



**OVOBEL
FOODS LIMITED**

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



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Company will be held on Tuesday, 10th September 2013, at 11:00 A.M, at the registered office of the Company at Ground Floor, New No.46, Old No.32/1, 3rd Cross, Agha Abbas Ali Road, Ulsoor Road, Bangalore-560042, Karnataka, India to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the Books of Accounts, Balance Sheet as on 31st March 2013, the Statement of Profit and Loss for the year ended, Cash Flow Statement for the period ended on that date together with the reports of the Board of Directors and Auditors report thereon.
- 2 To appoint Mr. Swapan Kumar Majumdar, Director who retires by rotation and being eligible, offers himself for reappointment.
- 3 To appoint the Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.

SPECIAL BUSINESS:

ITEM:-1 REGULARISATION OF MS ANISHA AGARWAL AS DIRECTOR:

The Chairman noted that Ms Anisha Agarwal, Additional Director of the Company shall be retiring in this Annual General Meeting as per section 260 of Companies Act 1956 and put forward the proposal for regularizing her as a director for the member's consideration. The Consent Letter of Ms. Anisha Agarwal reflecting her eligibility and willingness to be appointed as Director on the Board of the company was tabled before Board. After necessary perusal the following was passed:-

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

"RESOLVED THAT Anisha Agarwal, who was appointed as an Additional Director of the Company on 8th July 2013 and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, be and is hereby re-appointed as a Director of the Company whose period of office will be liable to retire by rotation."

"RESOLVED FURTHER THAT either of the Director of the Company be and is hereby authorized to file form 32 with the registrar of companies and to do all the acts, deeds and things which are necessary to the regularization of aforesaid person as a Director of the Company."

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

Sd/-
SHANTI SWARUP AGGARWAL
Managing Director

Place: Bangalore
Date: 8th August 2013

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Proxies in order to be effective should be deposited at the registered office of the company not less than forty -eight hours (48 Hrs) before the time scheduled for commencement of the meeting.
2. The Register of Members and Transfer Books of the Company will be closed from 7th September,2013 to 9th September,2013 (Both Days inclusive).
3. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act 1956, is available for inspection by the members at the Annual General Meeting.
4. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, is available for inspection by the members at the Registered Office of the company.
5. Shareholders are requested to lodge the Share Transfer Deeds duly executed and intimate change of addresses if any, to its Registrars M\S Integrated Enterprises India Limited at No 12, Ramanuja Plaza, Ground Floor, 5th Cross, Malleswaram, Bangalore - 560 003, Karnataka, India.

By Order of the Board of Directors

For, OVOBEL FOODS LIMITED

Sd/-

SHANTI SWARUP AGGARWAL
Managing Director

Place: Bangalore

Date: 8th August 2013



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

SPECIAL BUSINESS

ITEM NO:1 REGULARISATION OF ANISHA AGARWAL AS DIRECTOR

Ms. Anisha Agarwal was appointed as an Additional Director by the Board of Director w.e.f. 8th July 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. The Board feels that presence of Ms. Anisha Agarwal on the Board is needed and would be beneficial to the company and hence recommend resolution for her regularization as a director on the Board.

Mr. Shathi Swarup Aggarwal is interested in this resolution.

By Order of the Board of Directors

For OVOBEL FOODS LIMITED

Sd/-

SHANTI SWARUP AGGARWAL
Managing Director

Place: Bangalore

Date: 8th August 2013



OVOBEL
FOODS LIMITED

DIRECTORS' REPORT

To the Members

OVOBEL FOODS LIMITED,

Your Directors have the pleasure in presenting the Twenty First Annual Report of the business and operations of the company together with the audited accounts for the year ended 31st March 2013.

REVIEW OF OPERATIONS:

The company's income for the year under review has increased substantially in comparison to previous year. The following are details of the same.

(Amount in Thousands)

Particulars	2012-13	2011-12
Total revenue	875,497	696,214
Earnings before interest, tax, depreciation and amortization	17,246	19,439
Profit / (Loss) After Tax	(2878)	(15,221)

In order to consolidate the company's position, the Board of Directors have not recommended declaration of dividend for the year under review.

The Earning per share for the year under review is Rs. - 0.27 (previous year Rs.- 1.45).

Your directors are confident that the company would improve its performance in the years to come. Your directors are making every effort to reach a growth phase in the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry structure and developments:

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

At present there are only few 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.

b. Opportunities and Threats:

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

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



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c. Segment wise or product wise performance:

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

d. Out look:

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

The management looks to the future with optimism.

e. Risks and concerns:

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

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

f. Internal control systems and their adequacy.

The company has got adequate internal control systems in place for the current level of operations of the company and your management would continue to strengthen this.

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

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

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

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

DEPOSITS

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

BIFR and related matters:

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

The revised and improved OTS offers submitted by the company with KSIIDC are under active Consideration.

CONSTITUTION OF THE BOARD OF DIRECTORS:

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

Director's Responsibility Statement

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

- (i) That in preparation of the accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have followed all the Provisions of the Accounting Standards issued by the Institute of Chartered Accountants of India and Notified Accounting Standards by Companies Accounting Standards Rules, 2006.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2013 on a 'Going Concern & Accrual' basis.



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Foreign Exchange Earnings

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

Particulars	2012-13	2011-12
FOB Value of Exports	762,194	625,780

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

Particulars	2012-13	2011-12
Travelling Expenses	173	108
Sales Commission	7,246	8,476
Others	193	636

DIVIDEND

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

PARTICULARS OF EMPLOYEES

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

AUDITORS:

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

AUDIT COMMITTEE :

The Board of Directors had constituted an Audit Committee in terms of the provisions of Section 292A of the Companies Act, 1956. The composition, powers and functions of the Audit Committee are in line with the provision of section 292A & the Listing Agreement. The Company has constituted the Audit Committee with Mr. Shanti Swarup Aggarwal and Mr. Filiep Van



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Bosstraeten, Members of the Committee under the Chairmanship of Mr. Shanti Swarup Aggarwal. The Audit committee met four times during the financial year 2012-13

AUDITORS QUALIFICATION:

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

Opinion

- a) *Interest on term loans availed from KSIIDC & MFPI is provided @ 15% per annum as against the demands of the financial institutions. The company has been providing interest @ 15% per annum based on the rate of interest applicable to M.F.P.I loan and after taking into account the fact that the company is 100% EOU situated in an industrially backward area. Also, the management is willing to go for One Time Settlement (OTS) for such loans with the bank.*
- b) *Company has not paid interest or principal due to Public financial institutions to the tune of Rs 33,368,711/- as per the books as on 31.3.2013.*

Annexure to the Auditor's Report

Point (i)(b) Physical verification is done in a phased manner. However, during the year no physical verification was conducted. Hence we are unable to comment on any material discrepancies.

Point (vii) The Company did not have an internal audit system during the year.

DIRECTORS RESPONSE:

To Opinion

"The company, being a BIFR company, is negotiating with the financial institutions for the waiver of repayment/interest and other terms of the loan and hence the repayment /interest liability is not likely to arise. Therefore the same has not been provided for at the rates given in the proposal or demanded".

To Annexure to the Auditor's Report:

Point (i)(b) The Board has taken note and shall take up the necessary verification for the current year.

Point (vii) The Board shall take up the responsibility to introduce internal audit for the current year.

LISTING:

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



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CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Shanti Swarup Aggarwal
Managing Director

Swapn Kumar Majumdar
Director

Place: Bangalore

Date: 8th Aug 2013

(Annexure 'A' to Directors Report)

CORPORATE GOVERNANCE REPORT

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

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

1. BOARD OF DIRECTORS

a) Composition

The Board of the Company consists of eminent persons with considerable professional experience and expertise in the field in which the Company operates and in related industries. Presently, Board comprises of 3 (Three) Directors and it meets the stipulated requirements.

b) Board Meetings 2012-13:

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

2. BOARD COMMITTEES:

a) Audit Committee

The Board of Directors had constituted an Audit Committee in terms of the provisions of Section 292A of the Companies Act, 1956. The composition, powers and functions of the Audit Committee are in line with the provision of section 292A & the Listing Agreement. The Company has constituted the Audit Committee with Mr. Shanti Swarup Aggarwal and Mr. Filiep Van Bosstraeten, Members of the Committee under the Chairmanship of Mr. Shanti Swarup Aggarwal. The Audit committee met four times during the financial year 2012-13.

Main Terms of reference of the committee are:

- Discussion with statutory Auditors of the Company about:
 - Internal Control System
 - Observation of the auditors
- Reviewing annual financial statements before submitting to Board.
- Ensure Compliance of internal control system
- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advice



- Laying systems for accounting and audit
- Reviewing any significant audit issues that may arise during the course of statutory audit of the Company.

b) Share Transfer and investor Grievance Committee

Main function of the Share Transfer and investor Grievance Committee is to supervise and ensure efficient transfer of shares and proper and timely attendance of investors' complaints.

The Committee comprises of 2 (Two) Directors of the Company viz. Mr. Swapan Kumar Majumder and Mr. Shanti Swarup Aggarwal, Directors of the Company. Committee meets generally twice in a month to review and monitoring the share transfer, transmission, issue of duplicate share certificate, redressing of shareholder and investors complaints like transfer of shares, etc.

3. DISCLOSURES

There were no material significant transactions with the directors or the management, their subsidiaries or relatives that have any potential conflict with interest of the Company at large. There were cases of non-compliance by the Company and cases of penalties, strictures imposed on the Company by Stock Exchange and SEBI on matters related to capital markets during the last three years.

4. MEANS OF COMMUNICATION:

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

**5. SHAREHOLDERS' INFORMATION**

No.	Particulars	Details
1.	Date, Time and Venue of the Twenty First Annual General Meeting	10 th September 2013 at 11:00 a.m. at the Registered Office of the Company.
2.	Listing on Stock Exchanges	The Bangalore Stock Exchange Ltd, The Stock Exchange of Mumbai The Calcutta Stock Exchange Association Ltd
3.	Listing Fees	Paid to Bangalore Stock Exchange
4.	ISIN No.	Not yet registered
5.	Registered Office	Grand Floor, New No.46, Old No.32/1, Agha Abbas Ali Road Cross, Bangalore - 560042
6.	Share Transfer Agent for Physical as well as Electronic Transfers	In House, Grand Floor, New No.46, Old No.32/1, Agha Abbas Ali Road Cross, Bangalore - 560042
7.	Compliance Officer	Mr. Shanti Swarup Aggarwal Managing Director
8.	For Financial Queries	Mr. Sudhir Kulkarni Finance Manager Registered office, Bangalore
9.	For Shareholder's Queries	Mr. Sudhir Kulkarni Registered office ,Bangalore



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6. CHANGE OF ADDRESS

Members holding equity share in physical form are requested to notify the change of address / dividend mandate, if any, at the Registered Office of the Company to the Registrars M\S Integrated Enterprises India Limited at No 12, Ramanuja Plaza, Ground Floor, 5th Cross, Malleswaram, Bangalore - 560 003.

7. SHARE TRANSFER SYSTEM

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

8. DEMATERIALIZATION OF EQUITY SHARES

Trading in equity shares of the Company became mandatory in dematerialized form with effect from 2nd January 2002 to facilitate trading in demat form, the company has entered into agreement with M\S Integrated Enterprises India Limited to avail the services of dematerializing the equity shares.

9. SHAREHOLDERS' CORRESPONDENCE

The Company has attended to all the investors' grievances, queries, information requests and endeavor to reply to all letters received from the shareholders within a week. All correspondence may please be addressed to M\S Integrated Enterprises India Limited at at No 12, Ramanuja Plaza, Ground Floor, 5th Cross, Malleswaram, Bangalore - 560 003.

(Contact Details:-080- 23446386 / 23461470)

For and on behalf of the Board

For OVOBEL FOODS LIMITED

Shanti Swarup Aggarwal
Managing Director

Swapan Kumar Majumdar
Director

Place: Bangalore

Date: 8th Aug 2013



OVOBEL
FOODS LIMITED

CERTIFICATE UNDER CORPORATE GOVERNANCE REPORT

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

This is to certify that as per Clause 49 of the Listing Agreement, the code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed Compliance with Company's Code of Conduct for the year 2012-13.

For and on behalf of the Board

For OVOBEL FOODS LIMITED

Shanti Swarup Aggarwal
Managing Director

Place: Bangalore

Date: 8th Aug 2013

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Ovobel Foods Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Ovobel Foods Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the 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.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 except for the following:

- i) *Interest on term loans availed from KSIIDC & MFPI is provided @ 15% per annum as against the demands of the financial institutions. The company has been providing interest @ 15% per annum based on the rate of interest applicable to M.F.P.I loan and after taking into account the fact that the company is 100% EOU situated in an industrially backward area. Also, the management is willing to go for One Time Settlement (OTS) for such loans with the bank.*
- ii) *Company has not paid interest or principal due to Public financial institutions to the tune of Rs 3,33,68,711 as per the books as on 31.3.2013.*

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

For Guru & Jana

Chartered Accountants

Firm Registration No. 006826S



K.L Prashanth

Partner

Membership No.213066



Place: Bangalore

Date: 8th Aug 2013

Annexure to the Auditors' Report of even date to the members of Ovobel Foods Limited, on the financial statements for the year ended 31st March 2013.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations 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 is in the process of updating its fixed asset register.
- (b) Physical verification is done in a phased manner. However, during the year no physical verification was conducted. Hence we are unable to comment on any material discrepancies.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii)(a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (b) to (d) of the Order are not applicable
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (f) and 4(iii) (g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company did not have an internal audit system during the year.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.



Annexure to the Auditors' Report of even date to the members of Ovobel Foods Limited, on the financial statements for the year ended 31st March 2013.

- (ix)(a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities except service tax dues.

Undisputed amounts payable in respect thereof, which were outstanding at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Total ST Payable	Period to which the amount relates	Due Date	Status
Finance Act, 1994	Service Tax	1,49,830	Apr-12	6-May-12	Yet to be remitted
Finance Act, 1994	Service Tax	1,34,136	May-12	6-Jun-12	
Finance Act, 1994	Service Tax	2,21,844	Jun-12	6-Jul-12	
Finance Act, 1994	Service Tax	1,24,048	Jul-12	6-Aug-12	
Finance Act, 1994	Service Tax	1,19,051	Aug-12	6-Sep-12	
Finance Act, 1994	Service Tax	11,28,437	F.Y 11-12	31-Mar-12	
Total		18,77,345			

Note: The above amount does not include interest, penalty leviable, if any.

- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth. Further the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company has defaulted in repayment of dues, including interest to financial institutions to the tune of Rs.3, 33, 68,711/- as per the books.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) Company has not obtained any fresh term loans during the year. However the term loans obtained earlier has been applied for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.



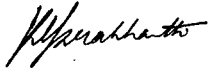
Annexure to the Auditors' Report of even date to the members of Ovobel Foods Limited, on the financial statements for the year ended 31st March 2013.

- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Guru & Jana

Chartered Accountants

Firm Registration No. 006826S



K.L Prashanth

Partner

Membership No. 213066



Place: Bangalore

Date: 8th Aug 2013

OVOBEL FOODS LIMITED
BALANCE SHEET FOR THE PERIOD ENDING 31ST MARCH 2013

(Rupees in 000's)

Particulars	Notes	31-March-13	31-March-12
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,05,008	1,05,008
Reserves and surplus	3	(1,59,405)	(1,56,527)
Net Worth before Capital Reserve		(54,397)	(51,519)
Capital Reserve		48,935	48,935
		(5,462)	(2,584)
Non-current liabilities			
Long-term borrowings	4	10,086	11,765
Long-term provisions	5	5,101	5,108
		15,187	16,873
Current liabilities			
Short-term borrowings	6	1,07,253	97,997
Trade Payables	7	85,596	47,456
Other current liabilities	7	30,881	29,370
Short-term provisions	5	413	431
		2,24,143	1,75,254
		2,33,868	1,89,543

ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	22,428	25,653
Intangible assets	8	119	119
Non-current investments	9	270	270
Long-term loans and advances	10	3,035	2,664
Other non-current assets	12	-	13,691
		25,852	42,398
Current assets			
Inventories	13	51,542	39,241
Trade receivables	11	1,01,593	71,906
Cash and bank balances	14	48,803	31,741
Short-term loans and advances	10	5,564	2,105
Other current assets	12	514	2,150
		2,08,016	1,47,144
		2,33,868	1,89,543

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

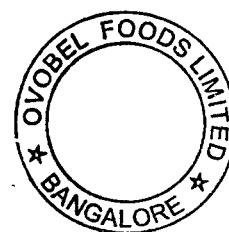
K.L. Prashanth
K.L. Prashanth
Partner
Membership No.213066



for and on behalf of the Board of Directors

A. I. Aggarwal
Shanti Swarup Aggarwal
Managing Director

Swapan Kumar Majumder
Swapan Kumar Majumder
Director




Place : Bangalore
Date : 8th Aug 2013

ÖVOBEL FOODS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Rupees in '000)


Particulars	Notes	31-Mar-13	31-Mar-12
CONTINUING OPERATIONS			
Income			
Revenue from operations (gross)	15	8,37,506	6,85,438
Less: Excise Duty		4,780	4,618
Revenue from operations (net)		8,32,726	6,80,819
Other income	16	42,771	15,395
Total revenue (i)		8,75,497	6,96,214
Expenses			
Cost of raw materials and components consumed	17	7,24,030	5,48,924
(Increase) / Decrease in inventories of finished goods , work in progress and traded goods	18	(12,301)	(3,478)
Employee benefit Expenses	19	37,794	33,219
Other expenses	20	1,08,729	98,111
Total (ii)		8,58,251	6,76,776
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]		17,246	19,439
Depreciation and amortization expense	21	4,681	21,411
Finance costs	22	15,444	13,249
Profit / (Loss) before tax		(2,878)	(15,221)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(loss) for the year		(2,878)	(15,221)
Earnings per equity share [nominal value of share Rs. 10(31 March 2012 : Rs.10)]			
Basic & Diluted	23		
Computed on the basis of profit from continuing operations		(0.27)	(1.45)
Computed on the basis of total profit for the year		(0.27)	(1.45)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			


As per our report of even date
for **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

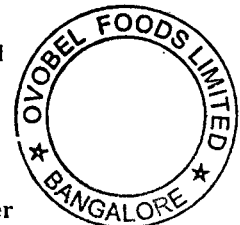

K.L. Prashanth
Partner
Membership No.213066



for and on behalf of the Board of Directors


Shanti Swarup Aggarwal
Managing Director


Swapan Kumar Majumder
Director



Place : Bangalore
Date : 8th Aug 2013

OVOBEL FOODS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

(Rupees in '000)

Particulars	31-Mar-13	31-Mar-12
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(2,878)	(15,221)
Profit before tax	(2,878)	(15,221)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	4,681	21,411
Loss/ (profit) on sale of fixed assets	-	-
Interest Expense	13,502	10,878
Interest income	(3,705)	(2,333)
Dividend Income	(14)	(17)
Operating profit before working capital changes	11,586	14,718
Movements in working capital :		
Increase/ (Decrease) in trade payables	38,140	(23,788)
Increase / (Decrease) in long term provisions	(7)	946
Increase / (decrease) in short-term provisions	(18)	66
Increase/ (decrease) in other current liabilities	1,511	2,652
Decrease / (increase) in trade receivables	(29,686)	(12,206)
Decrease / (increase) in inventories	(12,301)	(5,038)
Decrease / (increase) long term loans and advances	(371)	(201)
Decrease / (increase) short term loans and advances	(3,459)	(119)
Decrease / (increase) in other current assets	1,636	(1,402)
Decrease / (increase) in other non current assets	13,691	(12,111)
Cash generated from / (used in) operations	20,723	(36,482)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	20,723	(36,482)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,455)	(1,967)
Sale of fixed assets	-	-
Investments in bank deposits (having maturity more than 3 months but less than 12 months)	(27,644)	-
Interest received	3,705	2,333
Dividend Received	14	17
Net cash flow from/ (used in) investing activities (B)	(25,380)	382
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	9,256	50,962
Repayments of long-term borrowings	(1,679)	-
Interest paid	(13,502)	(10,878)
Net cash flow from/ (used in) in financing activities (C)	(5,925)	40,084
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(10,582)	3,984
Cash and cash equivalents at the beginning of the year	12,580	8,596
Cash and cash equivalents at the end of the year	1,998	12,580
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	766	1,116
Cheques/ drafts on hand	-	-
With banks- on current account	1,233	11,464
- unpaid matured deposits	-	-
Total cash and cash equivalents (Note 14)	1,998	12,580

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date


 for Guru & Jana
Chartered Accountants
Firm Registration No.006826S

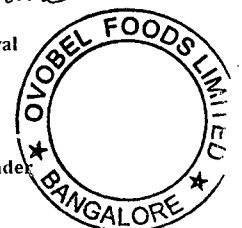


 K.L. Prashanth
Partner
Membership No.213066

 Place : Bangalore
Date : 8th Aug 2013

for and on behalf of the Board of Directors


Shanti Swarup Aggarwal
Managing Director


Swapan Kumar Majumder
Director


Note 1

Summary of Significant Accounting Policies

1 Basis of preparation of financial statements

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

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

2 Use of Estimates

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

3 Tangible and Intangible Fixed Assets and depreciation

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

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

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

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

4 Inventories

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

5 Investments

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

6 Revenue Recognition**A. Sale of Products:****1. Export Sales**

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

2. Domestic Sales

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

B. Sale of Export license:

Revenue from sales of export license is recognized as & when licenses are sold to third party.

C. Interest Income:

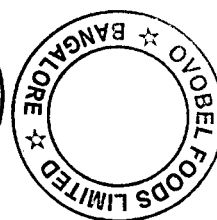
Interest Income is recognised using time-proportion method, based on rates implicit in the transactions.

D. Dividend Income:

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

7 Expenditure

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



8 Foreign Currency Transactions

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

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

9 Cash Flow

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

10 Sales Commission

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

11 Prior Period Adjustments

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

12 Earnings Per Share

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

13 Retirement Benefits

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

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

14 Accounting for Tax on Income

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

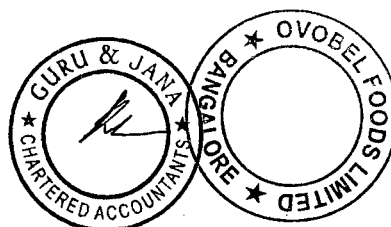
15 Contingent Liabilities & Provisions

In terms of the requirements of the Accounting Standard 29 (AS 29) on "Provisions, Contingent Liabilities and Contingent Assets" notified by Companies (Accounting Standards) Rules, 2006:

- where, as a result of past events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation- an appropriate provision is created and disclosed;
- where, as a result of past events, there is a possible obligation that may, but probably will not require an outflow of resources- no provision is recognized but appropriate disclosure made as contingent liabilities unless the possibility of outflow is remote.

16 Measurement of EBITDA

As permitted by the guidance note on the revised schedule VI to the Companies Act 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss account. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurements, the company does not include depreciation and amortization expenses, finance costs and tax expense.



OVOBEL FOODS LIMITED

Notes to financial statements for the year ended 31 March 2013

(Rupees in '000)

Note 2**SHARE CAPITAL****Authorized shares**

11,000,000 (March 31, 2012: 11,000,000) equity shares of Rs. 10 each

31-Mar-13 31-Mar-12

1,10,000 1,10,000

1,10,000 1,10,000**Issued, subscribed and fully paid-up shares**

10,500,800 (March 31, 2012: 10,500,800) equity shares of Rs.10 each fully paid up

1,05,008 1,05,008

Total issued, subscribed and fully paid-up share capital**1,05,008 1,05,008****(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity Shares**

	31-Mar-13		31-Mar-12	
	No.	Amount	No.	Amount
At the beginning of the period	1,05,00,800	1,05,008	1,05,00,800	1,05,008
Issued During the period	-	-	-	-
Outstanding at the end of the period	1,05,00,800	1,05,008	1,05,00,800	1,05,008

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 is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the company the holders of Equity shares will be entitled to receive remaining assets of the company, After distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.

(c) Details of shareholders holding more than 5% shares in the company

	31-Mar-13		31-Mar-12	
	No.	% holding	No.	% holding
Equity shares of Rs,10 each fully paid				
Ovobel NV	14,84,691	14.14%	14,84,691	14.14%
Shanti Swarup Aggarwal	7,61,409	7.25%	7,61,409	7.25%
Vinita Agarwal	6,18,400	5.89%	6,18,400	5.89%
Utsav Parekh	5,46,900	5.21%	5,46,900	5.21%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

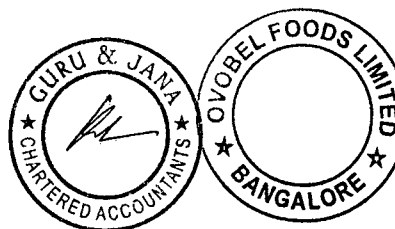
Note 3**RESERVES AND SURPLUS****Surplus/ (deficit) in the statement of profit and loss**

Balance as per last financial statements

(1,56,527) (1,41,306)

Profit/(Loss) for the year

(2,878) (15,221)

Net Surplus/(Deficit) in the statement of Profit and Loss**(1,59,405) (1,56,527)****Total Reserves and Surplus****(1,59,405) (1,56,527)**

OVOBEL FOODS LIMITED
Notes to financial statements for the year ended 31 March 2013
(Rupees in '000)
Note 4
Long-term borrowings
Term Loans
Secured

Rupee Loans from Financial Institutions

Total Long Term Borrowings

	31-Mar-13	31-Mar-12
	10,086	11,765
	10,086	11,765

a. **MFPI Soft Loan** - Interest has been provided @ 15% per annum (Simple Interest) as against the demands of the financial institutions. The company has been providing interest @ 15% per annum based on the tripartite agreement dated 9th Oct 1996. The company has proposed on 24th November 2012 for One time settlement of the loan with upfront payment of Rs. 1,679 thousands

b. **KSIIDC Corporate & Term Loan** - Interest has been provided @ 15% per annum (Simple Interest) as against the demands of the financial institutions. The company has been providing interest @ 15% per annum based on the One Time Settlement (OTS) offer letter dated 7th August 2006 & 21st June 2007. Also, taking into account the fact that the company is 100% EOU situated in an industrially backward area.

The management is willing to go for One Time Settlement of the loans.

c. There are no adjustments in books pending BIFR.

Note 5
Provisions
Provision for employee benefits

Provision for gratuity

Provision for leave benefits

Total Provisions

Long-term		Short-term	
31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
4,163	4,039	341	341
938	1,069	72	90
5,101	5,108	413	431

Note 6
Short Term Borrowings

Packing Credit (Secured)

Bill Discounting (Secured)

Inter Corporate Deposits (Unsecured)

Total Short term borrowings

31-Mar-13	31-Mar-12
10,595	16,922
77,042	61,576
19,617	19,500
1,07,253	97,997

a. Packing Credit is secured against first charge on the raw materials viz., eggs, chemicals, packing, materials; semi finished goods & finished goods viz., egg powder & frozen egg liquid and irrevocable LC's.

b. Bill discounting is secured against export bills drawn under irrevocable LC's / confirmed orders duly covered under ECGC.

c. Both packing credit & Bill discounting are secured against second charge on the fixed assets of the company viz., movables like imported and indigenous plant, machineries & other equipments and immovables viz., land already mortgaged / hypothecated to KSIIDC.

d. Both Packing Credit and Bil Discounting is repayable on demand and carries interest @ Bank rate plus 1.5% (During the year interest was charged at rates ranging from 11.70% to 12.15%)

e. Inter Corporate Deposits carries interest ranging between 9% to 16%. The same are repayable as per the promissory notes.

Note 7
Other Current Liabilities
Trade payables (including acceptances)

Dues to micro, medium and small enterprises

Dues to other than micro, medium and small enterprises

Others

Interest accrued and due on borrowings

Advance from Customers

Statutory dues

Total other Current Liabilities

31-Mar-13	31-Mar-12
225	-
85,371	47,456
23,283	21,574
4,999	7,007
2,600	789
30,881	29,370



OVOBEL FOODS LIMITED
Notes to financial statements for the year ended 31 March 2013
(Rupees in '000)
Note 8
Tangible and Intangible Assets

Particulars /Assets	Tangible Assets								Intangible Assets	
	Land & Buliding	Factroy Building	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles	Computer & Peripherals	Total	Software	Total
Cost or valuation										
At 1 April 2011	1,722	38,956	1,782	1,644	1,87,229	515	1,122	2,32,971	66	66
Additions	-	479	59	21	1,129	-	162	1,851	117	117
Disposals										-
At 31 March 2012	1,722	39,436	1,842	1,665	1,88,358	515	1,284	2,34,822	183	183
Additions	-	-	95	-	1,326	-	34	1,455	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	1,722	39,436	1,936	1,665	1,89,684	515	1,318	2,36,277	183	183
Depreciation										
At 1 April 2011	-	18,361	920	621	1,41,059	28	676	1,61,665	54	54
Charge for the year	-	1,303	109	104	19,634	49	203	21,402	9	9
Disposals										-
At 31 March 2012	-	19,664	1,030	726	1,60,693	77	879	1,83,068	64	64
Charge for the year	-	1,317	87	105	2,890	49	232	4,681	-	-
Disposals										-
At 31 March 2013	-	20,981	1,117	831	1,63,583	126	1,111	1,87,748	64	64
Impairment of Assets										
At 1 April 2011					26,100			26,100		
At 31 March 2012					26,100			26,100		
Charge for the year										
At 31 March 2013					26,100			26,100		-
Net Block										
At 31 March 2012	1,722	19,772	812	939	1,564	439	405	51,754	119	119
At 31 March 2013	1,722	18,455	820	834	0	390	207	22,428	119	119



OVOBEL FOODS LIMITED
Notes to Financial Statements for the year ended 31 March 2013
(Rupees in '000)
Note 9
Non Current Investments
Non Trade investments
Unquoted Mutual Funds

1000 (as on 31 March 2012: 1000) units of Rs. 20 fully paid in Principal Junior Capital

31-Mar-13	31-Mar-12
-----------	-----------

20	20
----	----

Investment in Equity Instruments (Quoted)

10,000 (31 March 2012 : 10,000) equity shares of Rs. 10 each fully paid in SMIFS Capital Markets Limited

[Market Value Rs 431.5 thousand (March 2012: Rs 281.5 thousand)]

Total Non Current Investments

250	250
-----	-----

270	270
-----	-----

Note 10
Loans and Advances
Security Deposit

Secured considered good

Unsecured considered good

Loans to related parties

Unsecured considered good

(Refer Note no 25. related party disclosure)

Advances recoverable in cash or kind

Unsecured considered good

Other loans and Advances

Prepaid expenses

Advances to employees

Deposits with government/statutory authorities

Total Loans and Advances

Long Term		Short Term	
31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
1,780	1,780		
1,780	1,780	-	-
		815	815
-	-	815	815
		108	45
-	-	108	45
-	-	167	157
-	-	38	146
1,255	885	4,436	942
1,255	885	4,641	1,245
3,035	2,664	5,564	2,105

Note 11
Trade Receivables
Unsecured, considered good unless stated otherwise outstanding for a period not exceeding six months from the date they are due for payment

Unsecured, considered good

Unsecured, considered good - outstanding for a period exceeding six months

Total Trade receivables

31-Mar-13	31-Mar-12
-----------	-----------

1,01,593	71,906
----------	--------

1,01,593	71,906
----------	--------

Note 12
Other Assets

Non current bank balances

(refer note 14)

Advance to suppliers

Others

Total Other Assets

Non Current		Current	
31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
-	13,691		
-	-	446	2,147
-	-	68	3
-	13,691	514	2,150

Note 13
Inventories

Raw Materials and Components

(Refer note no.17 for cost of raw materials consumed)

Finished Goods

Stock in transit

Total Inventories

31-Mar-13	31-Mar-12
-----------	-----------

3,599	3,600
-------	-------

35,323	27,585
--------	--------

12,620	8,056
--------	-------

51,542	39,241
--------	--------

Note 14
Cash and bank balances
Cash and cash equivalents

Balances with banks:

- On current accounts

Cash on hand

Other bank balances

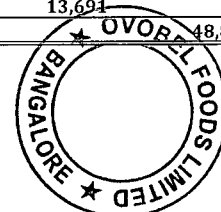
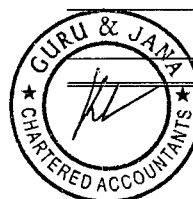
Deposits with original maturity for more than 3 months but less than 3 months

Margin money deposit

Non-current		Current	
31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
-	-	1,233	11,464
-	-	766	1,116
-	-	1,998	12,581
-	-	46,805	19,161
-	13,691	-	-
-	13,691	46,805	19,161

Amount disclosed under non-current assets (note 12)

13,691	48,803	31,741
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OVOBEL FOODS LIMITED

Notes to Financial Statements for the year ended 31 March 2013

(Rupees in '000)

Note 15**Revenue from operations****Revenue from operations****Sale of Products.**

Finished Goods

Less - Sales Return

Revenue from operations (Gross)

Less - Excise Duty *

Revenue from Operations (Net)

	31-Mar-13	31-Mar-12
Revenue from operations		
Sale of Products.		
Finished Goods	8,51,971	6,85,438
Less - Sales Return	14,465	-
Revenue from operations (Gross)	8,37,506	6,85,438
Less - Excise Duty *	4,780	4,618
Revenue from Operations (Net)	8,32,726	6,80,819

* Excise duty on sales amounting to Rs. 4,780 (31 March 2012: Rs. 4,618) has been reduced from the sales in the Profit & Loss account.

Details of products sold**Finished goods sold**

Egg - Powder

Egg - Liquid

Less: Sales Return (Egg Powder)

	31-Mar-13	31-Mar-12
Finished goods sold		
Egg - Powder	7,93,166	6,32,608
Egg - Liquid	54,025	48,212
Less: Sales Return (Egg Powder)	(14,465)	-
	8,32,726	6,80,819

Note 16**Other income****Interest income on**

Bank Deposits

Others

Dividend Income on

Long term Investments

Other Non-operating income*

(Net of expenses directly attributable to such income)

* Includes sale of export licenses Rs. 23,273 thousands (March 2012: Rs. 11,194 thousands)

	31-Mar-13	31-Mar-12
Other income		
Interest income on		
Bank Deposits	3,705	2,333
Others	-	1
Dividend Income on		
Long term Investments	14	17
Other Non-operating income*	39,052	13,044
(Net of expenses directly attributable to such income)		
	42,771	15,395

Note 17**Cost of Raw Materials and Components Consumed**

Inventory at the beginning of the year

Add : Purchases

Less : Inventory at the end of the year

Cost of Raw materials and components consumed

	31-Mar-13	31-Mar-12
Cost of Raw Materials and Components Consumed		
Inventory at the beginning of the year	1,327	645
Add : Purchases	7,24,359	5,49,606
	7,25,686	5,50,251
Less : Inventory at the end of the year	1,656	1,327
Cost of Raw materials and components consumed	7,24,030	5,48,924

Details of Raw materials and Components Consumed

Eggs

Pigments, Yeasts and Enzymes

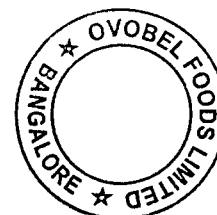
	31-Mar-13	31-Mar-12
Details of Raw materials and Components Consumed		
Eggs	7,23,936	5,43,092
Pigments, Yeasts and Enzymes	94	5,832
	7,24,030	5,48,924

Details of Inventory**Raw Materials and components**

Eggs

Pigments, Yeasts and Enzymes

	31-Mar-13	31-Mar-12
Details of Inventory		
Raw Materials and components		
Eggs	845	78
Pigments, Yeasts and Enzymes	812	568
	1,656	645



OVOBEL FOODS LIMITED

Notes to Financial Statements for the year ended 31 March 2013

(Rupees in '000)

Note 18
(Increase) / Decrease in inventories
Inventories at the end of the year

Finished Goods

	31-Mar-13	31-Mar-12	(Increases)/ Decreases
Finished Goods	47,943	35,641	(12,301)
	47,943	35,641	(12,301)
Inventories at the beginning of the year			
Finished Goods	35,641	32,163	(3,478)
	35,641	32,163	(3,478)
	(12,301)	(3,478)	

Details of inventory
Finished Goods

Egg - Powder

Egg - Liquid

	31-Mar-13	31-Mar-12
Egg - Powder	47,697	33,194
Egg - Liquid	246	2,447
	47,943	35,641

Note 19
Employee benefit expense

Salaries, wages and bonus

Contribution to provident fund and other funds

Staff welfare expenses

	31-Mar-13	31-Mar-12
Salaries, wages and bonus	34,231	30,121
Contribution to provident fund and other funds	1,595	1,562
Staff welfare expenses	1,967	1,536
	37,794	33,219

Note 20
Other expenses

Consumption of Power & fuel

Freight & Forwarding Charges

Consumption of stores & spares

Electricity

Sales commission

Repairs and Maintenance

-Plant and Machinery

-Buildings

-Others

Travelling and conveyance

Legal and Professional Fees

Insurance

Inspection Charges

Rent

Payment to auditor (refer table below)

Bad Debts

Communication costs

Miscellaneous expenses

Exchange Fluctuation

	31-Mar-13	31-Mar-12
Consumption of Power & fuel	28,934	24,065
Freight & Forwarding Charges	17,366	15,588
Consumption of stores & spares	16,909	15,601
Electricity	12,440	12,122
Sales commission	7,246	8,476
Repairs and Maintenance		
-Plant and Machinery	3,997	2,489
-Buildings	1,230	1,025
-Others	620	475
Travelling and conveyance	3,252	2,000
Legal and Professional Fees	2,913	2,070
Insurance	2,854	2,733
Inspection Charges	1,667	1,335
Rent	375	360
Payment to auditor (refer table below)	610	498
Bad Debts	-	2,832
Communication costs	874	853
Miscellaneous expenses	7,162	5,589
Exchange Fluctuation	282	
	1,08,729	98,111

Payment to Auditor
As Auditor:

Audit Fee

Tax audit fee

VAT audit fee

In Other capacity:

Taxation matters

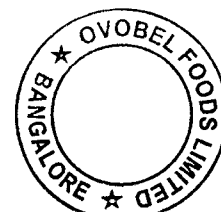
Company law matters

Management services

Certification Fees

Other services

	31-Mar-13	31-Mar-12
Audit Fee	175	175
Tax audit fee	50	50
VAT audit fee	40	38
Taxation matters	85	8
Company law matters	106	99
Management services	33	-
Certification Fees	49	29
Other services	72	100
	610	498



OVOBEL FOODS LIMITED
Notes to Financial Statements for the year ended 31 March 2013
(Rupees in '000)
Note 21
Depreciation and amortization expense

Depreciation of tangible assets

Amortization of intangible assets

31-Mar-13	31-Mar-12
4,681	21,402
-	9
4,681	21,411

Note 22
Finance Costs

Interest

Bank charges

31-Mar-13	31-Mar-12
13,502	10,878
1,942	2,371
15,444	13,249

Note 23
Earnings per Share (EPS)

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

31-Mar-13	31-Mar-12
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Basic & Diluted EPS

Net Profit/(Loss) after tax

Less : Dividends on convertible preference shares & tax thereon

Net Profit/(Loss) for calculation of EPS

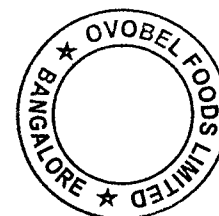
(2,878)	(15,221)
-	-
(2,878)	(15,221)

Weighted average number of equity shares in calculating basic EPS

10,501	10,501
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Earnings Per Share

(0.27)	(1.45)
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Note 24

Disclosure under Accounting Standard 15 on Employee Benefits

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

Net employment benefit expenses recognised in the employee cost

	31-Mar-13	31-Mar-12
Current service cost	87	1,023
Interest cost on benefit obligation	361	188
Expected return on plan assets	-	-
Actuarial (Gain) / loss recognised in the year	(325)	(88)
Net benefit expenses	124	1,123

Benefit asset / liability

	31-Mar-13	31-Mar-12
Present value of defined benefit obligation	4,504	3,364
Fair value of plan assets	-	-
Plan asset / (liability)	(4,504)	(3,364)

Changes in the present value of the defined benefit obligation are as follows

	31-Mar-13	31-Mar-12
Opening defined benefit obligation	4,380	2,461
Current service cost	87	1,023
Interest cost	361	188
Benefits paid	-	(220)
Actuarial (Gain) / Loss on obligation	(325)	(88)
Closing defined benefit obligation	4,504	3,364

Change in Fair Value of Plan Assets are as follows:

	31-Mar-13	31-Mar-12
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions (Estimated)	-	-
Benefits Settled	-	-
Actuarial gain / (loss)	-	-
Closing fair value of plan assets	-	-

The principal assumptions used in determining gratuity and post post-employment medical benefit obligations for the

	31-Mar-13	31-Mar-12
Interest rate	8.25%	8.00%
Discount factor	8.25%	8.00%
Estimated rate of return on plan assets	0.00%	0.00%
Salary increase	5.00%	5.00%
Attrition rate	2% - 1%	2% - 1%
Retirement age	58	58



Note 25**Related Party Disclosures****Related parties with whom transactions have taken place during the year**

Director & Key Managerial Personnel

Director

Director

Mr. Shanti Swarup Aggarwal

Mr. Swapan Kumar Majumder

Mr. Filiep Van Bosstraeten

Companies in which directors are interested

Induss Food Products & Equipments Limited

Prestige Icecream Private Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Services received from related parties

	Year Ended	Amount	Amount owned to related parties
Companies in which directors are interested			
Prestige Icecream Private Limited	31-Mar-13	600	-
	31-Mar-12	-	-

b. Reimbursement of expenses to related parties

	Year Ended	Amount	Amount owned to related parties
Companies in which directors are interested			
Induss Food Products & Equipments Limited	31-Mar-13	6,826	-
	31-Mar-12	64	-

c. Loan given to key managerial person

	Year Ended	Loan given	Repayment	Interest Accrued	Amount owned by related parties
Director & Key Managerial Personnel					
Mr. Shanti Swarup Aggarwal	31-Mar-13	-	-	-	815
	31-Mar-12	-	-	-	815

d. Remuneration to Key Management personnel

	31-Mar-13	31-Mar-12
Mr. Shanti Swarup Aggarwal, Managing Director		
Salaries, Perquisites, Contribution to PF	2,000	2,000

Note 26**Value of imports calculated on CIF basis**

	31-Mar-13	31-Mar-12
Components and spare parts	723	983
	723	983

Note 28**Expenditure in foreign currency (Accrual Basis)**

	31-Mar-13	31-Mar-12
Traveling Expenses	173	108
Sales Commission	7,246	8,476
Lab Testing External	193	636
	7,612	9,220

Note 27**Earnings in foreign currency (Accrual Basis)**

	31-Mar-13	31-Mar-12
Exports	7,62,194	6,25,780
	7,62,194	6,25,780

Note 28**Leases**

The Company has entered in to commercial property leases for its Office premisses. All include a clause to enable upward revision of rental Charge as per mutual agreement between the parties.

Payments (Accrual Basis)

	31-Mar-13	31-Mar-12
	375	360
	375	360



OVOBEL FOODS LIMITED

Notes to Financial Statements for the year ended 31 March 2013

(Rupees in '000)

Note 29

Derivative Instruments & Unhedged Currency Exposure

- a. There are no Derivative Outstanding as at Balance sheet date.
b. The Company has outstanding foreign currency exposure amounting to 19,20,341 USD & 93,633 USD towards export sales & vendor payments.

Note 30

Capital and other commitments

There are no capital and other commitments as on Balance Sheet date.

Note 31

Contingent Liabilities

There were no contingent liabilities as on Balance Sheet date.

Note 32

Employees Stock Option Plan

There were no stock option plan as on Balance Sheet date.

Note 33

Previous year figures

Previous year figures have been regrouped and reclassified to match with current year classification.

As per our report of even date

for **Guru & Jana**

Chartered Accountants

Firm Registration No.006826S



K.L. Prashanth

Partner

Membership No.213066



Place : Bangalore

Date : 8th Aug 2013

for and on behalf of the Board of Directors



Shanti Swarup Aggarwal

Managing Director



Swapan Kumar Majumder

Director

