting held on 29<sup>th</sup> December, 2016 for a tenure of five years as per the provisions of Section 139 of the Companies Act, 2013, i.e. the appointment is valid till the conclusion of 29<sup>th</sup> Annual General Meeting for the Financial year 2020-2021.

## **27. STATUTORY AUDITOR'S REPORT:**

### **Auditor's Observations:**

**Point No (i) (b) of CARO Report states that:** The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, in the current year no physical verification of fixed assets has been done by the Company and hence we are unable to comment on the discrepancies as no physical verification has been conducted.

### **Management Reply:**

The Company is taking necessary measures to physically verify the fixed assets. The Company is also planning to increase the frequency of verification of fixed assets in the coming future.

Further the Auditors Report along with financials statement and notes thereon annexed to this Report as *Annexure IX* and forms part of this Report.

## **28. COST AUDITORS:**

The requirement of appointment of cost auditors is not applicable to the Company.

## **29. VIGIL MECHANISM /WHISTLE BLOWER POLICY:**

Your Company has laid down a Whistle Blower Policy covering Vigil Mechanism with protective clauses for the Whistle Blowers to report genuine concerns or grievances. The Whistle Blower Policy has been hosted on the website of the Company at <http://www.ovobelfoods.com/general-information/policies/whistle-blower-policy/>.

## **30. RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

### **31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

#### **a) Conservation of Energy:**

With the increase in demand for the non-renewable energy resources such as water and electricity, the Company has been using Wood Fired Boilers in the factory which run on a fuel known as Briquettes (Agro waste) instead of electricity.

The Briquettes fuel is made of saw dust, groundnut shell, coffee husk and tamarind shell.

The consumption of the briquettes per hour is 450 kgs/hr.

The Capacity of the boiler is 20,00,000 kcals/hr. and the Company has invested Rs.47,00,000/- (inclusive of system oil) towards it.

#### **b) Technology Absorption:**

The Company continues to keep abreast the developments and seeks to implement the latest technology in the factory for the forthcoming years.

However, there was no technology imported by the Company during the last three years

#### **c) Foreign Exchange Outflow/Inflow:**

<b>Particulars</b>	<b>31.03.2018 (Rupees in lakhs)</b>	<b>31.03.2017 (Rupees in lakhs)</b>
Earnings in Foreign Currency	7,492	6,813
Expenditure in Foreign Currency	240	216

### **32. INDUSTRIAL RELATIONS:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

### **33. MANAGERIAL REMUNERATION:**

Disclosures under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

Your Board report that:

- the ratio (Approx.) of the remuneration of each director to the median remuneration of the employees of the company for the financial year 33.55:1

- The percentage increase in remuneration during the financial year of each:
  - Executive Director (including Chief Executive Officer); and
  - Chief Financial Officer and Company Secretary (or Manager, if any,)

There was increase or decrease in the remuneration of any Executive Director, Chief Financial Officer or Company Secretary of the Company. Following are the details of the same:

<b>Name</b>	<b>Designation</b>	<b>Remuneration in the FY 2017-18 (Rupees in lakhs)</b>	<b>Remuneration for the FY 2016-17 (Rupees in lakhs)</b>	<b>Percentage increase in the remuneration</b>
Shanti Swarup Aggarwal	Managing Director	84	65	29.23%
Sudhir Kulkarni	Chief Financial Officer	18	16	12.5%
Ritu Singh	Company Secretary	1.8	-	-

- The percentage increase in the median remuneration of employees in the financial year is: *19.35% (Approx.)*
- The number of permanent employees on the rolls of company: *120 (As on 31.03.2018).*
- Average percentage increases already made in the salaries of employee's other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

*The average increase in salaries of employees other than managerial personnel in 2017-18 was 18.91% (approx.). Percentage increase in the managerial remuneration for the year was 3.95% (approx.)*

- The key parameters for any variable component of remuneration availed by the directors: *There is no variable component of remuneration availed by the directors.*
- Affirmation that the remuneration is as per the remuneration policy of the Company: *Company affirms that the remuneration is as per the Remuneration policy of the Company.*
- Names of the **top ten** employees in terms of remuneration drawn:

Name	Remuneration received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualification & Experience	Date of commencement of employment	Age of the employee	Percentage of equity shares held by the employee as a remuneration	Whether any employee is a relative of any director/manager of the Company and if so, name of such director/manager
S S Aggarwal	84,00,000	Permanent	B.Com	11-01-1993	67	Nil	Nil
Ashwani Kumar Arora	14,19,605	Permanent	B.Tech	12-09-2016	32	Nil	Nil
Mohan. T. Gangoor	12,64,780	Permanent	B.E.	01-08-1997	50	Nil	Nil
Sudhir Kulkarni	17,53,352	Permanent	B.Com	17-02-2011	58	Nil	Nil
Sahadevan C	10,89,250	Permanent	M.Sc., M.Phil., B.Ed., Ph.D	19-09-1998	51	Nil	Nil
Vinod Namderao Hirde	8,61,226	Permanent	M.V.Sc.	20-08-2015	31	Nil	Nil
Deepak N	9,53,147	Permanent	B.Tech	01-03-2017	32	Nil	Nil
Sunil Varghese P	9,00,243	Permanent	B.Com	16-03-2015	42	Nil	Nil
Selvaraju. D	5,43,398	Permanent	B.Com	02-08-2017	56	Nil	Nil
Sabitha Maheshwaran	5,07,097	Permanent	M.Phil., Ph.D in FSN	11-03-2017	43	Nil	Nil

- The Name of every employee, who:

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: Nil.
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month: Nil.
- if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Nil.



### **34. PREVENTION OF SEXUAL HARRASSMENT:**

In terms of the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under, the Company has laid down the policy for prevention and redressal of complaints of sexual harassment at workplace. There was no complaint related to sexual / harassment during the financial year 2017-18.

### **35. FRAUD REPORTING:**

There have been no frauds reported by the Statutory Auditors of the Company to the Audit Committee or the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.

### **36. CHANGE OF REGISTRAR & SHARE TRANSFER AGENTS:**

During the Financial Year 2017-18, there was no changes in Registrar and Share transfer agents.

### **37. ACKNOWLEDGEMENT:**

The Board appreciates the commitment and dedication of its employees across all the levels who have contributed to the growth and sustained success of the Company. We would like to thank all our clients, vendors, bankers and other business associates for their continued support and encouragement during the year.

**For and on behalf of the Board of  
Ovobel Foods Limited**

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**Shanti Swarup Aggarwal**  
Managing Director  
**DIN:** 00322011  
**Place:** Kolkata  
**Date:** 30.05.2018

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**Swapan Kumar Majumder**  
Director  
**DIN:** 03178122  
**Place:** Kolkata  
**Date:** 30.05.2018

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**Sudhir Kulkarni**  
Chief Financial Officer  
**PAN:** AFEPK8240D  
**Place:** Bangalore  
**Date:** 30.05.2018

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**Ritu Singh**  
Company Secretary & Compliance Officer  
**Membership No.:** A24934  
**Place:** Bangalore  
**Date:** 30.05.2018

**FORM NO. MGT-9**  
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.*

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L85110KA1993PLC013875
2.	Registration Date	11/01/1993
3.	Name of the Company	Ovobel Foods Limited
4.	Category/Sub-category of the Company	Category: Company limited by Shares Sub Category: Non-Govt. Company
5.	Address of the Registered office & contact details	Ground Floor, No. 46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bangalore-560042, Karnataka, India.
6.	Whether listed company	Listed.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.*	Maheshwari Datamatics Private Limited. <b>Address:</b> #No. 6 Mangoe lane, 2nd floor, Kolkata, west Bengal-700001, India <b>Contact Details:</b> 033-22482248, 2243-5809 <b>Fax:</b> 033-22484787

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SL. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Egg - Powder	Group 107 Class 1079 Sub class 10799	98%
2	Egg - Liquid	Group 107 Class 1079 Sub class 10799	2%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -NIL**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
-	-	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as % of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	--								--
a) Individual/HUF	31,30,109	10,000	31,40,109	29.90	31,40,109	0	31,40,109	29.90	--
b) Central Govt.or State Govt.	--	--	--	--	--	--	--	--	--
c) Bodies Corporates	8,50,000	--	8,50,000	8.09	8,50,000	--	8,50,000	8.09	-
d) Bank/FI	--	--	--	--	--	--	--	--	-
e) Any other	--	--	--	--	--	--	--	--	-
<b>SUB TOTAL:(A) (1)</b>	<b>39,80,109</b>	<b>10,000</b>	<b>39,90,109</b>	<b>37.99</b>	<b>39,90,109</b>	<b>--</b>	<b>39,90,109</b>	<b>37.99</b>	<b>--</b>
<b>(2) Foreign</b>									-
a) NRI- Individuals	--	--	--	--	--	--	--	--	-
b) Other Individuals	--	--	--	--	--	--	--	--	-
c) Bodies Corp.	--	14,84,691	14,84,691	14.14	--	14,84,691	14,84,691	14.14	-
d) Banks/FI	--	--	--	--	--	--	--	--	-
e) Any other...	--	--	--	--	--	--	--	--	-
<b>SUB TOTAL (A) (2)</b>	<b>--</b>	<b>14,84,691</b>	<b>14,84,691</b>	<b>14.14</b>	<b>--</b>	<b>14,84,691</b>	<b>14,84,691</b>	<b>14.14</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>39,80,109</b>	<b>14,94,691</b>	<b>54,74,800</b>	<b>52.13</b>	<b>39,90,109</b>	<b>14,84,691</b>	<b>54,74,800</b>	<b>52.13</b>	<b>-</b>

										-
<b>B. PUBLIC SHAREHOLDING*</b>										
<b>(1) Institutions</b>										-
a) Mutual Funds	--	600	600	0.01	--	600	600	0.01	--	-
b) Banks/FI	--	10,00,000	10,00,000	9.52	--	10,00,000	10,00,000	9.52	--	--
C) Cenntral govt	--	--	--	--	--	--	--	--	--	-
d) State Govt.	--	--	--	--	--	--	--	--	--	-
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--	-
f) Insurance Companies	--	--	--	--	--	--	--	--	--	-
g) FIIS	--	--	--	--	--	--	--	--	--	-
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--	-
i) Others (specify)	--	--	--	--	--	--	--	--	--	-
<b>SUB TOTAL (B)(1):</b>	<b>--</b>	<b>10,00,600</b>	<b>10,00,600</b>	<b>9.53</b>	<b>--</b>	<b>10,00,600</b>	<b>10,00,600</b>	<b>9.53</b>	<b>--</b>	<b>-</b>
<b>(2) Non-Institutions</b>										-
a) Bodies corporates										
i) Indian	--	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--	-
b) Individuals	--	--	--	--	--	--	--	--	--	-
i) Individual shareholders holding nominal share capital up to Rs.2 lakhs	3,04,800	12,96,700	16,01,500	15.25	6,19,300	11,74,800	17,94,100	17.09	1.84	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2lakhs	14,48,000	3,54,100	18,02,100	17.16	12,38,100	3,08,300	15,46,400	14.73	(2.44)	
c) Others (specify) Non-resident Indian	2,40,500	3,81,300	6,21,800	5.92	3,08,600	3,76,300	6,84,900	6.52	0.6	
	--	--	--	--	--	--	--	--	--	-
<b>SUB TOTAL (B)(2):</b>	<b>19,93,300</b>	<b>20,32,100</b>	<b>40,25,400</b>	<b>38.33</b>	<b>21,66,000</b>	<b>18,59,400</b>	<b>40,25,400</b>	<b>38.33</b>	<b>--</b>	<b>--</b>
	--	--	--	--	--	--	--	--	--	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>19,93,300</b>	<b>30,32,700</b>	<b>50,26,000</b>	<b>47.86</b>	<b>21,66,000</b>	<b>28,60,000</b>	<b>50,26,000</b>	<b>47.86</b>	<b>--</b>	<b>--</b>
	--	--	--	--	--	--	--	--	--	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--	-
	--	--	--	--	--	--	--	--	--	-
<b>Grand Total (A+B+C)</b>	<b>59,73,409</b>	<b>45,27,391</b>	<b>1,05,00,800</b>	<b>100</b>	<b>61,56,109</b>	<b>43,44,691</b>	<b>1,05,00,800</b>	<b>100</b>	<b>--</b>	<b>--</b>

**ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Anisha Aggarwal	186800	1.78	-	186800	1.78	-	-
2	Induss Food Products & Equipments Limited	850000	8.09	-	850000	8.09	-	-
3	Natasha Aggarwal	183800	1.75	-	183800	1.75	-	-
4	Ovobel S.A. Belgium	1484691	14.14	-	1484691	14.14	-	-
5	Sadhana Agarwal	325100	3.10	-	325100	3.10	-	-
6	Shanti Swarup Aggarwal	772409	7.36	-	772409	7.36	-	-
7	Utsav Parekh	1043600	9.94	-	1043600	9.94	-	-
8	Vinita Agarwal	628400	5.98	-	628400	5.98	-	-
<b>Total</b>		<b>5474800</b>	<b>52.14</b>	<b>-</b>	<b>5474800</b>	<b>52.14</b>	<b>-</b>	<b>-</b>

**iii) Change in Promoters' Shareholding:**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5474800	52.14	5474800	52.14
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year	5474800	52.14	5474800	52.14

**iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

1. KARNATAKA STATE INDUSTRIAL INVESTMENT					
SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>10,00,000</b>	<b>9.52</b>	<b>10,00,000</b>	<b>9.52</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>10,00,000</b>	<b>9.52</b>	<b>10,00,000</b>	<b>9.52</b>

2. AJAY KUMAR KAYAN					
SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>3,77,100</b>	<b>3.59</b>	<b>3,77,100</b>	<b>3.59</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Decreasing of shareholding and its percentage due to transfer of his share during the FY 2017-18			
3	<b>At the end of the year</b>	<b>3,27,500</b>	<b>3.12</b>	<b>3,27,500</b>	<b>3.12</b>

### 3. SAMARTH PAREKH

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>2,50,000</b>	<b>2.38</b>	<b>2,50,000</b>	<b>2.38</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>2,50,000</b>	<b>2.38</b>	<b>2,50,000</b>	<b>2.38</b>

### 4. NILANGI PAREKH

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>2,45,700</b>	<b>2.34</b>	<b>2,45,700</b>	<b>2.34</b>
2	Increase / Decrease in Shareholding during the year				

	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>2,45,700</b>	<b>2.34</b>	<b>2,45,700</b>	<b>2.34</b>

<b>5. MERLIN SECURITIES PRIVATE LIMITED</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	<b>At the beginning of the year</b>	<b>1,81,600</b>	<b>1.73</b>	<b>1,81,600</b>	<b>1.73</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>1,81,600</b>	<b>1.73</b>	<b>1,81,600</b>	<b>1.73</b>

<b>6. RAKESH KISHOR TEJURA</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	<b>At the beginning of the year</b>	<b>83,200</b>	<b>0.79</b>	<b>83,200</b>	<b>0.79</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>83,200</b>	<b>0.79</b>	<b>83,200</b>	<b>0.79</b>



**7. VANDANA TAYAL**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>75,200</b>	<b>0.72</b>	<b>75,200</b>	<b>0.72</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>75,200</b>	<b>0.72</b>	<b>75,200</b>	<b>0.72</b>

**8. GIRISH MEHTA**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>71,000</b>	<b>0.68</b>	<b>71,000</b>	<b>0.68</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>71,000</b>	<b>0.68</b>	<b>71,000</b>	<b>0.68</b>

**9. M P SATISH BABU**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares

			shares of the company		shares of the company
1	<b>At the beginning of the year</b>	<b>11,500</b>	<b>0.11</b>	<b>11,500</b>	<b>0.11</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Increasing in shareholding and its percentage due to transfer of share during the FY 2017-18			
3	<b>At the end of the year</b>	<b>52,700</b>	<b>0.50</b>	<b>52,700</b>	<b>0.50</b>

<b>10. HARMINDER KAUR</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	<b>At the beginning of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>

<b>11. KULBIR SINGH</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	<b>At the beginning of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>
2	Increase / Decrease in Shareholding during the year				

	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
3	<b>At the end of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>

<b>12. SANTOSH DEVI PODDAR</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	<b>At the beginning of the year</b>	<b>90,000</b>	<b>0.86</b>	<b>90,000</b>	<b>0.86</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Decreasing in shareholding and its percentage due to transfer of share during the FY 2017-18			
3	<b>At the end of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>

<b>13. JAISON JOHN</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
1	<b>At the beginning of the year</b>	<b>1,06,100</b>	<b>1.01</b>	<b>1,06,100</b>	<b>1.01</b>
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Decreasing in shareholding and its percentage due to transfer of share during the FY 2017-18			
3	<b>At the end of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>

<b>14. NEELAM. SINGH</b>					
<b>SN</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
<b>1</b>	<b>At the beginning of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>
<b>2</b>	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
<b>3</b>	<b>At the end of the year</b>	<b>50,000</b>	<b>0.48</b>	<b>50,000</b>	<b>0.48</b>

**v) Shareholding of Directors and Key Managerial Personnel:**

<b>SN</b>	<b>Shareholding of each Directors and each Key Managerial Personnel</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the Year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
<b>1</b>	<b>At the beginning of the year</b>	<b>9,60,109</b>	<b>9.14</b>	<b>9,60,109</b>	<b>9.14</b>
<b>2</b>	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil			
<b>3</b>	<b>At the end of the year</b>	<b>9,60,109</b>	<b>9.14</b>	<b>9,60,109</b>	<b>9.14</b>

**V. INDEBTEDNESS**-Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs in lakhs)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,273	-	-	1,273
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,423	-	-	2,423
<b>Total (i+ii+iii)</b>	<b>3,696</b>	<b>-</b>	<b>-</b>	<b>3,696</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction	1,501	-	-	1,501
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,195	-	-	1,195
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	999	-	-	999
<b>Total (i+ii+iii)</b>	<b>2,195</b>	<b>-</b>	<b>-</b>	<b>2,195</b>
	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs in lakhs)**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shanti Swarup Agarwal	-
1	Gross salary for the FY 2017-18	84	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-

3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>84</b>	<b>-</b>	<b>84</b>
	Ceiling as per the Act*	84	-	84

\* The remuneration paid to Mr. Shanti Swarup Agarwal, Managing Director of the Company, has been calculated as prescribed in the provisions of section 197, 198, Schedule V and any other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder.

**B. Remuneration to other directors:**

SN.	Particulars of Remuneration	Name of Directors	Total Amount (IN INR)
		Satish Narayana Swamy	
1	Independent Directors	-	-
	Fee for attending board and committee meetings	1,76,784	1,76,784
	Commission	-	-
	Others, please specify	-	-
	<b>Total (1)</b>	<b>1,76,784</b>	<b>1,76,784</b>
2	Other Non-Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1,76,784</b>	<b>1,76,784</b>
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO (Sudhir Kulkarni)	Company Secretary (Ritu Singh)	Total
1	Gross salary	--	18	1.8	19.8
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--		--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission				
	- as % of profit	--	--	--	--
	others, specify...				
5	Others, please specify	--	--	--	--
	<b>Total</b>	--	<b>18</b>	<b>1.8</b>	<b>19.8</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**For and on behalf of the Board of  
Ovobel Foods Limited**

\_\_\_\_\_  
**Shanti Swarup Aggarwal**  
 Managing Director  
**DIN:** 00322011  
 Place: Kolkata  
 Date: 30.05.2018

\_\_\_\_\_  
**Swapan Kumar Majumder**  
 Director  
**DIN:** 03178122  
 Place: Kolkata  
 Date: 30.05.2018

\_\_\_\_\_  
**Sudhir Kulkarni**  
 Chief Financial Officer  
**PAN:** AFEPK8240D  
**Place:** Bangalore  
**Date:** 30.05.2018

\_\_\_\_\_  
**Ritu Singh**  
 Company Secretary & Compliance officer  
**Membership No.:** A24934  
**Place:** Bangalore  
**Date:** 30.05.2018



**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis – **NIL**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188(1).
2. Details of material contracts or arrangement or transactions at arm's length basis:

**(As disclosed in Table A, attached)**

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

**For and on behalf of the Board of  
Ovobel Foods Limited**

---

**Shanti Swarup Aggarwal**

Managing Director

**DIN:** 00322011

**Place:** Kolkata

**Date:** 30.05.2018

---

**Swapn Kumar Majumder**

Director

**DIN:** 03178122

**Place:** Kolkata

**Date:** 30.05.2018

---

**Sudhir Kulkarni**

Chief Financial Officer

**PAN:** AFEPK8240D

**Place:** Bangalore

**Date:** 30.05.2018

---

**Ritu Singh**

Company Secretary & Compliance officer

**Membership No.:** A24934

**Place:** Bangalore

**Date:** 30.05.2018

**Table A**

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount In Lakhs
01.	Shanti Swarup Aggarwal	Managing Director	Salaries & Emoluments	NA	NA	NA	84
			Loans given	NA	NA	NA	1.25
			Received/Adjustments to loans	NA	NA	NA	42
02.	Sudhir Kulkarni	CFO	Salaries & Emoluments	NA	NA	NA	18
			Loans given	NA	NA	NA	5
			Received/Adjustments to loans	NA	NA	NA	7

**For and on behalf of the Board of  
Ovobel Foods Limited**

\_\_\_\_\_  
**Shanti Swarup Aggarwal**  
Managing Director  
**DIN:** 00322011  
**Place:** Kolkata  
**Date:** 30.05.2018

\_\_\_\_\_  
**Swapan Kumar Majumder**  
Director  
**DIN:** 03178122  
**Place:** Kolkata  
**Date:** 30.05.2018

\_\_\_\_\_  
**Sudhir Kulkarni**  
Chief Financial Officer  
**PAN:** AFEPK8240D  
**Place:** Bangalore  
**Date:** 30.05.2018

\_\_\_\_\_  
**Ritu Singh**  
Company Secretary & Compliance Officer  
**Membership No.:** A24934  
**Place:** Bangalore  
**Date:** 30.05.2018

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**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 few other companies that are active in this domain in India. Your Company has identified the new markets and increased its customer base and product range.

Your company has built a reputation over the years amongst its customer for quality products. The company's sustainability has been centered around enlarging its presence within profitable and attractive retail niches, capitalizing on robust brand building and manufacturing foundation.

**b. Opportunities:**

Due to several corrective measures taken by the management, company's products are in high demand both in domestic and international markets. This unique advantage is likely to result in bringing in more and more opportunities of added commercial advantage during the days ahead.

**c. Threats:**

While international competition could pose a threat to company's future operations, your Directors' are confident of effectively countering the same by utilizing its past experience and skills.

**d. 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.

**e. Outlook:**

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.

**f. 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.

**g. 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 and your management would continue to strengthen this.

**h. Discussion on financial performance with respect to operational performance:**

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. These financial statements were prepared on a historical cost basis. Your management accepts the responsibility for integrity and objectivity of the financial statements as well as estimates and judgments used. These estimates and judgments relating to financial statements are prudently made to reflect in a true and fair manner the form and substance of transactions. This also enables in reasonably presenting the Company's state of affairs and profits and cash flows for the year ended March 31st, 2018.

**i. 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. Your Company prides in the commitment, competence and dedication of employees. The Company's structured induction at all levels and management development programs have helped enhance competence.

**j. Cautionary Statement:**

Certain statements made in the management discussion and analysis report may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on, whether express or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

**For and on behalf of the Board of  
Ovobel Foods Limited**

---

**Shanti Swarup Aggarwal**

Managing Director

**DIN:** 00322011

**Place:** Kolkata

**Date:** 30.05.2018

---

**Swapan Kumar Majumder**

Director

**DIN:** 03178122

**Place:** Kolkata

**Date:** 30.05.2018

---

**Sudhir Kulkarni**

Chief Financial Officer

**PAN:** AFEPK8240D

**Place:** Bangalore

**Date:** 30.05.2018

---

**Ritu Singh**

Company Secretary & Compliance Officer

**Membership No.:** A24934

**Place:** Bangalore

**Date:** 30.05.2018

**To,  
The Members  
Ovobel Foods Limited**

**Sub: "Certificate on the compliance of the conditions of Regulation 15(2) of the SEBI(LODR) Regulations, 2015"**

We have examined the compliance conditions of Corporate Governance of M/s Ovobel Foods Limited ('the Company') further, we have examined the relevant provisions of Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of listing Regulations for the period 01<sup>st</sup> April, 2017 to 31 March, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us along with the representations made by the Directors and the management, we are certifying that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulation 15(2) of SEBI(LODR) Listing Regulations, 2015.

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

**For Nara Hari & Raghavendra**  
Chartered Accountants  
**Firm Registration No: 014509S**

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**Nara Hari Navakanth**  
**Partner**  
**Membership No: 229212**

**Date: 07.08.2018**  
**Place: Bangalore.**

## **REPORT ON CORPORATE GOVERNANCE**

We, as a Corporate, understand that the term ‘Corporate Governance’ is not just about balancing the interests of the many stakeholders in a company but also abiding by the principles of fairness and transparency which would in turn boost the brand and reputation of the Company. Accordingly, we always seek to ensure that our performance is driven by integrity.

### **1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

- 1.1 Your Company is committed to good corporate governance and adheres to the tenets of integrity, accountability, fairness and transparency in all its operations.
- 1.2 Your Company pursues growth by adopting best corporate practices and timely disclosures, which will enhance the long-term value to all stakeholders.

### **2. GOVERNANCE STRUCTURE:**

**2.1 Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company’s management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**2.2 Committees of the Board:** The Board has constituted the following Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders’ Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

### **3. BOARD OF DIRECTORS:**

The Directors of the Company possess expertise in the fields of Manufacturing of Food Processing plants, Ice-Cream strategy, finance, legal and business operations. The Board provides strategic guidance, leadership and objective view to the Company’s management while discharging its fiduciary duties and ensures that the management adheres to high standards of ethics, transparency and disclosures.

<b>Key Managerial Personnel as per Section 203 of the Act</b>		
<b>Sl. No</b>	<b>Name</b>	<b>Designation</b>
1	Shanti Swarup Aggarwal	Managing Director
2	Sudhir Kulkarni	Chief Financial Officer
3	Ritu Singh	Whole Time Company Secretary



**a. Number of meetings held and attended by the Directors during the financial year:**

During the year on the following dates meetings of Board of directors 30.05.2017, 08.08.2017, 14.09.2017, 14.12.2017, 14.02.2018 and 03.03.2018 were held.

<b>NAMES OF THE DIRECTORS</b>	<b>NUMBER OF MEETINGS ENTITLED TO ATTEND</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
Shanti Swarup Aggarwal	6	6
Anisha Agarwal	6	6
Philip Jan Clement Maria Jozef Van Bosstraeten	6	2
Swapan Kumar Majumder	6	6
Satish Narayana Swamy	6	2
Narendra Haldawar	6	2

**4. AUDIT COMMITTEE:**

**a. Composition, name of members and Chairperson**

The Audit Committee is currently comprised with:

<b>NAME</b>	<b>Category</b>	<b>Designation</b>
Mr. Swapan Kumar Majumder	Non-Executive & Independent Director	Member
Mr. Satish Narayana Swamy	Non-Executive & Independent Director	Chairman
Mr. Narendra Haldawar	Non-Executive & Independent Director	Member

**b. Meetings and attendance during the year**

During the year on the following dates meetings of Audit Committee 13.05.2017, 14.09.2017, 14.12.2017 and 14.02.2018 were held

<b>NAMES OF THE MEMBERS</b>	<b>NUMBER OF MEETINGS ENTITLED TO ATTEND</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
Mr. Swapan Kumar Majumder	4	1
Mr. Satish Narayana Swamy	4	4
Mr. Narendra Haldawar	4	4

**5. NOMINATION AND REMUNERATION COMMITTEE:**

**a. Composition, name of members and Chairperson**

The Nomination and Remuneration Committee is currently comprised with:

<b>NAME</b>	<b>Category</b>	<b>Designation</b>
Mr. Swapan Kumar Majumder	Non-Executive & Independent Director	Member
Mr. Satish Narayana Swamy	Non-Executive & Independent Director	Member
Mr. Narendra Haldawar	Non-Executive & Independent Director	Chairman

**b. Meetings and attendance during the year**

During the year on 27.03.2018 meeting of Nomination & Remuneration Committee was held:

<b>NAMES OF THE MEMBERS</b>	<b>NUMBER OF MEETINGS ENTITLED TO ATTEND</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
Mr. Swapan Kumar Majumder	1	1
Mr. Satish Narayana Swamy	1	1
Mr. Narendra Haldawar	1	1

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

- I. Name and designation of compliance officer – Ritu Singh.
- II. Number of shareholders' complaints received during the year - 8
- III. Number not solved to the satisfaction of shareholders -0
- IV. Number of pending complaints -0

**a. Composition, name of members and Chairperson**

The Stakeholder's Relationship Committee is currently comprised with:

<b>NAME</b>	<b>Category</b>	<b>Designation</b>
Mr. Swapan Kumar Majumder	Non-Executive & Independent Director	Member
Mr. Satish Narayana Swamy	Non-Executive & Independent Director	Chairman
Mr. Narendra Haldawar	Non-Executive & Independent Director	Member

**Meetings and attendance during the year**

During the year, the following are the dates of meetings of Stakeholder Relationship Committee 14.04.2017, 27.04.2017, 22.05.2017, 02.06.2017, 29.06.2017, 12.10.2017, 27.10.2017, 03.11.2017, 09.11.2017, 15.02.2018 and 08.03.2018 were held.

<b>NAMES OF THE MEMBERS</b>	<b>NUMBER OF MEETINGS HELD</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
Mr. Swapan Kumar Majumder	11	2
Mr. Satish Narayana Swamy	11	11
Mr. Narendra Haldawar	11	11

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**a. Composition, name of members and Chairperson**

The Corporate Social Responsibility Committee is currently comprised with:

<b>NAME</b>	<b>Category</b>	<b>Designation</b>
Mr. Swapan Kumar Majumder	Non-Executive & Independent Director	Member
Mr. Satish Narayana Swamy	Non-Executive & Independent Director	Chairman
Mr. Narendra Haldawar	Non-Executive & Independent Director	Member
Mr. Shanti Swarup Aggarwal	Executive & Non-Independent Director	Member

**b. Meetings and attendance during the year.**

During the year on 27.03.2018 meeting of Corporate Social Responsibility Committee was held

<b>NAMES OF THE MEMBERS</b>	<b>NUMBER OF MEETINGS HELD</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
Mr. Swapan Kumar Majumder	1	1
Mr. Satish Narayana Swamy	1	1
Mr. Narendra Haldawar	1	1
Mr. Shanti Swarup Aggarwal	1	1

**8. INDEPENDENT DIRECTOR'S MEETING:**

**a. Name of independent directors.**

- i. Mr. Swapan Kumar Majumder.
- ii. Mr. Satish Narayana Swamy.
- iii. Mr. Narendra Haldawar.

**b. Meetings and attendance during the year**

The Independent director's meeting held on 27<sup>th</sup> March 2018, during the financial year 2017-18.

**9. ANNUAL GENERAL BODY MEETINGS:**

<b>FINANCIAL YEAR ENDED</b>	<b>DATE AND TIME</b>	<b>VENUE</b>	<b>SPECIAL RESOLUTION PASSED</b>
March 31, 2012.	28 <sup>th</sup> September 2012 at 11:00 AM.	Registered Office of the Company.	NIL
March 31, 2013.	10 <sup>th</sup> December 2013 at 11:00 AM.	Registered Office of the Company.	NIL
March 31, 2014.	30 <sup>th</sup> December 2014 at 11:00 AM.	Registered Office of the Company	Amendment of Memorandum of Association and Articles of Association
March 31, 2015.	25 <sup>th</sup> September 2015 at 10:00 AM	Vasudev Adigas Fast Food, 2 <sup>nd</sup> Floor, Party Hall, No 21/24, Next to Metro	NIL

		Trinity Station, MG Road, Bengaluru-560001	
March 31, 2016.	29 <sup>th</sup> December 2016 at 10:30 AM	Vasudev Adigas Fast Food, 2 <sup>nd</sup> Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001	NIL
March 31, 2017.	18 <sup>th</sup> September 2017 at 10:30 AM	Vasudev Adigas Fast Food, 2 <sup>nd</sup> Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001	NIL

#### **10. DISCLOSURES:**

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large: *Not Applicable*
- ii. Details of non-compliance by the company, penalties, and 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: *Not applicable.*
- iii. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee: *The Company has Whistle Blower Policy and the management affirms that no personnel has been denied access to the Audit Committee.*
- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause: *The Company has complied with all the mandatory requirements of this Clause. However, it has not adopted any of the non-mandatory requirements.*

#### **11. MEANS OF COMMUNICATION:**

- i. Quarterly results –Newspapers and Website.
- ii. Newspapers wherein results normally published – English newspaper widely circulated in substantial part of India and Regional Language (Kannada).
- iii. Any website, where displayed – [www.ovobelfoods.com](http://www.ovobelfoods.com)
- iv. Whether it also displays official news releases -No
- v. The presentations made to institutional investors or to the analysts -No

## 12. GENERAL INFORMATION FOR SHAREHOLDER:

AGM: Date, time and venue	Date: 24.09.2018 Time: 10:30 AM Venue: Vasudev Adigas Fast Food, 2nd Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001		
Financial year	2017-18		
Date of Book closure	18.09.2018 to 24.09.2018 (both days inclusive)		
Dividend Payment Date	-		
Listing on Stock Exchanges	Listed on Bombay Stock Exchange		
Stock / Scrip Code	530741		
Market Price Data: High., Low during each month in last financial year	<b>Month</b>	<b>High</b>	<b>Low</b>
	April 2017	33.3	26.4
	May 2017	29	26.5
	June 2017	27.55	23.75
	July 2017	26.1	21.5
	August 2017	22.15	19.5
	September 2017	24.05	19.85
	October 2017	28.3	21.7
	November 2017	31.3	22.6
	December 2017	27.3	23.5
	January 2018	20.5	18.55
	February 2018	19.4	15.55
	March 2018	22.8	18.5
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	NA		
Registrar and Transfer Agents	Maheshwari Datamatics Private Limited		
Share Transfer System	-		
Distribution of shareholding	-		
Dematerialization of shares and liquidity	-		
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	NIL		
Plant Locations	Plot # 30, KIADB Industrial Area, Malur, Kolar district, Karnataka, India - 563160		

Address for correspondence	Ground Floor, No.46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bangalore -560042, Karnataka, India
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**For and on behalf of the Board of  
Ovobel Foods Limited**

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**Shanti Swarup Aggarwal**  
Managing Director  
**DIN:** 00322011  
**Place:** Kolkata  
**Date:** 30.05.2018

---

**Swapn Kumar Majumder**  
Director  
**DIN:** 03178122  
**Place:** Kolkata  
**Date:** 30.05.2018

---

**Sudhir Kulkarni**  
Chief Financial Officer  
**PAN:** AFEPK8240D  
**Place:** Bangalore  
**Date:** 30.05.2018

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**Ritu Singh**  
Company Secretary & Compliance Officer  
**Membership No.:** A24934  
**Place:** Bangalore  
**Date:** 30.05.2018

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**To,  
The Members,  
Ovobel Foods Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ovobel Foods Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act');

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) The management has identified and confirmed the following laws as specifically applicable to the Company:
- a) The Factories Act, 1948
  - b) The Payment of Wages Act, 1936
  - c) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - d) Employees State Insurance Act, 1948
  - e) The Payment of Bonus Act, 1965
  - f) The Environment (Protection) Act, 1986
  - g) Water & Air Pollution Act, 1981
  - h) Income Tax Act 1961
  - i) Central Excise Act, 1944
  - j) Payment of Gratuity Act, 1972
  - k) VAT Act, 2003
  - l) Goods and Service Tax Act, 2017
  - m) Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
  - n) Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
  - o) Legal Metrology Act, 2009
  - p) Food Safety and Standards Act, 2006
  - q) Boilers Act, 1923



- r) Industrial Dispute Act, 1947
- s) Contract Labour (Regulation and Abolition) Act, 1970

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India,
- b) The Listing Agreement entered by the Company with Bombay Stock Exchange relating to listing of Equity shares;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

- a. *Listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group to be in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board. We observed that, one of the promoters (M/s. Ovobel NV) shares are not in dematerialized form as prescribed in the provisions of Regulation 31 (2) of SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015.*
- b. *The Company is suspended from trading of securities at Calcutta Stock Exchange Limited.*

#### **I further report that**

The Board of the Company is duly constituted with proper balance of Directors as required under the Companies Act, 2013 including: Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through by unanimous consent and therefore dissenting members' views recording is not applicable.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period: -

During the financial year 2017-18, following to the repealment of SICA, KSIIDC have accepted the scheme of one-time settlement and have issued no due certificate and also released 5,00,000 equity shares to the Company. A similar approval and issue of no due certificate are awaited from MFPI as well. The Company is in the process of obtaining the SEBI approval for

the accounting treatment of the share capital redeemed from KSIIDC, once the MFPI no due certificate is received.

Consequently, the Company has written back its excess provisions towards accrued interest to KSIIDC amounting to Rs. 1,041 lakhs and awaiting a similar approval to be received by MFPI to approach CBDT/ SEBI seeking extension of the reliefs/ waivers as envisaged in the Rehabilitation Scheme.

**Rafeulla Shariff**  
**Practicing Company Secretary**  
Membership No: F-9367  
C P No: 11103

**Date:** 30<sup>th</sup> May, 2018

**Place:** Bangalore

*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

## **'Annexures A'**

**To  
The Members,  
Ovobel foods Limited,**

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Introduction:**

A brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs:

<http://www.ovobelfoods.com/wp-content/uploads/2016/05/Ovobel-CSR-Policy.pdf>

For your Company, CSR means Corporate Social Responsibility and this means embedding CSR into its business model. The CSR activities and programs are initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development.

The Company understands the need for promoting health, education, growth and development of children from lower socio-economic sections of society, Senior citizen belongs to below poverty line and has taken up various activities and has also contributed towards various NGOs which involved in such activities are part of your Company CSR Programs during the Financial Year 2017-18.

The CSR Policy of the Company is disclosed on the website of the Company [www.ovobelfoods.com](http://www.ovobelfoods.com).

**2. Composition of the CSR Committee:**

CSR Committee comprises of the following Directors;

<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Category</b>
1.	Satish Narayana Swamy	Chairman	Independent Director
2.	Narendra Haldawar	Member	Independent Director
3.	Swapan Kumar Majumder	Member	Independent Director
4.	Shanti Swarup Aggarwal	Member	Managing Director

The Committee met once during the Financial Year on 27<sup>th</sup> March, 2018.

**3. Average net profit of the Company for last three Financial Years (from 2014-15 to 2016-17):**

Average of 3 financial years net profit is Rs. 547.67 Lakhs.

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company required to spend Rs. 10.95 Lakhs.

**5. Details of CSR spent during financial year 2017-18:**

Sl. No.	Name	Nature	Amount
1	NSR Developers	Development of garden at Malur Gram Panchayat.	10,00,000.00

**6. In case the Company fails to spend the 2% of the average net profit (INR) of the last Three financial years, the reasons for not spending the amount shall be stated in the Board report:**

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

During the year, the Company has spent on the CSR activities less than the limits prescribed under Companies Act, 2013. The Company is in the process of identifying the right charitable institutes to be associated for the same purpose as that of company CSR Policy and therefore, in the current financial year, there was a short spent of Rs. 95,000/- (approx.) towards the CSR activities and the CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

7. **Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Directors of the CSR Committee:**

The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board of  
Ovobel Foods Limited**

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**Shanti Swarup Aggarwal**  
Managing Director  
**DIN:** 00322011  
**Place:** Kolkata  
**Date:** 30.05.2018

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**Swapan Kumar Majumder**  
Director  
**DIN:** 03178122  
**Place:** Kolkata  
**Date:** 30.05.2018

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**Sudhir Kulkarni**  
Chief Financial Officer  
**PAN:** AFEPK8240D  
**Place:** Bangalore  
**Date:** 30.05.2018

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**Ritu Singh**  
Company Secretary & Compliance Officer  
**Membership No.:** A24934  
**Place:** Bangalore  
**Date:** 30.05.2018

**CFO CERTIFICATION**

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the certification by the Managing Director and Chief Financial Officer on the financial statements and internal control relating to financial reporting has been obtained as under:

- a) We have reviewed the financial statements and the cash flow statement of Ovobel Foods Limited for the financial year 2017 -18 and certify that:  
These statements to the best of our knowledge and belief:
  - Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.
  - Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee.
  - Significant changes in Internal Controls with respect to financial reporting during the year.
  - Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.

- To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

**For Ovobel Foods Limited**

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**Sudhir Kulkarni**  
Chief Financial Officer  
**PAN:** AFEPK8240D

**Place:** Bangalore  
**Date:** 30.05.2018

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**Shanti Swarup Aggarwal**  
Managing Director  
**DIN:** 00322011

**Place:** Kolkata  
**Date:** 30.05.2018



## **INDEPENDENT AUDITOR'S REPORT**

**To**

**The Members**

**OVOBEL FOODS LIMITED**

### **Report on the Standalone IND AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of **OVOBEL FOODS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### **Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the Indian Accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profits, total other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Emphasis of Matter**

5. We draw attention to the following matters in the notes to the standalone Ind AS financial statements:
  - a. Note 4 to the standalone Ind AS financial statements pertaining to advance for land of Rs. 200 lakhs given in April' 14 & it was outstanding as on balance sheet date.
  - b. Note 4 to the standalone Ind AS financial statements pertaining to Advances against OTS Offers, a portion of which has been adjusted during the year against the corresponding loan and accrued interest liability.
  - c. Notes 12, 44 & 45 to the standalone Ind AS financial statements pertaining to the KSIIDC transfer of 5,00,000 Equity Shares during the year in favour of the Company in terms of Buy back of share approved by KSIIDC vide approval dated 02 February 2015. However, the shares held on behalf of Ministry of Food Processing Industries [MFPI] (shareholding less than 5%) are still under the possession of KSIIDC due to pending No Due Certificate from MFPI. The Company is in the process of obtaining the SEBI approval for the accounting treatment of the Share capital redeemed from KSIIDC, once the MFPI No due certificate is received.
  - d. Note 14 to the standalone Ind AS financial statements pertaining to long term outstanding dues to Public Financial Institutions, a portion of which has been written back during the year pursuant to issuance of no due certificate from the lender. The MFPI portion of financial assistance is still disclosed without giving any effect to the settlement since the No due certificate was not received.
  - e. Note 38 to the standalone Ind AS financial statements pertaining trade receivables, trade payables and loans & advances are subject to balance confirmation and reconciliation.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and 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 it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in Equity and the Statement of Cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the Internal financial controls with reference to financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigation;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Nara Hari & Raghavendra**  
Chartered Accountants  
**Firm Registration No: 014509S**

**Nara Hari Navakanth**  
Partner  
**Membership No. 229212**

Place: Bangalore  
Date: 31<sup>st</sup> May 2018

## **“Annexure A” to the Independent Auditor’s Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirement’ of our Report of even date to the Standalone Ind AS financial statements for the year ended on 31<sup>st</sup>March, 2018 of **OVOBEL FOODS LIMITED**.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanation given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, in the current year no physical verification of fixed assets has been done by the Company and hence we are unable to comment on the discrepancies as no physical verification has been conducted.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties, as disclosed in Note 2 of the standalone financial statements, are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year and the discrepancies noticed on such verification between the physical stock and the book records were not material. In our opinion, the frequency of such verification is reasonable.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans to parties and accordingly the paragraph 3(iv) relating to provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security does not apply.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2013 and the rules framed there under.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub- section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- vii. a) Undisputed Statutory dues including PF, ESI, Income tax, Sales tax, Service Tax, duty of custom, Duty of Excise, Value added Tax, Cess have generally been regularly deposited with the appropriate authorities expect for few delays.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute.
- viii. Based on our audit procedures, we are of the opinion that the company has not defaulted in repayment of dues to its bank, financial institutions, and Government. Further the Company has not issued any Debentures, hence the comment on default of payment to Debenture holders is not applicable.
- ix. The Company has not raised any moneys by way of initial Public offer / Further Public offer (including debt instruments) or term loans and hence the reporting under said clause is not applicable.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with the Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Nara Hari & Raghavendra**  
Chartered Accountants  
**Firm Registration No: 014509S**

**Nara Hari Navkanth**  
Partner  
**Membership No: 229212**

Place: Bangalore  
Date: 31<sup>st</sup> May 2018

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF OVOBEL FOODS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Ovobel Foods Limited** as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone IND AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report even dated expressed an “unqualified opinion thereon”

For **Nara Hari & Raghavendra**,  
Chartered Accountants  
**Firm Registration No: 014509S**

**Nara Hari Navakanth**  
Partner  
**Membership No: 229212**

Place: Bangalore.  
Date: 31<sup>st</sup> May 2018.



**OVOBEL FOODS LIMITED**  
**Balance Sheet as at 31st March 2018**

(Rs. in lakhs)

Particulars	Notes	31-Mar-18	31-Mar-17	01-Apr-16
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	400	495	261
Intangible assets	2	-	-	-
<b>Financial Assets</b>				
Investments	3	6	5	3
Loans & Advances	4	27	37	34
Current tax assets (net)	5	124	227	139
Deferred Tax Assets (Net)	6a	114	84	95
		<b>671</b>	<b>848</b>	<b>532</b>
<b>Current assets</b>				
Inventories	7	911	1,270	804
<b>Financial assets</b>				
Trade Receivables	8	1,198	1,094	1,740
Cash and cash equivalents	9	85	106	36
Bank Balances other than above	10	564	500	1,256
Loans & Advances	4	895	1,270	1,556
Other current financial Assets	11	1	-	16
		<b>3,654</b>	<b>4,240</b>	<b>5,408</b>
<b>Total Assets</b>		<b>4,325</b>	<b>5,088</b>	<b>5,940</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	12	1,050	1,050	1,050
Other Equity	13	411	(35)	340
		<b>1,461</b>	<b>1,015</b>	<b>1,390</b>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	14	42	128	128
Provisions	15	51	31	21
		<b>93</b>	<b>159</b>	<b>149</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	14	1,153	1,145	1,304
Provisions	15	61	7	38
Trade Payable	16	268	141	326
Other financial liabilities	17	999	2,424	2,423
Other Current liabilities	18	290	197	310
		<b>2,771</b>	<b>3,914</b>	<b>4,401</b>
<b>Total Liabilities</b>		<b>2,864</b>	<b>4,073</b>	<b>4,550</b>
<b>Total Equity &amp; Liabilities</b>		<b>4,325</b>	<b>5,088</b>	<b>5,940</b>
Summary of significant accounting policies	1C			

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Nara Hari & Raghvendra**

Chartered Accountants

Firm Registration No. 014509S

**For and on behalf of the Board of Directors**

**Nara Hari Navakanth**

Partner

Membership No. : 229212

**Shanti Swarup Aggarwal**

Managing Director

DIN: 00322011

Place : Kolkata

Date : 30th, May, 2018

**Swapan Kumar Majumder**

Director

DIN: 03178122

Place : Kolkata

Date : 30th, May, 2018

**Sudhir Kulkarni**

Chief Financial officer

Place : Bangalore

Date : 30th, May, 2018

**Ritu Singh**

Company Secretary

Place : Bangalore

Date : 30th, May, 2018

Place : Bangalore

Date : 31st, May, 2018

**OVOBEL FOODS LIMITED**
**Statement of Profit & Loss for the year ended 31st March 2018**
**(Rs. in lakhs)**

Particulars	Notes	31-Mar-18	31-Mar-17
Sales	19	8,360	7,611
Other operating Income		-	-
<b>Revenue from Operations</b>		<b>8,360</b>	<b>7,611</b>
Other income	20	1,637	522
<b>Total Income</b>		<b>9,997</b>	<b>8,133</b>
<b>Expenses</b>			
Cost of materials consumed	21	6,835	6,791
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	351	(480)
Excise Duty	23	18	76
Employee Benefit Expenses	24	662	529
Finance Cost	25	93	102
Depreciation and Amortization Expenses	26	126	104
Other Expenses	27	1,385	1,302
<b>Total expenses</b>		<b>9,470</b>	<b>8,424</b>
<b>Profit before Tax</b>		<b>527</b>	<b>(291)</b>
<b>Tax expenses</b>			
Current tax & earlier year's tax	6	105	50
Minimum alternative tax credit		-	-
Deferred tax charge/(income)	6a	(29)	10
<b>Total Tax expenses</b>		<b>76</b>	<b>60</b>
<b>Profit for the year</b>		<b>451</b>	<b>(351)</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or (loss) in subsequent periods		3	2
Items that will not be reclassified to profit or (loss) in subsequent periods		(8)	(26)
<b>Total Other Comprehensive Income for the year</b>		<b>(5)</b>	<b>(24)</b>
<b>Total Comprehensive Income for the year</b>		<b>446</b>	<b>(375)</b>
<b>Earning per equity share (Rs. 10 paid up) (In Rs.)</b>			
[Nominal value of share Rs. 10 (Previous year : Rs. 10)]			
Basic		4.29	(3.34)
Diluted		4.29	(3.34)

Summary of significant accounting policies

1C

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Nara Hari & Raghvendra**

Chartered Accountants

**Firm Registration No. 014509S**
**For and on behalf of the Board of Directors**
**Nara Hari Navakanth**

Partner

**Membership No. : 229212**
**Shanti Swarup Aggarwal**

Managing Director

**DIN: 00322011**

Place : Kolkata

Date : 30th, May, 2018

**Swapan Kumar Majumder**

Director

**DIN: 03178122**

Place : Kolkata

Date : 30th, May, 2018

Place : Bangalore

Date : 31st, May, 2018

**Sudhir Kulkarni**

Chief Financial officer

Place : Bangalore

Date : 30th, May, 2018

**Ritu Singh**

Company Secretary

Place : Bangalore

Date : 30th, May, 2018

## A. Equity Share Capital

Particulars	31-Mar-18	31-Mar-17
At the beginning of the year	1,050	1,050
Changes in equity share capital for the year	-	-
At the end of the year	<b>1,050</b>	<b>1,050</b>

## B. Other equity

Particulars	Reserves & surplus		Total Other equity
	Retained Earnings	Capital Reserve	
Balance as at 31 March 2016	(149)	489	340
Profit for the year	-	-	-
Other Comprehensive Income	0.24	-	0.24
<b>Balance as on 01 April 2016</b>	<b>(149)</b>	<b>489</b>	<b>340</b>
Profit for the year	(351)	-	(351)
Other Comprehensive Income	(24)	-	(24)
<b>Balance as on 31 March 2017</b>	<b>(524)</b>	<b>-</b>	<b>(35)</b>
Profit for the year	451	-	451
Other Comprehensive Income	(5)	-	(5)
<b>Balance as at 31 March 2018</b>	<b>(79)</b>	<b>-</b>	<b>411</b>

Summary of significant accounting policies

1C

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Nara Hari & Raghvendra**

Chartered Accountants

**Firm Registration No. 014509S****For and on behalf of the Board of Directors****Nara Hari Navakanth**

Partner

**Membership No. : 229212****Shanti Swarup Aggarwal**

Managing Director

**DIN: 00322011**

Place : Kolkata

Date : 30th, May, 2018

**Swapan Kumar Majumder**

Director

**DIN: 03178122**

Place : Kolkata

Date : 30th, May, 2018

Place : Bangalore

Date : 31st, May, 2018

**Sudhir Kulkarni**

Chief Financial officer

Place : Bangalore

Date : 30th, May, 2018

**Ritu Singh**

Company Secretary

Place : Bangalore

Date : 30th, May, 2018

Particulars	31-Mar-18	31-Mar-17
<b>Operating activities</b>		
Profit before tax	523	(315)
<b>Profit before tax</b>	<b>523</b>	<b>(315)</b>
Non-cash adjustment & adjustments for other activities:		
Depreciation / amortization on continuing operation	126	104
Interest Expense	75	63
Interest income	(35)	(41)
<b>Operating profit before working capital changes</b>	<b>689</b>	<b>(189)</b>
<b>Working capital adjustments</b>		
Increase/(decrease) in trade payables	127	(186)
Increase/(decrease) in other non current financial liabilities	20	10
Increase/(decrease) in other current liabilities	93	(112)
Increase/(decrease) in other current financial liabilities	(1,425)	1
Increase/(decrease) in Short term Provisions	54	(30)
(Increase)/decrease in other non current financial assets	(1)	(2)
(Increase)/decrease in Current Assets	375	286
(Increase)/decrease in Inventories	359	(466)
(Increase)/decrease in trade receivables	(104)	646
Increase/(decrease) in other current financial assets	(1)	16
Increase/(decrease) in Borrowings	9	(160)
(Increase)/decrease in Loans and Advances	10	(3)
(Increase)/decrease in in Current Tax Assets	103	(88)
Increase/(decrease) in Non Current Borrowings	(86)	-
<b>Cash generated from / (used in) operations</b>	<b>221</b>	<b>(275)</b>
Income tax paid (including TDS) (net)	105	50
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>115</b>	<b>(325)</b>
<b>Cash flows from investing activities</b>		
Sale / (Purchase) of fixed assets, including CWIP and capital advances	(32)	(337)
(Loss) / Profit on Sale of Fixed Asset, net of expenses	-	(2)
Proceeds from matured Fixed deposits		682
Interest received	35	41
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>3</b>	<b>384</b>
<b>Cash flows from Financing activities</b>		
Interest Expense	(75)	(63)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(75)</b>	<b>(63)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	43	(4)
Cash and cash equivalents at the beginning of the year	606	610
<b>Cash and cash equivalents at the end of the year</b>	<b>649</b>	<b>606</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2	1
With banks - on current account	5	31
Deposits with Bank (Not included above)	642	574
<b>Total cash and cash equivalents</b>	<b>649</b>	<b>606</b>

As per our report of even date

**For Nara Hari & Raghvendra**

Chartered Accountants

**Firm Registration No. 014509S****For and on behalf of the Board of Directors****Nara Hari Navakanth**

Partner

**Membership No. : 229212****Shanti Swarup Aggarwal**

Managing Director

**DIN: 00322011**

Place : Kolkata

Date : 30th, May, 2018

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Director

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Place : Kolkata

Date : 30th, May, 2018

**Sudhir Kulkarni**

Chief Financial officer

Place : Bangalore

Date : 30th, May, 2018

**Ritu Singh**

Company Secretary

Place : Bangalore

Date : 30th, May, 2018

Place : Bangalore

Date : 31st, May, 2018

**Background**

Ovobel Foods Limited (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business of manufacturing and distribution of Eggs powders & other egg related products. The Company sells its products in India as well as various other global markets.

**1 First time adopter and summary accounting policies followed by the company**

**1A Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other provisions of the Act.

These financial statements for the year ended 31 March 2018 are the first financial statements the Company under Ind AS. Refer note 1B for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees in Lakhs, except when otherwise indicated.

**1B First-time adoption of Ind AS**

**Transition to Ind AS**

These are the Company's first standalone financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1C have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions & Exceptions availed**

**A.1 Ind AS mandatory exceptions**

**Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

**B. Notes on first-time adoption**

**I. Fair value of Investments**

Under the previous GAAP, investments in shares & securities were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2017.

**II. Excise Duty**

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. There is no impact on the total equity and profit.

**III. Discounts, Price reductions & Incentives directly relatable to revenue**

Under previous GAAP, the discounts, price reductions and incentives (**Commissions**) on sales were shown as other expenses. Under Ind AS, these are required to be netted off against revenue. There is no impact on the total equity and profit.

**IV. Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

**V. Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments etc. The concept of other comprehensive income did not exist under previous GAAP

**1C Significant accounting policies**

**i 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.

**ii Change in accounting estimate for accounting of FPS (MEIS) Licence**

During the previous year, the Company has changed the method of recognising Focus Product Scheme (FPS) from receipt basis to accrual basis as the Management is of the opinion that the Company is receiving most of the entitlement applied with Director General of Foreign Trade (DGFT) authorities. Accordingly, the Company is carrying forward FPS receivable (2017-18) balance of Rs. 140 lakhs (2016-17 : 115 lakhs) and contending that the amount will be recoverable and there is no doubtful receivable amount as at year-end.

**iii Property, plant and equipment and depreciation/amortisation**

**A. Property, plant and equipment**

Property, plant and equipment except land are carried at historical cost of acquisition, less accumulated depreciation and amortisation.

Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

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.

Assets under installation or under construction and the related advances as at the Balance Sheet date are shown as Capital Work in Progress.

**B. Transition to IND AS**

On Transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2016 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

**C. Depreciation and amortisation methods, estimated useful lives and residual value**

**a) On tangible Assets**

- I a) Depreciation is provided on a pro rata basis on the straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.
- b) Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
- c) Useful life of assets are determined by the Management by internal technical assessments except in case where such assessment suggests a life significantly different from those prescribed by Schedule II- Part 'C', the useful life is as assessed and certified by a technical expert.

**II Assets which are depreciated over useful life/residual value indicated by Schedule II are as follows:**

Asset Class	Life As per Schedule II
Factory Buildings	30 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Plant & Machinery - Continuous process plant	8 years
Plant & Machinery - Electrical Installations & General Laboratory equipments	10 years
Plant & Machinery - Others (Material handling pipelines & welding equipments)	12 years
Plant & Machinery - Other Equipments	15 years
Plant & Machinery - Vessels / Storage tanks and drying equipments / centrifuges	20 years
Plant & Machinery - Transmission lines, cables & other network assets	40 years
Computers & data processing units	3 years
Motor Vehicles	8 years

**III** Depreciation on additions is being provided on pro rata basis from the month of such additions.

**IV** Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.

**b) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units)

**iv Inventories**

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Inventories comprising of Raw materials, Finished goods and Goods in transit are valued at cost or net realisable value whichever is less. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**v Investments & financial assets**

**i) Classification**

The Company classifies its financial assets in the following measurement categories :-

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value in the case of financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.

**Fair value through profit or loss:**

Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

**iii) Derecognition of financial assets**

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

**iv Income recognition**

**Interest Income**

Interest income from Financial assets (Rent deposits) is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial asset but does not consider the expected credit losses.

**Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**vi Foreign currency transactions**

- i) Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.
- ii) On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction as notified by CBEC from time to time
- iii) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss in the manner detailed in note 20 to financial statements.

**vii Cash & Cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**viii Revenue Recognition****A. Sale of Products:**

Revenue from Sale of products is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**1. Export Sales**

Export sales are recognised on the date of the shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of the transaction.

**2. Domestic Sales**

Domestic sales are recognized at the point of dispatch of goods from the factory/warehouse of the company. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods.

**B. Sale of Export license:**

Revenue from sales of export license is recognized on accrual basis

**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.

**E. Duty Draw Back Income:**

Duty Draw Back are accounted on accrual basis under the MEIS Scheme of Foreign trade policy based on the payments made to the eggs suppliers

**F. Other Income**

The Company recognises income (including rent etc.) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

**ix Write back policy for provisions / liabilities**

Accrued Interest on loans recorded in the books are retained until the Company receives the "No due certificate" / Account closure letter from the financial institutions / authorities and after receiving the "No due certificate", the liability shall be written back and recorded as income.

**x 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 Statement of Profit and Loss.

**xi Cash Flow Statements**

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.

**xii Sales Commission**

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

**xiii Earnings Per Share**

Basic earnings per share amounts are computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**xiv 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 Statement of Profit and Loss for the year when the contributions to such fund is due. There is no obligation other than the contributions payable to the respective fund.
2. All employees are covered under Employees' Gratuity Scheme which is a defined benefit plan. The Company has made contribution to LIC of India. Gratuity cost is recognised on the basis of the year-end liability actuarially determined as per the actuarial valuation report in accordance with AS-15 (Revised). All actuarial gains/losses arising during the accounting year are recognised immediately in the Statement of Profit and Loss as income or expense.
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.

**xv Segment reporting****Identification of segments**

The company's operating businesses are organized and managed according to the geographical locations of the customers.

**xvi Taxation**

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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**xvii Contingent Liabilities & Provisions**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation such as product warranty costs. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements for the year ended 31 March 2018**
**2. PROPERTY, PLANT & EQUIPMENT**
*(Rs. Lakhs)*

Particulars	Property, Plant and equipment						Total Tangible Asset	Intangible Assets	Total Intangible Asset	
	Land & Building	Factory Building	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles		Computers		Software
<b>GROSS BLOCK</b>										
As on 1st April 2016	17	398	38	22	2,001	8	16	2,501	5	5
Additions	-	45	7	13	275	-	3	343	-	-
Disposals	-	-	-	-	6	-	-	6	-	-
<b>At 31 March 2017</b>	<b>17</b>	<b>443</b>	<b>45</b>	<b>35</b>	<b>2,270</b>	<b>8</b>	<b>20</b>	<b>2,838</b>	<b>5</b>	<b>5</b>
As on 1st April 2017	17	443	45	35	2,270	8	20	2,838	5	5
Additions	-	-	1	2	25	-	4	32	-	-
Disposals	-	-	-	-	-	-	0	0	-	-
<b>At 31 March 2018</b>	<b>17</b>	<b>443</b>	<b>46</b>	<b>37</b>	<b>2,295</b>	<b>8</b>	<b>23</b>	<b>2,870</b>	<b>5</b>	<b>5</b>
<b>DEPRECIATION</b>										
As on 1st April 2016	-	264	24	14	1,925	0	14	2,241	4	4
Charge for the year	-	22	8	5	65	2	1	104	0	0
Disposals	-	-	-	-	1	-	-	1	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>286</b>	<b>32</b>	<b>19</b>	<b>1,989</b>	<b>3</b>	<b>15</b>	<b>2,343</b>	<b>5</b>	<b>5</b>
As on 1st April 2017	-	286	32	19	1,989	3	15	2,343	5	5
Charge for the year	-	19	7	5	92	2	2	126	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>305</b>	<b>38</b>	<b>24</b>	<b>2,081</b>	<b>4</b>	<b>17</b>	<b>2,470</b>	<b>5</b>	<b>5</b>
<b>NET BLOCK</b>										
At 31 March 2017	17	157	13	16	281	6	5	495	-	-
<b>At 31 March 2018</b>	<b>17</b>	<b>138</b>	<b>7</b>	<b>13</b>	<b>215</b>	<b>4</b>	<b>6</b>	<b>400</b>	<b>-</b>	<b>-</b>

(a) At cost, except Factory land which is at cost, less amounts written off.

(b) Refer note 1C clause iii of summary of significant accounting policy

(c) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per previous GAAP, which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment. As on 1 April 2016, gross block and accumulated depreciation was 2,506 lakhs and 2,245 lakhs respectively.



## 3. Investments

**Non-Current (unsecured considered good)**

a) Investments in equity instruments (Quoted) of SMIFS Capital Market Limited 10,000 (31 March 2017 : 10,000) equity shares face value of Rs.10 each full paid up [Market Value March 18 Rs. 5.68 lakhs] [March 17 Rs. 4.60 Lakhs]

	31-Mar-18	31-Mar-17	01-Apr-16
	6	5	3
	<b>6</b>	<b>5</b>	<b>3</b>

## 4. Loans and advances

**(Unsecured, good, unless stated otherwise)**

	Non Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Security Deposits	27	28	23	-	-	-
Employee Advances	-	-	-	16	7	3
Advances to Related Parties	-	-	-	-	41	-
Advances to Suppliers	-	-	-	18	9	25
Advances against OTS Offers	-	-	-	355	824	824
Other Advances	-	-	-	319	320	565
Duty Drawback Receivable	-	-	-	34	31	37
Prepaid expenses	-	-	-	33	28	13
Balances with Statutory Authorities	-	10	11	120	10	77
Employee gratuity trust*	-	-	-	-	-	11
	<b>27</b>	<b>37</b>	<b>34</b>	<b>895</b>	<b>1,270</b>	<b>1,556</b>

\*Note : Employee Gratuity trust balance is shown net of provision for gratuity

Refer Note 14(f) 'Borrowings' forming part of the financial statements. The advance against OTS offers includes advance payment made towards the equity assistance provided by KSIIDC. The company is in the process of obtaining the SEBI approval for the accounting treatment once the MFPI issues No due certificate. Refer Note 44 forming part of the financial statements.

## 5. Current Tax (Net)

	Non Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Advance Tax (Net of provision for taxation)	124	227	139	-	-	-
	<b>124</b>	<b>227</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 6. Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

## Statement of profit and loss:

## Profit or loss section

	(Rs. in lakhs)	
	31-Mar-17	31-Mar-16
<b>Current income tax:</b>		
Current income tax charge	105	50
<b>Deferred tax:</b>		
Deferred tax charge/(income)	(29)	10
	<b>76</b>	<b>60</b>

## 6a. Deferred Tax (Net)

**Deferred tax liability**

Fixed Assets: impact of difference between tax depreciation and depreciation charged for the financial reporting

**Gross deferred tax liability**

	31-Mar-18	31-Mar-17	01-Apr-16
	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

**Deferred tax asset**

Fixed Assets: impact of difference between tax depreciation and depreciation charged for the financial reporting

Expenses on which Tax is not deducted

Bonus

Leave Encashment

Exgratia

Gratuity

**Gross deferred tax asset**

	75	62	75
	2	2	1
	20	2	12
	10	9	7
	-	9	-
	7	-	-
	<b>114</b>	<b>84</b>	<b>95</b>

**Net deferred Tax Asset**

	<b>114</b>	<b>84</b>	<b>95</b>
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## 7. Inventories

Raw Material

Finished Goods

Stock in transit

	31-Mar-18	31-Mar-17	01-Apr-16
	39	47	61
	872	1,070	630
	-	153	113
	<b>911</b>	<b>1,270</b>	<b>804</b>

## 8. Trade Receivable

**(Unsecured, considered good, unless stated otherwise)**

	Non Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Good	-	-	-	1,198	1,094	1,738
Doubtful	-	-	-	-	-	3
	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,198</b>	<b>1,094</b>	<b>1,740</b>

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements for the year ended 31 March 2018**
**(Rs. Lakhs)**
**9. Cash & cash equivalents**

	Non Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Cash on Hand				2	1	0
<b>Balances with banks:</b>						
-On current Accounts	-	-	-	5	31	36
-Deposits with less than three months maturity	-	-	-	78	74	-
				<b>85</b>	<b>106</b>	<b>36</b>

**10. Bank balances other than cash and cash equivalents**

	Non Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
-Deposits with more than 3 months but less than 12 months maturity	-	-	-	564	500	1,256
				<b>564</b>	<b>500</b>	<b>1,256</b>

**11. Other financial assets**

	Non Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Accrued Interest on Security deposit	-	-	-	0.59	-	16
Prepaid rent	-	-	-	0.54	-	-
				<b>1</b>		<b>16</b>

**12. Equity share capital**
**Authorized shares**

1,10,00,000 (March 31, 2017: 1,10,00,000) equity shares of Rs. 10 each

	31-Mar-18	31-Mar-17	01-Apr-16
	1,100	1,100	1,100
	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>

**Issued, subscribed and fully paid-up shares**

1,05,00,800 (March 31, 2017: 1,05,00,800) equity shares of Rs. 10 each fully paid up

	31-Mar-18	31-Mar-17	01-Apr-16
	1,050	1,050	1,050
	<b>1,050</b>	<b>1,050</b>	<b>1,050</b>

**12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	As at 31st March 2018		As at 31st March 2017		As at 1st Apr 2016	
	No.	Amount	No.	Amount	No.	Amount
At the beginning of the period	1,05,00,800	1,050	1,05,00,800	1,050	1,05,00,800	1,050
Issued during the period	-	-	-	-	-	-
Bought Back during the period	-	-	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,05,00,800</b>	<b>1,050</b>	<b>1,05,00,800</b>	<b>1,050</b>	<b>1,05,00,800</b>	<b>1,050</b>

**Terms/Rights attached to Equity Shares**

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2018, the company has not proposed for any dividend payable to the share holders. In the event of Liquidation, the holders of equity Share holders are entitled to receive remaining assets of the company after distribution of all preferential amount, in proportion to the number of shares held by shareholders.

**12.2 Shareholding more than 5% shares in the company**

	As at 31st March 2018		As at 31st March 2017		As at 1st Apr 2016	
	No	%	No	%	No	%
Ovobel NV	14,84,691	14.14%	14,84,691	-	14,84,691	-
Utsav Parekh	10,43,600	9.94%	10,43,600	9.94%	10,43,600	9.94%
Indus Food Products & Equipments	8,50,000	8.09%	8,50,000	8.09%	8,50,000	8.09%
Shanti Swarup Agarwal	7,72,409	7.36%	7,72,409	7.36%	7,72,409	7.36%
Vinita Agarwal	6,28,400	5.98%	6,28,400	5.98%	6,28,400	5.98%
Karnataka State Industrial and Infrastructure Development Corporation Ltd.	-	-	10,00,000	9.52%	10,00,000	9.52%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Karnataka State Industrial and Infrastructure Development Corporation Ltd.**

During the year, the KSIIDC have transferred 5,00,000 Equity Shares in favour of the Company in terms of Buy back of share approved by KSIIDC vide approval dated 02 February 2015. However, the shares held on behalf of Ministry of Food Processing Industries [MFPI] (shareholding less than 5%) are still under the possession of KSIIDC due to pending No Due Certificate from MFPI. The company is in the process of obtaining the SEBI approval for the accounting treatment of the Share capital redeemed from KSIIDC, once the MFPI No due certificate is received.

**Note :** All the above disclosures are made in lakhs except for shares data and if otherwise stated.

**13. Other equity**
**Surplus in the Statement of Profit and Loss**

	31-Mar-18	31-Mar-17	01-Apr-16
Balance as per last financial statements	(524)	(149)	(149)
Profit for the year	451	(351)	-
Less: Appropriations	-	-	-
<b>Net surplus in the Statement of Profit and Loss</b>	<b>(73)</b>	<b>(500)</b>	<b>(149)</b>
<b>Capital Reserve</b>			
Opening balance	489	489	489
Addition to the reserve	-	-	-
Transfer/ utilization of reserve	-	-	-
<b>Net surplus in the Securities premium reserve</b>	<b>489</b>	<b>489</b>	<b>489</b>
<b>Investment Valuation Reserve</b>			
Opening balance	-	-	-
Addition to the reserve	3	2	0
Transfer/ utilization of reserve	-	-	-
<b>Net surplus in the Investment valuation reserve</b>	<b>3</b>	<b>2</b>	<b>0</b>
<b>Other Comprehensive Income Reserve</b>			
Opening balance	-	-	-
Addition to the reserve - OCI	(8)	(26)	-
Transfer/ utilization of reserve	-	-	-
<b>Net surplus in the Other Comprehensive Income Reserve</b>	<b>(8)</b>	<b>(26)</b>	<b>-</b>
<b>Total Reserves And Surplus</b>	<b>411</b>	<b>(35)</b>	<b>340</b>

**14. Borrowings**

	Non - Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Term loans from financial institutions	42	128	128	-	-	-
Packing credit from banks (secured)	-	-	-	418	308	164
Bill discounting (secured)	-	-	-	735	837	880
Overdraft facility (secured)	-	-	-	-	-	261
	<b>42</b>	<b>128</b>	<b>128</b>	<b>1,153</b>	<b>1,145</b>	<b>1,304</b>

a. The Company had availed three financial assistances in the earlier years from KSIIDC & MFPI viz. (i) KSIIDC Term loan of Rs. 4,000 thousands (ii) KSIIDC - Corporate loan Rs. 4,625 thousands and (iii) MFPI Term loan of Rs. 4,150 thousands, which are secured by way of first charge on the fixed assets of the company by way of equitable mortgage of factory land and building, hypothecation of plant and machinery as well as personal guarantee of few directors and also Corporate Guarantee by Companies in which Directors are Interested.

b. During the year 2014-15 the company had based on BIFR directions arrived at a scheme of settlement of the dues of both KSIIDC as well as MFPI, totally amounting to Rs. 824 lakhs in terms of approval given by each of them and pending its approval/sanction by BIFR. The company has also remitted the dues as claimed by both of them, though a part of the claims are protested, a final decision is awaited and which was linked to the consent of BIFR. However, with the replacement of SICA with effect from 1st December 2016 the said consent /sanction from BIFR for the above settlements are no longer required/ possible and accordingly the company has once again approached KSIIDC/MFPI for :

- Issue of no due/accounts closure letters
- Arrangement for satisfaction for charge as well as for modification of charge providing for exclusive first charge in the favour of Vijaya bank
- Arrangement for transfer of the equity in favour of the company.

c. Once KSIIDC/ MFPI approve the said request and issues necessary consent and the matter reaches finality, necessary entries will be passed in the books of accounts giving effect to the sacrifice/ concessions extended by each of them

d. As far as MFPI are concerned, though they had during January 2014, computed their recoverable dues at Rest. Rs. 122 lakhs in line with the DRS prepared by operating agency, no effect of the same has been given in the books of accounts as on 31st March 2017 for want of approval by Honourable BIFR.

e. During the year 2014-15 the Company has, based on BIFR directions, arrived at a scheme of settlement of the dues of both KSIIDC as well as MFPI, totally amounting to Rs. 824 lakhs in terms of approval given by each of them pending its approval/sanction by BIFR. The Company has also remitted the dues as claimed by both of them, though a part of the claims are protested, a final decision is dependent upon the rehabilitation scheme to be sanctioned by BIFR under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.

f. The Company had remitted the dues as claimed by KSIIDC and MFPI under the OTS Scheme in the earlier years. The Company had not recorded the final entries in the books of accounts giving the effect of concessions provided by KSIIDC and MFPI till previous year.

However, during the year the KSIIDC has given the No Due certificate with respect to the loan outstanding and interest accrued. Hence the Company has written back the interest accrued portion of KSIIDC. The MFPI portion of financial assistance is still disclosed without giving any effect to the settlement since the No due certificate was not received. Refer also Note No. 17 with respect to Interest accrued but not due on MFPI borrowings. Also Refer Schedule No. 4 for the advance against OTS Offers paid but not adjusted for non-receipt of No due certificate.

Packing Credit and Bill discounting are secured loans - Details are as below -

g. First charge on the raw materials, work in progress, finished goods and receivables

h. First charge on the fixed assets of the company, (pending modification of the charge to be effected by KSIIDC)

i. Personal guarantee of the few directors

**15. Provisions**

	Non - Current			Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
<b>Provision for employee benefits</b>						
- Provision for gratuity*	22	3	-	-	-	-
- Provision for leave benefits	29	28	21	1	1	1
- Provision for bonus	-	-	-	60	6	37
	<b>51</b>	<b>31</b>	<b>21</b>	<b>61</b>	<b>7</b>	<b>38</b>

\*Note : The Provision for Gratuity balance is shown net of Employee Gratuity Trust balance

**16. Trade payables**

	31-Mar-18	31-Mar-17	01-Apr-16
Trade Payable (MSMED Vendors)	1	6	1
Trade Payable Others	266	135	325
	<b>268</b>	<b>141</b>	<b>326</b>

Note : The above disclosure is based upon the information available with the Company and is subject to confirmation from MSMED vendors

**17. Other Financial Liabilities**

	31-Mar-18	31-Mar-17	01-Apr-16
Interest accrued and due on borrowings	-	1	-
Interest accrued but not due on borrowings *	999	2,423	2,423
	<b>999</b>	<b>2,423</b>	<b>2,423</b>

Refer Note 14(f) 'Borrowings' forming part of the financial statements

**18. Other current liabilities**

	31-Mar-18	31-Mar-17	01-Apr-16
Advance from customers	71	71	71
Statutory Liabilities	119	14	102
Other liabilities	100	113	137
Deferred revenue	1	-	-
Payable to related parties	0	-	-
	<b>290</b>	<b>197</b>	<b>310</b>

**19. Revenue from operations**

	31-Mar-18	31-Mar-17
Sale of products (Including Excise Duty)*	8,360	7,611
	<b>8,360</b>	<b>7,611</b>

\* Pursuant to the new GST Law, Excise duty was applicable upto 30th June 2017

**Details of products sold**

	31-Mar-18	31-Mar-17
<b>Finished goods sold</b>		
Egg-Powder	8,228	6,748
Egg-Liquid	107	786
Others	6	-
	<b>8,342</b>	<b>7,534</b>

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements for the year ended 31 March 2018**
**(Rs. Lakhs)**
**20. Other Income**

	31-Mar-18	31-Mar-17
Liabilities no longer required written back - Refer Note below	1,041	-
Interest Income on:		
Bank Deposits	35	41
Gain on account of foreign exchange fluctuations (net)	133	131
Dividend on Long term investment	0.10	0.08
Other non - operating income *	428	350
(Net of expenses directly attributable to such income)		
* Includes sale of export licenses Rs. 393 lakhs (March 2017: Rs. 270 lakhs)		
* Includes duty drawback Rs. 34 lakhs (March 2017: 62 lakhs)		
	<b>1,637</b>	<b>522</b>

Note -

During the year the KSIIDC has given the No Due certificate with respect to the loan outstanding and interest accrued. Hence the company has written back the interest accrued portion of KSIIDC. The MFPI portion of financial assistance is still disclosed without giving any effect to the settlement since the No due certificate was not received.

**21. Cost of Raw materials and other components consumed**

	31-Mar-18	31-Mar-17
Inventory at the beginning of the year	22	33
Add: Purchases	6,830	6,780
Less: Inventory at the end of the year	17	22
<b>Total Cost of Raw Material Consumed</b>	<b>6,835</b>	<b>6,791</b>

**Details of Raw materials and components**

Eggs	6,834	6,703
Pigments, Yeast and Enzymes	1	87
	<b>6,835</b>	<b>6,791</b>

**Details of Inventories**
**Raw Materials and components**

Eggs	12	12
Pigments, Yeast and Enzymes	6	9
	<b>18</b>	<b>21</b>

**22. (Increase) or Decrease in Stock in Trade**

	31-Mar-18	31-Mar-17
<b>Inventories at the end of the year</b>		
Finished Goods & Stock in transit	872	1,223
	<b>872</b>	<b>1,223</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods & Stock in transit	1,223	744
	<b>1,223</b>	<b>744</b>
(Increase) or Decrease in Stock in Trade	<b>351</b>	<b>(480)</b>

**23. Excise duty**

	31-Mar-18	31-Mar-17
Excise duty on goods	18	76
	<b>18</b>	<b>76</b>

\* Pursuant to the new GST Law, Excise duty was applicable upto 30th June 2017

**24. Employee Benefit Expenses**

	31-Mar-18	31-Mar-17
Salaries, Wages and other employee benefits	565	435
Gratuity	20	24
Leave Encashment	5	21
Contribution to Provident Fund	25	24
Staff Welfare Expenses	47	50
	<b>662</b>	<b>555</b>

**25. Finance costs**

	31-Mar-18	31-Mar-17
Interest on Term Loan	3	2
Interest on Packing Credit	42	47
Interest on Packing Credit	24	13
Interest - Others	6	2
Bank Charges	18	38
	<b>93</b>	<b>102</b>

**26. Depreciation and amortisation expense**

	31-Mar-18	31-Mar-17
Depreciation of tangible assets	126	104
Amortization of intangible assets	-	0.25
	<b>126</b>	<b>104</b>

**27. Other Expenses**

	31-Mar-18	31-Mar-17
Electricity Charges	255	209
Brokerage and discounts	217	181
Power & fuel Consumption	174	160
Freight Charges	138	131
Spares and Consumables	127	125
Repairs & Maintenance	86	105
Miscellaneous Expenses	85	83
Travelling and Conveyance	67	69
Legal and professional fees	37	65
Insurance	53	36
Office Maintenance expenses	75	63
Inspection Charges	20	21
Rates & taxes	16	14
Business Promotion	13	6
CSR Expenses	10	18
Payment to auditors (Refer details below)	6	5
Rent	4	4
Donation	3	4
Communication costs	2	3
Loss on Sale of Asset	-	2
Bad debts written off	-	1
	<b>1,385</b>	<b>1,302</b>

**OVOBEL FOODS LIMITED****Notes to Financial Statements for the year ended 31 March 2018****(Rs. Lakhs)**

Payment to auditor \*

**As Auditor**

Statutory Audit Fee

4.0 3.5

Tax Audit Fee

1 1

**In other capacity:**

For Limited Review

1 1

**6 5***\* Excluding Goods and Services Tax***28. Earnings per share (EPS)****31-Mar-18 31-Mar-17**

The following reflects the profit and share data used in the basic and diluted EPS computation

**Basic & Diluted EPS**

Net Profit / (Loss) After tax

451 (351)

Less : Dividend on convertible preference shares &amp; tax thereon

- -

**Net profit / (loss) for calculation of EPS****451 (351)****Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each)**

1,05,00,800 1,05,00,800

**Earning per share****4.29 (3.34)**

**29. Disclosure under IND AS 19 on Employee benefits**

Disclosure in respect of defined benefit obligations in respect of Gratuity pursuant to IND AS 19

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for gratuity benefit

**Expense recognised in statement of Profit and Loss**

	31-Mar-18	31-Mar-17
Current service cost	10	8
Past Service cost	1	-
Net interest cost / (Income) on Net Defined Benefit Liability / (Asset)	(0.3)	(1)
<b>Expense recognised in the Statement of Profit &amp; Loss</b>	<b>10</b>	<b>7</b>

**Benefit Asset / Liability**

	31-Mar-18	31-Mar-17
Present Value of obligation	161	142
Fair Value of plan assets	(155)	(146)
Net Asset / (Liability)	<b>6</b>	<b>(4)</b>

**Changes in the present value of obligation**

	31-Mar-18	31-Mar-17
Opening defined benefit obligation	142	118
Interest cost	11	9
Current service cost	10	8
Benefits paid	(1)	(3)
Actuarial (gains)/losses on obligation	(1)	10
Past Service Cost	1	-
<b>Closing defined benefit obligation</b>	<b>161</b>	<b>142</b>

**Investment details of plan assets**

Not externally funded

Particulars	31-Mar-18	31-Mar-17
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**The principal assumptions used in determining gratuity obligation**

Discount rate	7.80%	7.40%
Increase in compensation cost (Slab-wise)	7.00%	7.00%

**Notes:**

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other several factor such as supply and demand factor in the employment market. Employee turnover varies based on various age groups.

	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
<b>Amounts for the current year and previous years are as follows:</b>					
<b>Experience adjustment</b>					
Defined Benefit obligation	161	142	118	63	51
Experience Adjustments on Plan Liabilities	155	146	129	-	-

**Sensitivity Analysis**

Particulars	31-03-2018	31-03-2017
Defined Benefit Obligation (Base)	1,61,20,564	1,42,09,905

Particulars	31-03-2018		31-03-2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	1,83,41,634	1,42,20,441	1,63,01,859	1,24,36,507
(% change compared to base due to sensitivity)	13.80%	-11.80%	14.70%	-12.50%
Salary Growth (-/+ 1%)	1,41,90,632	1,83,37,188	1,24,48,786	1,61,92,082
(% change compared to base due to sensitivity)	-12.00%	13.80%	-12.40%	13.90%

The following payments are expected cash flows to the defined benefit plan in future years:

Particulars	Indian Rupees
1 year	3,34,573
2 to 5 years	16,59,090
6 to 10 years	26,34,921
More than 10 years	4,42,47,584
	<b>4,88,76,168</b>

30. Related Party Disclosure

Names of Related Parties and Related Party Transactions

i. Enterprises owned, controlled or significantly influenced by key	Relationship
Mr. Shanti Swarup Aggarwal	Member, Managing Director & Key Managerial Personnel
Mr. Swapan Kumar Majumder	Director
Ms. Anisha Agarwal	Member & Director
Mr. Satish Narayana Swamy	Director
Mr. Sudhir Kulkarni	Chief Financial Officer
Induss Food Products & Equipments Limited	Companies in which Directors are interested

Transactions with related parties during the year:

a. Reimbursement of Expenses

	Amount	
	31-Mar-18	31-Mar-17
Induss Food Products & Equipments Limited	3	6
	<b>3</b>	<b>6</b>

b. Loans and Advances

	Year ended	Opening Balance	Loan Given	Received / adjustments	Closing Balance
Mr. Shanti Swarup Aggarwal	31-Mar-18	41	1.25	42	(0.33)
	31-Mar-17	-	92	52	41
Mr. Sudhir Kulkarni	31-Mar-18	2	5	7	0.1
	31-Mar-17	2.6	15	16	2

c. Remuneration to Key Management personnel

	Amount	
	31-Mar-18	31-Mar-17
<b>Mr. Shanti Swarup Aggarwal, Managing Director</b>		
Salaries, Perquisites ,Contribution to PF	84	65
<b>Mr. Sudhir Kulkarni, Chief Financial Officer</b>		
Salaries, Perquisites ,Contribution to PF	18	16

Notes:

- 1) Related party relationship is as identified by the company on the basis of information available with them and relied upon by the auditors.
- 2) No amounts in respect of related parties have been written off/back or provided for during the year.

31. Details of dues to MSMED as defined under the MSMED Act, 2006

As per the information available with the Company and as certified by the management, the dues outstanding including interest as on 31st March 2018 to Small and Micro enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 stand as below:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
The principal and interest due thereon remaining unpaid to any supplier/service provider as at the end of each accounting year			
Principal amount due to Micro, Small and Medium Enterprises	1	6	1
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
	<b>1</b>	<b>6</b>	<b>1</b>

32. Value of imports calculated on CIF basis

	31-Mar-18	31-Mar-17	01-Apr-16
Components and spare parts	2	5	91
	<b>2</b>	<b>5</b>	<b>91</b>

33. Expenditure in foreign currency (Accrual Basis)

	31-Mar-18	31-Mar-17	01-Apr-16
Sales Commission	214	181	214
Travelling overseas	22	21	22
Membership & subscription	0.20	-	-
Professional Charges	-	14	9
Foreign Testing charges	3	-	-
	<b>240</b>	<b>216</b>	<b>246</b>

34. Earnings in foreign currency (Accrual Basis)

	31-Mar-18	31-Mar-17	01-Apr-16
Exports	7,492	6,813	9,743
	<b>7,492</b>	<b>6,813</b>	<b>9,743</b>

35. Segment Reporting - Sales

	31-Mar-18	31-Mar-17	01-Apr-16
Asia	8,270	7,535	10,558
Europe	90	-	-
	<b>8,360</b>	<b>7,535</b>	<b>10,558</b>

36. Unhedged Currency Exposure

The Company has outstanding foreign currency exposure amounting as below -

Particulars	Currency	31-Mar-18	31-Mar-17	01-Apr-16
Trade receivable	USD	16	18	25
Trade payable	USD	1	1	2

### 37. Contingent Liabilities

There following are the contingent liabilities as on Balance Sheet date:

	31-Mar-18	31-Mar-17
(a) Pending C-forms	19	33
	19	33

(b) In the absence of any specific claim from the party and pending reaching a scheme of settlement of the claim of one of Company's customers, no provision has been created towards the liability, if any, that is likely to emerge after the issue reaches finality.

### 38. Trade receivables. Trade Payable and Loans and Advances

Trade receivables. Trade payables and Loans and Advances are subject to balance confirmation and reconciliation.

### 39. Financial instruments- accounting classification and fair value measurement

The carrying values of trade and other receivables, other assets, cash and short term deposits, trade and other payables, based on their notional amounts

### 40. Fair hierarchy

All the financial instruments of the company are being carried at amortized cost, hence this disclosure is not applicable.

### 41. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company to support its operations. The Company's principal financial assets include investments, cash and cash equivalents and security deposits that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### a. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

#### b. Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	< 1 year	1 to 2 years	2 - 3 years	> 3 years	Total
<b>Year ended</b>						
<b>31-Mar-18</b>						
Borrowing	1,153	42	-	-	-	1,195
Trade and other payables	-	268	-	-	-	268
Provisions	61	51	-	-	-	113
Other financial liabilities	999	-	-	-	-	999
Other liabilities	290	-	-	-	-	290
<b>31-Mar-17</b>						
Borrowing	1,145	128	-	-	-	1,272
Trade and other payables	-	141	-	-	-	141
Provisions	7	-	-	-	-	7
Other financial liabilities	2,424	-	-	-	-	2,424
Other liabilities	197	-	-	-	-	197
<b>As at 1 April 2016</b>						
Borrowing	1,304	128	-	-	-	1,432
Trade and other payables	-	326	-	-	-	326
Provisions	38	-	-	-	-	38
Other financial liabilities	2,423	-	-	-	-	2,423
Other liabilities	310	-	-	-	-	310

### 42. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

	31-Mar-18	31-Mar-17	01-Apr-16
Borrowings	1,195	1,272	1,432
Trade Payables	268	141	326
Other Financial Liabilities	999	2,424	2,423
Other Payables	403	236	369
Less : Cash & Cash Equivalents	85	106	36
<b>Net Debt</b>	<b>2,779</b>	<b>3,967</b>	<b>4,514</b>
Equity	1,461	1,015	1,390
	<b>1,461</b>	<b>1,015</b>	<b>1,390</b>
<b>Capital &amp; Net Debt</b>	<b>4,241</b>	<b>4,983</b>	<b>5,904</b>
<b>Gearing Ratio</b>	<b>65.54%</b>	<b>79.62%</b>	<b>76.45%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.



#### 43. First-time adoption of Ind AS

The Company has adopted to prepare the financial statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 from financial year 2017-18 onwards

These financial statements, for the year ended March 31, 2018, are the first time, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

##### Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Ind AS 27 requires investments in subsidiaries to be recorded at cost or in accordance with Ind AS 109 in its separate financial statements. However Ind AS 101 provides an option in case the Company decides to measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) at that date. The Company can avail the above exemption and recognize the investment in subsidiaries at the previous GAAP carrying amount at the date of transition to Ind AS. However as on Balance Sheet date there is no Subsidiary company.

b) The Company has elected to apply exemption related to classification of financial assets. Under Ind AS 109, all financial assets are classified into three principal categories for measurement purpose. These categories are:

Amortized cost,  
Fair value through profit and loss account (FVTPL), and  
Fair value through Other Comprehensive Income (FVOCI).

The entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial assets.

Ind AS 109 requires an entity to decide classification on initial recognition. The Company is allowed to designate a financial assets as at FVTPL on the basis of facts and circumstances existing on the date of transition to Ind AS.

c) The estimates at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments did not reflect any differences in accounting policies) except for the items where application of Indian GAAP did not require similar estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016 the date of transition to Ind AS and as of 31 March 2017.

d) Ind AS 101 requires a first time adopters to apply the de-recognition provision of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from the date of the entity choosing, provided that the information needed to apply Ind AS 109 to financial liabilities derecognised as result of past transactions was obtained at the time of initially accounting for those transactions.

e) An entity estimates in accordance with Ind AS at the date of transaction to Ind AS shall be consistent with estimate made for the same date in accordance with previous GAAP, Unless there is objective evidence that those estimates were in error.

f) Ind AS 101 provides an option in case the Company decides to measure Property, Plant & Equipment at deemed cost (fair value or previous GAAP carrying amount) at that date. The Company has availed the above exemption and recognized the Property, Plant & Equipment at the previous GAAP carrying amount at the date of transition to Ind AS.

g) The Company has also prepared a reconciliation of equity as at March 31, 2017 and April 1, 2016 under the Previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of balance sheet which is presented below:

##### Reconciliation of total equity as at 31st March, 2017 and 1st April 2016

	31-Mar-17	01-Apr-16
<b>Equity under previous GAAP</b>	1,013	1,390
<b>Adjustments :</b>		
Other Adjustments	2	(0.24)
<b>Equity as per Ind AS</b>	<b>1,015</b>	<b>1,390</b>

##### a) Financial assets at amortized cost

Under Indian GAAP, there are certain refundable rental security deposits which are carried at nominal value. Ind AS requires to measure these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Company recognises difference between deposit fair value and nominal value as deferred rent expenses and same is recognised as rental expense on straight line basis over the lease period. Further, Company recognises notional interest income on these deposits over the lease term.

The Company has prepared a reconciliation of the net profit for the previous year ended March 31, 2017 under the Previous GAAP with the total comprehensive income as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of profit and loss which is presented below:

	Year ended 31st, Mar, 2017
<b>Net profit as per previous GAAP</b>	(377)
Actuarial (gain) / loss on plan liabilities reclassified to OCI	
<b>Net profit as per Ind AS (A)</b>	<b>(377)</b>
<b>Other comprehensive income:</b>	
Actuarial gain/(loss) on defined benefit obligations -	(2)
<b>Total (B)</b>	<b>(2)</b>
<b>Total comprehensive income (A+B)</b>	<b>(375)</b>

##### b. Defined benefits liabilities

Both under Indian GAAP and Ind AS, the company has recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

## Reconciliation of Equity as at date of transition (1 Apr 2016)

Particulars	IGAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, plant and equipment	261	-	261
Intangible assets	-	-	-
Financial Assets			
Investments	3	(0.24)	3
Loans advances	34	-	34
Other Financial Assets	-	-	-
Other non-current assets	-	-	-
Current tax assets (net)	139	-	139
Deferred taxes	95	-	95
	<b>532</b>	<b>(0.24)</b>	<b>532</b>
<b>Current assets</b>			
Inventories	804	-	804
Financial assets			
Trade Receivables	1,740	-	1740
Cash and cash equivalents	36	-	36
Bank Balances other than above	1,256	-	1256
Loans & Advances	1,556	-	1556
Other current financial Assets	16	-	16
	<b>5,408</b>	<b>-</b>	<b>5,408</b>
<b>Total Assets</b>	<b>5,940</b>	<b>(0.24)</b>	<b>5,940</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	1,050	-	1,050
Other Equity	340	(0.24)	340
	<b>1,390</b>	<b>(0.24)</b>	<b>1,390</b>
<b>LIABILITIES</b>			
<b>Non Current liabilities:</b>			
Financial Liabilities			
Borrowings	128	-	128
Provisions	21	-	21
	<b>149</b>	<b>-</b>	<b>149</b>
<b>Current liabilities:</b>			
Financial liabilities			
Borrowings	1,304	-	1,304
Trade Payable	326	-	326
Other financial liabilities	2,423	-	2,423
Short Term Provisions	38	-	38
Other Current liabilities	310	-	310
	<b>4,401</b>	<b>-</b>	<b>4,401</b>
<b>Total Equity and Liabilities</b>	<b>5,940</b>	<b>(0.24)</b>	<b>5,940</b>

**OVOBEL FOODS LIMITED**
**Reconciliation of profit and loss for the year ended March 31, 2017**
**(Rs. in lakhs)**

<b>Particulars</b>	<b>IGAAP</b>	<b>Ind AS adjustments</b>	<b>Ind AS</b>
Sales	7,611	-	7,611
Less : Excise Duty	76	76	-
<b>Revenue from operation</b>	<b>7,535</b>	<b>(76)</b>	<b>7,611</b>
Other income	522	-	522
<b>Total income</b>	<b>8,057</b>	<b>(76)</b>	<b>8,133</b>
<b>Expenses</b>			
Cost of materials consumed	6,791	-	6,791
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(480)	-	(480)
Employee Benefit Expenses	555	26	529
Excise Duty	-	(76)	76
Depreciation and Amortization Expenses	104	-	104
Finance Cost	102	-	102
Other Expenses	1,302	-	1,302
<b>Total expenses</b>	<b>8,374</b>	<b>(50)</b>	<b>8,424</b>
<b>Profit / (Loss) before Tax</b>	<b>(317)</b>	<b>(26)</b>	<b>(291)</b>
<b>Tax expenses</b>			
Current tax			
Taxes of earlier years	50	-	50
Deferred tax	10	-	10
Total taxes for the year	60	-	60
<b>Profit/(loss) after tax</b>	<b>(377)</b>	<b>(26)</b>	<b>(351)</b>
Other Comprehensive Income	-	24	(24)
<b>Total Comprehensive Income for the year</b>	<b>(377)</b>	<b>(2)</b>	<b>(375)</b>

## Reconciliation of equity as at 31 March 2017

Particulars	IGAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, plant and equipment	495	-	495
Intangible assets	-	-	-
Other Financial Assets			
Investments	3	2	5
Loans advances	37	-	37
Other Financial Assets	-	-	-
Current tax assets (net)	227	-	227
Deferred Tax Assets (Net)	84	-	84
	<b>846</b>	<b>2</b>	<b>848</b>
<b>Current assets</b>			
Inventories	1,270	-	1,270
Financial assets			
Trade Receivables	1,094	-	1,094
Cash and cash equivalents	106	-	106
Bank Balances other than (ii) above	500	-	500
Other Financial Assets	-	-	-
Other current assets	1,270	-	1,270
	<b>4,240</b>	<b>-</b>	<b>4,240</b>
<b>Total Assets</b>	<b>5,086</b>	<b>2</b>	<b>5,088</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	1,050	-	1,050
Other Equity	(37)	2	(35)
	<b>1,013</b>	<b>2</b>	<b>1,015</b>
<b>LIABILITIES</b>			
<b>Non Current liabilities:</b>			
Financial Liabilities			
Borrowings	128	-	128
Provisions	31	-	31
	<b>159</b>	<b>-</b>	<b>159</b>
<b>Current liabilities:</b>			
Financial liabilities			
Borrowings	1,145	-	1,145
Trade Payable	141	-	141
Other financial liabilities	2,424	-	2,424
Short Term Provisions	7	-	7
Other Current liabilities	197	-	197
	<b>3,914</b>	<b>-</b>	<b>3,914</b>
<b>Total Equity and Liabilities</b>	<b>5,086</b>	<b>2</b>	<b>5,088</b>

**44. KSIIDC financial assistance- Loan & Equity Shares**

During the year 2014-15, the Company had, pursuant to the directions of BIFR, entered into a scheme of settlement of the dues of MFPI and KSIIDC, as well as the buy back of 10 lakhs equity shares subscribed by them, in terms of their sanction letters dated 02 February 2015, duly depositing the settlement amounts Rs. 824 lakhs, pending approval from BIFR. Further, during the year, following to the repealment of SICA, KSIIDC have accepted the said scheme of settlement and have issued no due certificate and also released the equity shares to the company. A similar approval and issue of no due certificate are awaited from MFPI as well. Consequently, the Company has written back its excess provisions towards accrued interest to KSIIDC amounting to Rs. 1,041 lakhs and awaiting a similar approval to be received by MFPI to approach CBDT/ SEBI seeking extension of the reliefs/ waivers as envisaged in the Rehabilitation Scheme. The Company will take appropriate steps upon receipt of the decisions from CBDT/SEBI respectively.

**45. One Time Settlement status**

During the current year the has received 'No due certificate' from KSIIDC for their One time settlement portion and Equity assistance. Pursuant to receiving No due certificate from KSIIDC, the Co. has adjusted the Loan & Interest liability as follows:-

	<b>Amount</b>
Interest portion for KSIIDC Loan lying in books	1,424
Less :- Interest portion out of equity assistance liability for KSIIDC portion	(148)
Less :- Repayment of Interest portion through OTS payment	(235)
<b>Liability written back in books</b>	<b>1,041</b>

**46. Capital and other commitments**

There were no capital and other commitments as on Balance Sheet date

**47. Employee Stock Option**

There were no stock option plan as on Balance sheet date

**48. Previous Year Figures**

Previous year figures have been regrouped, rearranged and recast wherever necessary to make them comparable to the respective figures in the current year

**Summary of significant accounting policies**

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Nara Hari & Raghvendra**

Chartered Accountants

**Firm Registration No. 014509S**

**For and on behalf of the Board of Directors**

**Nara Hari Navakanth**

Partner

**Membership No. : 229212**

**Shanti Swarup Aggarwal**

Managing Director

**DIN: 00322011**

Place : Kolkata

Date : 30th, May, 2018

**Swapan Kumar Majumder**

Director

**DIN: 03178122**

Place : Kolkata

Date : 30th, May, 2018

Place : Bangalore

Date : 31st, May, 2018

**Sudhir Kulkarni**

Chief Financial officer

Place : Bangalore

Date : 30th, May, 2018

**Ritu Singh**

Company Secretary

Place : Bangalore

Date : 30th, May, 2018