

**OVOBEL FOODS  
LIMITED**

**ANNUAL REPORT FOR  
THE FINANCIAL YEAR  
2016-17**

## **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>Women 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

### **AUDITORS FOR FINANCIAL YEAR 2016-17:**

#### **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](mailto:naraharica@gmail.com) | [raghava.ca1984@gmail.com](mailto: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](mailto: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](mailto:info@ovobelfoods.com)

**Website:** [www.ovobelfoods.com](http://www.ovobelfoods.com)

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

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

**CIN:** L85110KA1993PLC01387

**PLANT LOCATION:**

Plot # 30, KIADB. Industrial Area  
Malur – 563 160, Kolar, Karnataka, India.  
**Contact Details:** +91 (80) 2559 4145  
**Email:** operations@ovobelfoods.com

**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:**

Ritu Singh

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## **OVOBEL FOODS LIMITED**

CIN: L85110KA1993PLC013875

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

Email: [info@ovobelfoods.com](mailto:info@ovobelfoods.com) | Telephone No: +91-80-2559 4145

Website: [www.ovobelfoods.com](http://www.ovobelfoods.com)

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### **NOTICE FOR 25<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the **Twenty Fifth** Annual General Meeting of the Company will be held on Monday 18<sup>th</sup> September 2017 at 10:30 A.M, at Vasudev Adigas Fast Food, 02<sup>nd</sup> 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:**

##### **Adoption of audited Financial Statements for the financial year ended 31<sup>st</sup> March 2017 along with Board's report and auditor's report:**

To receive, consider and adopt the audited Books of Accounts, Balance Sheet as at on 31<sup>st</sup> March 2017 and the Statement of Profit & Loss as per provisions of Companies Act, 2013 for the year ended on said date, together with the reports of the Board of Directors and Auditors report thereon.

Therefore, shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the audited Balance Sheet as at 31<sup>st</sup> March 2017 and Profit and Loss Account for the period ended along with schedules and notes attached thereto, Report of Auditors and Report of Board of Directors for the same period be and is hereby approved, adopted and taken on record".

**"RESOLVED FURTHER THAT** any one of the directors / Company Secretary / CFO of the Company be and is hereby authorized to do all such acts, deeds and things as may be required for the above resolution."

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

##### **Re-appointment of Mr. Philip Jan Clement Maria Jozef Van Bosstraeten, Director of the Company, who retires by rotation:**

To appoint a Director in place of Mr. Philip Jan Clement Maria Jozef Van Bosstraeten (DIN: 02600487), who retires by rotation and being eligible, seeks re-appointment.

Last year Ms. Anisha Agarwal was subjected to retirement by rotation and was reappointed by shareholders. To the extent that Mr. Philip Jan Clement Maria Jozef Van Bosstraeten is required to retire by rotation, he would need to be reappointed as a Director of the Company.

Therefore, shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder Mr. Philip Jan Clement Maria Jozef Van Bosstraeten, who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** any of the Director/Company Secretary/Chief Financial Officer of the Company, be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

**Agenda Item No. 3:**

**Ratification of Appointment of M/s. Nara Hari & Raghavendra, Chartered Accountants, as statutory auditor of the Company for the financial year 2017-18:**

To ratify the appointment of the Statutory Auditors under section 139(1) of the Companies Act 2013, who were previously appointed for a period of 5 years till the financial year ended 31<sup>st</sup> March 2021. The Auditors have confirmed their eligibility for the same, in terms of the provisions of Section 141 of the Act, and Rules made thereunder.

Therefore, shareholders are requested to consider and, if thought fit, to pass with or without modification(s), 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 (LORD) Regulations, 2015, members hereby ratify the appointment of M/s. Nara Hari & Raghavendra, Chartered Accountants, (Firm Registration Number: 014509S) as Statutory Auditor of the Company for the financial year 2017-18 who were previously appointed at the 24<sup>th</sup> Annual general meeting held on 29<sup>th</sup> December, 2016 for a period of 5 years (from financial year 2016-17 to 2020-2021), to hold office from the conclusion this 25<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 26<sup>th</sup> Annual General Meeting to be held in the year 2018 subject to the ratification by the members from time to time."

**"RESOLVED FURTHER THAT** the members of the Company be and hereby authorize the Board to decide the terms and conditions of remuneration of the auditors."

**For Ovobel Foods Limited**

**Ritu Singh**

Company Secretary & Compliance Officer  
Membership No. A24934

**Date:** 08<sup>th</sup> August 2017

**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 Nara Hari & Raghavendra, Chartered Accountants, (Firm Registration Number: 014509S) as Statutory Auditors of the Company shall hold office from the conclusion of this 25<sup>th</sup> Annual General Meeting till the conclusion of the 26<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), subject to the ratification by the members of the Company at every Annual General Meetings and fix their remuneration.
11. The Board has appointed Mr. Rafeeulla Shariff, Practicing Company Secretary as Scrutiniser for the POLL and e-voting for the ensuing Annual General Meeting dated 18<sup>th</sup> September 2017.
12. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members, as on 11.09.2017 (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 12.09.2017 to 18.09.2017 (both days inclusive).

**For Ovobel Foods Limited**

**Ritu Singh**

Company Secretary & Compliance Officer  
Membership No. A24934

**Place:** Bangalore

**Date:** 08<sup>th</sup> August 2017

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

- i) The voting period begins on 15.09.2017 at 09:00 A.M to 17.09.2017 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:
- viii) After entering these details appropriately, click on "SUBMIT" tab.

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha -numeric *PAN issued by Income Tax Department</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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>

- 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****Proxy form**

Affix  
Revenue  
Stamp

[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 Fifth** Annual General Meeting of the Company, to be held on 18.09.2017 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:

Resolution No.	Particulars
1	To receive, consider and adopt the Books of Accounts, Balance Sheet as on 31st March 2017, 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 Mr. Philip Jan Clement Maria Jozef Van Bosstraeten Director of the Company, who retires by rotation and being eligible, offers himself 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 25 <sup>th</sup> Annual General Meeting till the conclusion of the 26 <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), subject to the ratification by the members of the Company at every Annual General Meetings and fix their remuneration

Signed this.....day....., 2017

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.**

## OVOBEL FOODS LIMITED

CIN: L85110KA1993PLC013875

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

Email: [info@ovobelfoods.com](mailto:info@ovobelfoods.com) | Telephone No: +91-80-2559 4145

Website: [www.ovobelfoods.com](http://www.ovobelfoods.com)

### 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 Fifth (25th)** Annual General Meeting Scheduled to be held on 18<sup>th</sup> September 2017 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	

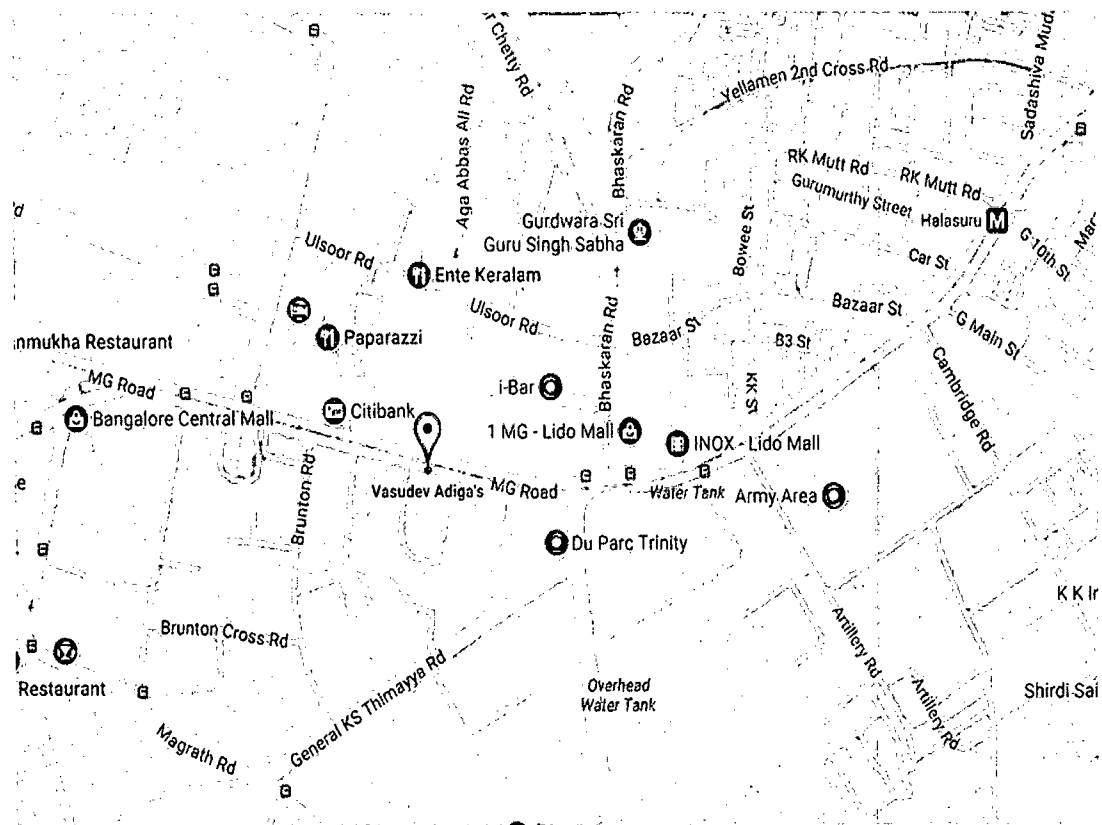
Signature of the Shareholder/Proxy/Representative

\*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.

**Route Map** for Twenty Fifth Annual General Meeting of the Company Ovobel Foods Limited scheduled to be held on 18<sup>th</sup> September 2017 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.





## OVOBEL FOODS LIMITED

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Website: [www.ovobelfoods.com](http://www.ovobelfoods.com)

### DIRECTORS' REPORT

To the members of  
**Ovobel Foods Limited**

Your Directors are pleased to present the 25<sup>th</sup> (Twenty Fifth) Annual Report of **Ovobel Foods Limited** together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2017.

#### 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 31.03.2017	For the year ended 31.03.2016
Total Income	8,057	11,512
Total Expenses excluding Finance Cost & Depreciation	8,168	10,678
Finance Cost & Depreciation	206	217
Total Expenses including Finance Cost & Depreciation	8,374	10,895
<b>Net Profit (Loss) Before Tax</b>	<b>(317)</b>	<b>617</b>
Tax Expenses		
Current Tax / Taxes of earlier year	50	186
Deferred Tax	10	13
<b>Net Profit (Loss) After Tax</b>	<b>(377)</b>	<b>418</b>
Earnings Per Share –		
Basic &	(3.59)	3.98
Diluted (in Rs.)	(3.59)	3.98

The entire loss of the company has been transferred to reserves.

#### 2. **OPERATIONAL REVIEW:**

The highlights of the Company performance are as under:

- The Net Sales for the period decreased from 10,557 lakhs in the previous year to 7,535 lakhs.
- The Profit/(Loss) Before Tax for the period decreased from 617 Lakhs (previous year) to (317) Lakhs (Current year).
- Profit/(Loss) after tax for the period decreased from 418 Lakhs (previous year) to (377) lakhs (Current year).

During the year company has incurred a net loss of Rs. 377 lacs. Your directors are confident that going forward, the Company shall perform well and hence expects to grow multi fold in the years to come.

Your board will take required actions for 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:**

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

5. **SHARE CAPITAL:**

The Authorised Capital and Paid-up Capital of the Company as on March 31, 2016 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 Rs 3 lakhs in 10,000 Equity Instruments of Rs. 10/- each fully paid in SMIFS Capital Markets Limited (Quoted). (Market value Rs 4.60 lakhs – March 2017).

9. **MATERIAL CHANGES AND COMMITMENTS:**

There is no 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.

There is no significant and material order by the regulator/ court/tribunals impacting the going concern status and the Company's operation in future.

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* 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, 2017 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 Associates, Bangalore confirming Compliance with the conditions of Corporate Governance, is attached to this Report as **Annexure IV**.

**15. 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 2016-17 the following observations were made.

**Auditors Observation:**

- a. *Earlier the company was declared sick industrial company within the meaning of section 3(1) (o) of Sick Industrial Companies (Special provisions), Act 1985 by BIFR on 29th October 2003. Further in its hearing held on 22nd January 2007 Vijaya bank has been appointed as OA & as per its direction company has submitted its revised proposals to Vijaya Bank. The revised & improved OTS offers submitted by the company with KSIIDI are under active Consideration.*

*The government of India has given effect to the SICA repealment Act with effect from 1st December 2016 and consequently BIFR is no longer in existence. Hence, has company will be seeking professional advice on the necessity/ statutory compulsions, if any, to make a fresh reference to National Company Law Tribunal (NCLT) under the provisions of the "Insolvency and Bankruptcy Code 2016", as provided for under SICA Repealment Act and based on the professional advice, further steps, if any required, will be taken.*

- b. *The Company is suspended from trading of securities at Calcutta Stock Exchange Limited*

**Directors Reply:**

- a. The directors of the Company are check and take required steps for making an application with required authorities based on the professional advice.
- b. The directors of the Company are taking necessary steps for delisting of securities at Calcutta Stock Exchange Limited.

**16. 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.

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

- Mr. Sutheja K.J. resigned from the post of Company Secretary with effect from 14<sup>th</sup> October 2016 and the Board has taken the note for the same.
- Ms. Ritu Singh was appointed as Whole Time Company Secretary with effect from 29<sup>th</sup> November 2016 for the Company.
- Pursuant to the Section 152 of the Companies Act, 2013 and rules made thereunder, Ms. Anisha Agarwal, Women Director of the Company, retired at the 24<sup>th</sup> Annual General Meeting and she was eligible for reappointment, offered herself for the re-appointment at the 24<sup>th</sup> Annual General Meeting of the Company. She was appointed as Women Director as required under the Provisions of the Companies Act, 2013 and the rules made thereunder.

**18. 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.

During the financial year 2016-17, 7 (seven) Audit Committee Meetings, 1 (one) Nomination and Remuneration Committee Meeting, 13 (Thirteen) 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.

**19. CFO CERTIFICATION:**

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

**20. DECLARATION BY INDEPENDENT DIRECTORS:**

All independent directors have given declarations 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.

**21. 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 09.03.2017.

**22. BOARD MEETINGS/COMMITTEE MEETINGS:**

During the year Six Board Meetings and Twenty-Two Committee Meetings. 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.

**23. 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 [www.ovobelfoods.com](http://www.ovobelfoods.com).

**24. 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.

**25. 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 2017-18.

**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 on as per the provisions of Section 139 of the Companies Act, 2013, i.e. the appointment is valid till the conclusion of 29th Annual General Meeting for the Financial year 2020-2021, subject to the ratification by the members at the general meeting of the Company from time to time.

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

The observation made in the Auditor Report read together with relevant notes thereon are self-explanatory and the following is the reply given by the management for Unfavorable remarks raised by the auditors.

Point No (i) (b) of CARO Report states that: Physical verification of fixed asset is being done in a phased manner. However, no physical verification of the fixed asset been carried out by the management during the year and hence we are unable to comment on the material discrepancies arising between the books records and the physical fixed assets.

**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 [www.ovobelfoods.com/general-information/policies/whistle-blower-policy](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 380 kgs/hr.

The Capacity of the boiler is 20,00,000 kcs/hr. and the Company has invested Rs. 35,03,000 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:**

Particulars	31.03.2017 (Rupees in lakhs)	31.03.2016 (Rupees in lakhs)
Earnings in Foreign Currency	6,813	9,743
Expenditure in Foreign Currency	216	246

**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 mean remuneration of the employees of the company for the financial year was 21.95:01
- 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:

Name	Designation	Remuneration in the FY 2016-17 (Rupees in lakhs)	Remuneration for the FY 2015-16 (Rupees in lakhs)	Increase or Decrease during the FY 2016-17
Shanti Swarup Aggarwal	Managing Director	65	138	Decrease
Sudhir Kulkarni	Chief Financial Officer	16	14	Increase

- The percentage increase in the median remuneration of employees in the financial year is: Not Applicable.
- The number of permanent employees on the rolls of company: 110.
- The explanation on the relationship between average increase in remuneration and company performance: Not Applicable. (Since there is decrease in the managerial remuneration during the financial year).
- Average percentile 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: Not Applicable (there is decrease during the financial year).
- 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	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	6,512,876	MD	BCOM	01.04.2009	66	Nil	Nil
Samarth Parekh	3,500,000	Staff	BCOM	01.04.2016	38	Nil	Nil
Sudhir Kulkarni	1,669,734	CFO	BCOM	17.02.2011	57	Nil	Nil
Mohan. T. Gangoor	1,252,484	Staff	BE(Mechanica I)	01.08.1997	49	Nil	Nil
Sahadevan C	1,036,644	Staff	M.Sc, Mphil, B.ed, Ph.D	19.09.1998	48	Nil	Nil
Vishwanath Prabhu K	1,011,706	Staff	BCOM	10.10.2012	52	Nil	Nil
Sunil Varghese P	787,250	Staff	BCOM	16.03.2015	41	Nil	Nil
Vinod Namderao Hirde	732,980	Staff	B.V.Sc. & A.H, M.V.Sc (VPH)	20.08.2015	30	Nil	Nil
Muniyappa U	624,260	Staff	ITI(Electrical) Diploma in Electronics Engineering	19.09.1996	46	Nil	Nil
Vijay Kumar K M	533,884	Staff	ITI[Fitter]	23.01.1996	42	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 year 2016.

**35. FRAUD REPORTING:**

There have been no frauds reported by the 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:**

Company changed the Registrar & Share Transfer Agents of the Company w.e.f. 05/05/2016 from the existing Registrar & Share Transfer Agents M/s Integrated Enterprises India Limited to new Registrar & Share Transfer Agents M/s Maheshwari Datamatics Private Limited, situated at No. 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700 001. The Board placed on record its sincerest thanks and gratitude for the valuable contribution made by M/s Integrated Enterprises India Limited towards the growth and development of the Company during their tenure as Registrar & 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**

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

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapan Kumar Majumder**  
Director  
DIN: 03178122

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

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

As on financial year ended on 31.03.2017

*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. 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700 001, India <b>Contact Details:</b> 033-22482248, 2243-5809 <b>Fax:</b> 033-22484787

\*The Company has appointed the Share Transfer Agent w.e.f 05<sup>th</sup> May, 2016 vide Board Meeting dated 13<sup>th</sup> February 2016 Company changed the Registrar & Transfer Agent from Integrated Enterprises(India) Ltd to Maheshwari Datamatics Private Limited.

**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	90%
2	Egg - Liquid	Group 107 Class 1079 Sub class 10799	10%

### 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	6,18,400	25,21,709	31,40,109	29.90	31,30,109	10,000	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>6,18,400</b>	<b>25,21,709</b>	<b>39,90,109</b>	<b>37.99</b>	<b>39,80,109</b>	<b>10,000</b>	<b>39,90,109</b>	<b>37.99</b>	<b>-</b>
(2) Foreign									
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>6,18,400</b>	<b>40,06,400</b>	<b>54,74,800</b>	<b>52.13</b>	<b>39,80,109</b>	<b>14,94,691</b>	<b>54,74,800</b>	<b>52.13</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING*</b>									
(1) Institutions									
a) Mutual Funds	--	--	--	--	--	600	600	0.01	--
b) Banks/FI	--	10,00,600	10,00,600	9.53	--	10,00,000	10,00,000	9.52	0.01
c) Central 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>

(2) Non-Institutions									-
a) Bodies corporates									-
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs.2 lakhs	1,03,300	16,34,200	17,37,500	16.55	3,04,800	12,96,700	16,01,500	15.25	(1.3)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2lakhs	9,61,900	11,74,400	21,36,300	20.34	14,48,000	3,54,100	18,02,100	17.16	(3.18)
c) Others (specify)									
Non-resident Indian	--	1,51,600	1,51,600	1.44	2,40,500	3,81,300	6,21,800	5.92	4.48
	--	--	--	--	--	--	--	--	--
SUB TOTAL (B)(2):	10,65,200	29,60,200	40,25,400	38.33	19,93,300	20,32,100	40,25,400	38.33	--
	--	--	--	--	--	--	--	--	--
Total Public Shareholding (B) = (B)(1)+(B)(2)	10,65,200	39,60,800	50,26,000	47.86	19,93,300	30,32,700	50,26,000	47.86	
	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	16,83,600	79,67,200	1,05,00,800	100	59,73,409	45,27,391	1,05,00,800	100	

## 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	1,86,800	1.78	-	1,86,800	1.78	-	-
2	Induss Food Products & Equipments Limited	8,50,000	8.09	-	8,50,000	8.09	-	-
3	Natasha Aggarwal	1,83,800	1.75	-	1,83,800	1.75	-	-
4	Ovobel S.A. Belgium	14,84,691	14.14	-	14,84,691	14.14	-	-
5	Sadhana Aggarwal	3,25,100	3.10	-	3,25,100	3.10	-	-
6	Shanti Swarup Aggarwal	7,72,409	7.36	-	7,72,409	7.36	-	-
7	Utsav Parekh	10,43,600	9.94	-	10,43,600	9.94	-	-
8	Vinita Aggarwal	6,28,400	5.98	-	6,28,400	5.98	-	-
	Total	54,74,800	52.14	-	54,74,800	52.14	-	-

**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	54,74,800	52.14	54,74,800	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	54,74,800	52.14	54,74,800	52.14

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

SL. No.	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	At the beginning of the year	25,13,800	23.94	25,13,800	23.94
2	Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Transfer of shares during the financial year 2016-17			
3	At the end of the year	25,24,700	24.04	25,24,700	24.04

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

SN	Shareholding of each Directors and each Key Managerial Personnel	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	At the beginning of the year	9,59,209	9.13	9,59,209	9.13
2	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
3	At the end of the year	9,59,209	9.13	9,59,209	9.13



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,433	-	-	1,433
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,423	-	-	2,423
<b>Total (i+ii+iii)</b>	<b>3,856</b>	<b>-</b>	<b>-</b>	<b>3,856</b>
Change in Indebtedness during the financial year				
* Addition				
* Reduction	160	-	-	160
<b>Net Change</b>		<b>-</b>	<b>-</b>	
Indebtedness at the end of the financial year				
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>

**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/MTD/ Manager	Total Amount
		Shanti Swarup Agarwal	-
1	Gross salary for the FY 2016-17	65	-
	(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>65</b>	<b>-</b>
	Ceiling as per the Act*	84	-

\* As per provisions of Companies Act, 2013 and the rules made thereunder; maximum remuneration payable by a company to director's including whole time director and Managing Director where there is no profit or its profits are inadequate, the remuneration payable is based on effective

capital of the Company (Calculated as per Section 197 and Schedule V). Effective capital as per section 197 for the Financial year 2016-17 is Rs. 611.08 (lakhs), so company can pay upto 84 lakhs. Hence, the company has paid within the limit.

**B. Remuneration to other directors:**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		-	-	-	-	-
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	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)	Managing Directors	Total
1	Gross salary	--	16	--	16
	(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>16</b>	--	<b>16</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:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapan Kumar Majumder**  
Director  
**DIN:** 03178122

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**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)*

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**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:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapn Kumar Majumder**  
Director  
**DIN:** 03178122

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Table A**

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ 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	65
02.	Sudhir Kulkarni	CFO	Salaries	NA	NA	NA	16

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

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

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapan Kumar Majumder**  
Director  
**DIN:** 03178122

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**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, 2017.

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:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapn Kumar Majumder**  
Director  
**DIN:** 03178122

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

*Annexure IV*

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 of conditions of Corporate Governance by Ovobel Foods Limited ('the Company') for the year ended March 31, 2017, and as per 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, 2016 to 31 March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, and the representations made by the Directors and the management, we certify 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 & Raghvendra Associates**  
Chartered Accountants  
**Firm Registration No: 014509S**

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

**Date: 08.08.2017**  
**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.

Key Managerial Personnel as per Section 203 of the Act		
Sl. No	Name	Designation
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 30.05.2016, 13.08.2016, 14.10.2016, 14.11.2016, 29.11.2016 and 09.03.2017, were held

NAMES OF THE DIRECTORS	NUMBER OF MEETINGS ENTITLED TO ATTEND	NUMBER OF MEETINGS ATTENDED
Shanti Swarup Aggarwal	6	6
Anisha Agarwal	6	6
Philip Jan Clement Maria Jozef Van Bosstraeten	6	1
Swapan Kumar Majumder	6	6
Satish Narayana Swamy	6	1
Narendra Haldawar	6	1

**4. AUDIT COMMITTEE:**

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

The Audit Committee is currently comprised with:

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

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

During the year on the following dates meetings of Audit Committee 01.04.2016, 21.05.2016, 05.08.2016, 11.11.2016, 23.11.2016, 28.11.2016 and 04.02.2017 were held

NAMES OF THE MEMBERS	NUMBER OF MEETINGS ENTITLED TO ATTEND	NUMBER OF MEETINGS ATTENDED
Mr. Swapan Kumar Majumder	7	7
Mr. Satish Narayana Swamy	7	7
Mr. Narendra Haldawar	7	0

**Note:** Mr. Shanti Swarup Aggarwal stepped down from the Committee with effect from 31<sup>st</sup> December, 2014.

**5. NOMINATION AND REMUNERATION COMMITTEE:**

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

The Nomination and Remuneration Committee is currently comprised with:

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

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

During the year the following date of meetings of Nomination and Remuneration Committee 04.02.2017 was held.

NAMES OF THE MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. Swapan Kumar Majumder	1	0
Mr. Satish Narayana Swamy	1	1
Mr. Narendra Haldawar	1	1

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

- Name of non-executive director heading the committee –Satish Narayana Swamy
- Name and designation of compliance officer – Ritu Singh
- Number of shareholders' complaints received during the year - 0
- Number not solved to the satisfaction of shareholders -0
- Number of pending complaints -0

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

The Stakeholder's Relationship Committee is currently comprised with:

- Mr. Swapan Kumar Majumder.
- Mr. Satish Narayana Swamy.
- Mr. Narendra Haldawar.

**Meetings and attendance during the year**

During the year the following are the dates of meetings of Stakeholder Relationship Committee 01.04.2016, 18.07.2016, 05.08.2016, 18.08.2016, 19.09.2016, 13.10.2016, 01.11.2016, 11.11.2016, 17.11.2016, 21.12.2016, 04.02.2017, 09.03.2017, and 24.03.2017 were held

NAMES OF THE MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. Swapan Kumar Majumder	13	2
Mr. Satish Narayana Swamy	13	13
Mr. Narendra Haldawar	13	13

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

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

The Nomination and Remuneration Committee is currently comprised with:

- i. Mr. Swapan Kumar Majumder.
- ii. Mr. Satish Narayana Swamy.
- iii. Mr. Narendra Haldawar.
- iv. Shanti Swarup Aggarwal

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

During the year on 04.02.2017 meeting of Corporate Social Responsibility Committee was held

NAMES OF THE MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. Swapan Kumar Majumder	1	0
Mr. Satish Narayana Swamy	1	1
Mr. Narendra Haldawar	1	1
Shanti Swarup Aggarwal	1	0

**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 9<sup>th</sup> March 2017 during the financial year 2016-17.

**9. GENERAL BODY MEETINGS:**

FINANCIAL YEAR ENDED	DATE AND TIME	VENUE	SPECIAL RESOLUTION PASSED
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 Trinity Station, MG Road, Bengaluru-560001	NIL
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

**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 SHAREHOLDER INFORMATION:**

AGM: Date, time and venue	Date: 18.09.2017 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	2016-17
Date of Book closure	12.09.2017 to 18.09.2017 (both days inclusive)
Dividend Payment Date	-
Listing on Stock Exchanges	Listed
Stock / Scrip Code	530741
Market Price Data: High, Low during each month in last financial year	NA
Performance in comparison to broad -based indices such as BSE Sensex, CRISIL index etc.	NA
Registrar and Transfer Agents	With effect from 5 <sup>th</sup> May, 2016 the RTA has been changed from Integrated Enterprises India Limited to 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

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

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

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapan Kumar Majumder**  
Director  
DIN: 03178122

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017**

*[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 2017**

**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 2017 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 2017 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) Income Tax Act 1961
  - h) Central Excise Act, 1944
  - i) Customs Act, 1962
  - j) Payment of Gratuity Act, 1972
  - k) VAT Act, 2003

- l) Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- m) Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
- n) Legal Metrology Act, 2009
- o) Food Safety and Standards Act, 2006
- p) Boilers Act, 1923
- q) Industrial Dispute Act, 1947
- r) Contract Labour (Regulation and Abolition) Act, 1970

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

- a) Secretarial Standard-1 and Secretarial Standard-2 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:

1. *Earlier the company was declared sick industrial company within the meaning of section 3(1) (o) of Sick Industrial Companies (Special provisions), Act 1985 by BIFR on 29th October 2003. Further in its hearing held on 22nd January 2007 Vijaya bank has been appointed as OA & as per its direction company has submitted its revised proposals to Vijaya Bank. The revised & improved OTS offers submitted by the company with KSIIDI are under active Consideration.*

*The government of India has given effect to the SICA repealment Act with effect from 1st December 2016 and consequently BIFR is no longer in existence. Hence, has company will be seeking professional advice on the necessity/ statutory compulsions, if any, to make a fresh reference to National Company Law Tribunal (NCLT) under the provisions of the "Insolvency and Bankruptcy Code 2016", as provided for under SICA Repealment Act and based on the professional advice, further steps, if any required, will be taken.*

2. *The Company is suspended from trading of securities at Calcutta Stock Exchange Limited.*

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent

Directors. 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.

All the 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: -

- 1) The Company has changed the Registrar & Share Transfer Agents w.e.f. 5<sup>th</sup> May 2016, from the existing Registrar & Share Transfer Agents M/s Integrated Enterprises India Limited to new Registrar & Share Transfer Agents M/s Maheshwari Datamatics Private Limited, situated at No. 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001.
- 2) Mr. Sutheja K.J. resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 14th October 2016 and the Board has taken the note for the same.
- 3) The Company has appointed Ms. Ritu Singh as the Company Secretary and Compliance officer of the Company at its Board Meeting dated 29<sup>th</sup> November 2016.

**Place:** Bangalore

**Date:** 30.05.2017

**Rafeeulla Shariff**

**Practicing Company Secretary**

Membership No: 28890

C P No: 11103

*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.*

**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.

**PPlace:** Bangalore

**Date:** 30.05.2017

**Rafeeulla Shariff**

**Practicing Company Secretary**

Membership No: 28890

C P No: 11103

**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:

For your Company, CSR means Corporate Sustainable 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 socioeconomic 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 2016-17.

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;

Sl.No.	Name of Director	Designation	Category
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 04<sup>th</sup> February, 2017.

**3. Average net profit of the Company for last three Financial Years (from 2013-14 to 2015-16): Rs. 523.33 Lakhs.**

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. 10.47 Lakhs. The Company has spent required amount during the financial year in CSR Activities is Rs. 17.75 Lakhs. More details are available in Companies Website [www.ovobelfoods.com](http://www.ovobelfoods.com).

Sl. No.	Nature	Date	Remarks	Amount spent (INR)
1	Paid to Shankara Cancer Foundation	05.04.2016	Under promoting preventive health care	5,00,000.00
2	Paid to Mahatria Guru & Jana Foundation Trust	18.11.2016	Under promoting education	23,750.00
3	Paid to Mahatria Guru & Jana Foundation Trust	31.12.2016	Under promoting education	71,250.00
4	Paid towards construction of Rangamandira Building at Malur	30.01.2017	Under art & culture including restoration of buildings & sites of historical importance and works of art.	10,00,000.00
5	Paid to Golden Tubewells towards the redrilling charges of borewell in soragere Grahmapanchayat.	06.03.2017	Under sanitation and making available safe drinking water	1,80,200.00
<b>Total amount spent</b>				<b>17,75,200.00</b>

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**

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

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**Swapan Kumar Majumder**  
Director  
**DIN: 03178122**

**Place:** Kolkata  
**Date:** 30.05.2017

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

**Place:** Bangalore  
**Date:** 30.05.2017

**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 2016 -17 and certify that
- These statements to the best of our knowledge and belief:
- o Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.
  - o 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.
- o Signi-ficant changes in Internal Controls with respect to - financial reporting during the year.
  - o Signi-ficant changes in accounting policies during the Year and these have been disclosed in the notes to the - financial statements.
  - o To the best of our knowledge and belief, there are no instances of signi-ficant fraud involving either the management or employees having a signi-ficant role in the Company's internal control systems with respect to - financial reporting.

**For Ovobel Foods Limited**

**Sudhir Kulkarni**  
Chief Financial Officer  
**PAN:** AFEPK8240D  
**Place:** Bangalore.  
**Date:** 08.08.2017

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



## **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 31 March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **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 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements based on our audit. We have taken into account the provisions of the Act the 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 thereunder.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the 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 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 financial statements.

#### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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<sup>st</sup> March, 2017 and its loss and its cash flows for the year ended on that date.

#### **Emphasis of Matters**

5. We draw attention to the following matters in the Notes to the Financial Statements:
  - a. Note 4 to the financial statements pertaining to the long outstanding dues to Public Financial Institutions.
  - b. Note 11 to the financial statements pertaining to inter corporate advance of Rs. 200 Lakhs given in April'14 & it was outstanding as on the balance sheet date.

Our opinion is not modified in respect of these matters.

#### **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.
2. As required by Section 143 (3) of the Act, we report 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) The company had provided the requisite disclosure in Note 36 forming part of financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and are in accordance with the books of accounts maintained by the company.
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
- h) 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. Hence there is no requirement for any provision.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

**Place:** Bangalore  
**Date:** 30<sup>th</sup> May 2017

### **"Annexure A" to the Independent Auditors Report**

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirement' of our Report of even date to the financial statements for the year ended on 31<sup>st</sup> March, 2017 of **Ovobel Foods Limited**)

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 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) Physical verification of fixed Asset is being done in a phased manner. However no physical verification of the fixed asset been carried out by the management during the year and hence we are unable to comment on the material discrepancies arising between the books records and the physical fixed assets.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii) (a) The management has conducted the physical verification of inventory during the year.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books has been properly dealt with in the books of account and were not material.
- 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 clauses 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 complied with the provisions of Section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 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 thereunder with regard to the deposits accepted from the public are not applicable.

- 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) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. 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, 2017 for a period of more than six months from the date on when they become payable.  
 b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii) The Company had not defaulted in repayment of dues to the financial institutions during the current year. Further the company has paid the amount as per One Time Settlement as demanded by KSIIDC for loan obtained earlier. The amount paid till date is not yet adjusted due to pending final NOC from KSIIDC.
- ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order 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 or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- 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 Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable 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 under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- 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 45 IA 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 & Raghvendra,**  
Chartered Accountants  
**Firm Registration No: 014509S**

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

**Place:** Bangalore  
**Date:** 30<sup>th</sup> May 2017

**"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")**

1. We have audited the internal financial controls over financial reporting of **Ovobel Foods Limited** as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. 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**

3. 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**

4. 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**

5. 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**

6. 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, 2017, 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**

7. 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 financial statements of the Company, which comprise the Balance Sheet as at March 31, 2017, 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 & Raghvendra**,  
Chartered Accountants  
**Firm Registration No: 014509S**

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

**OVOBEL FOODS LIMITED**
**Balance Sheet as at March 31, 2017**
*(Amount in Rs. Lakhs)*

Particulars	Notes	31-Mar-17	31-Mar-16
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	1,050	1,050
Reserves and Surplus	3	(37)	339
		<b>1,013</b>	<b>1,389</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	128	128
Long-term provisions	5	168	136
		<b>296</b>	<b>264</b>
<b>Current liabilities</b>			
Short-term borrowings	6	1,145	1,305
Trade payables			
Dues to micro, medium & enterprises and small enterprises	7	6	1
Dues to other than micro, medium & enterprises and small enterprises	7	135	325
Other current liabilities	7	2,621	2,732
Short-term provisions	5	10	41
		<b>3,917</b>	<b>4,404</b>
<b>TOTAL</b>		<b>5,226</b>	<b>6,057</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	8	495	260
Intangible assets		-	-
Non-current investments	9	3	3
Deferred tax assets (net)	10	84	95
Long-term loans and advances	11	38	35
		<b>620</b>	<b>393</b>
<b>Current assets</b>			
Inventories	12	1,270	803
Trade receivables	13	1,094	1,741
Cash and cash equivalents	14	606	1,292
Short-term loans and advances	11	633	797
Other current assets	15	1,003	1,031
		<b>4,606</b>	<b>5,664</b>
<b>TOTAL</b>		<b>5,226</b>	<b>6,057</b>

**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 Associates**

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 2017

**Swapan Kumar Majumder**  
Director  
**DIN: 03178122**

Place: Kolkata  
Date: 30th May 2017

**Place: Bangalore**  
**Date: 30th May 2017**
**Sudhir Kulkarni**  
Chief Financial Officer

**Ritu Singh**  
Company Secretary  
**M. No.: A24934**

**OVOBEL FOODS LIMITED****Statement of Profit and Loss for the year ended March 31, 2017***(Amount in Rs. Lakhs)*

Particulars	Notes	31-Mar-17	31-Mar-16
<b>CONTINUING OPERATIONS</b>			
<b>Income</b>			
Revenue from operations (Gross)	16	7,611	10,642
Less: Excise Duty		76	85
Revenue from operations (net)		<b>7,535</b>	<b>10,557</b>
Other Income	17	522	955
<b>Total (A)</b>		<b>8,057</b>	<b>11,512</b>
<b>Expenses</b>			
Cost of material consumed	18	6,791	8,016
Changes in inventories	19	(480)	(149)
Employee benefits expenses	20	555	698
Other expenses	21	1,302	2,113
<b>Total (B)</b>		<b>8,168</b>	<b>10,678</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (A-B)</b>		<b>(111)</b>	<b>834</b>
Depreciation and amortization expense	22	104	56
Finance costs	23	102	161
<b>Profit / (Loss) before tax</b>		<b>(317)</b>	<b>617</b>
Current tax		-	186
Taxes of earlier years		50	-
Deferred tax charge/(Income)		10	13
<b>Total tax expenses</b>		<b>60</b>	<b>199</b>
<b>Profit/(Loss) for the year</b>		<b>(377)</b>	<b>418</b>
Earnings per equity share [nominal value of share Rs. 10 (March 31, 2016: Rs. 10)]	24		
Basic		(3.59)	3.98
Diluted		(3.59)	3.98

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 &amp; Raghvendra Associates

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

Swapan Kumar Majumder  
Director  
DIN: 03178122

Place: Kolkata  
Date: 30th May 2017

Place: Kolkata  
Date: 30th May 2017

Place: Bangalore  
Date: 30th May 2017

Sudhir Kulkarni  
Chief Financial Officer

Ritu Singh  
Company Secretary  
M. No.: A24934

**OVOBEL FOODS LIMITED**
**Cash flow Statement for the year ended March 31, 2017**
*(Amount in Rs. Lakhs)*

Particulars	Mar-17	Mar-16
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax from continuing operations	(317)	617
Profit/(Loss) before tax from discontinuing operations	-	-
Profit/(Loss) before tax	(317)	617
<b>Non-cash adjustment &amp; adjustments for other activities:</b>		
Depreciation / amortization on continuing operation	104	56
Interest Expense	63	127
Interest income	(41)	(162)
<b>Operating profit before working capital changes</b>	<b>(191)</b>	<b>639</b>
<b>Movements in working capital :</b>		
Increase/ (Decrease) in trade payables	(185)	178
Increase/ (Decrease) in other current liabilities	(111)	53
Decrease / (Increase) in trade receivables	647	(466)
Decrease / (Increase) in other non current assets	(467)	-
Decrease / (Increase) in other current assets	28	(348)
Decrease / (Increase) long term loans and advances	(3)	608
Decrease / (Increase) short term loans and advances	164	(552)
Increase / (Decrease) in long term borrowings	-	-
Increase / (Decrease) in short-term borrowings	(160)	(212)
Increase / (Decrease) in long term provisions	32	59
Increase / (Decrease) in short-term provisions	(31)	(5)
<b>Cash generated from / (used in) operations</b>	<b>(277)</b>	<b>(48)</b>
Direct taxes paid (net of refunds)	(50)	(186)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(326)</b>	<b>(234)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale / (Purchase) of fixed assets, including CWIP and capital advances	(336)	(69)
(Loss) / Profit on Sale of Fixed Asset, net of expenses	(2)	0
Proceeds from matured Fixed deposits	682	-
Interest received	41	161
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>385</b>	<b>92</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Expense	(63)	(127)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(63)</b>	<b>(127)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(4)</b>	<b>(268)</b>
Cash and cash equivalents at the beginning of the period	36	304
<b>Cash and cash equivalents at the end of the period</b>	<b>32</b>	<b>36</b>
Cash on hand	1	0
With banks- on current account	31	36
<b>Cash and cash equivalents (Note 14)</b>	<b>32</b>	<b>36</b>
Deposits with bank (not included above)	574	1,256
<b>Total Cash &amp; Cash equivalent (Note 14)</b>	<b>606</b>	<b>1,292</b>

Summary of significant accounting policies

As per our report of even date

**For Nara Hari & Raghvendra Associates**

Chartered Accountants

Firm Registration No. 014509S

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

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

 Place: Kolkata  
 Date: 30th May 2017

 Place: Bangalore  
 Date: 30th May 2017

**Sudhir Kulkarni**  
 Chief Financial Officer

**For and on behalf of the Board of Directors**
**Swapan Kumar Majumder**  
 Director  
 DIN: 03178122

 Place: Kolkata  
 Date: 30th May 2017

**Ritu Singh**  
 Company Secretary  
 M. No.: A24934

**OVOBEL FOODS LIMITED****Notes to Financial Statements for the year ended March 31, 2017**

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**Note 1****Summary of Significant Accounting Policies****1. Basis of preparation of financial statements**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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. Accordingly, the Company has complied with the accounting standards as applicable to a Non-Small and Medium size 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. 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 (2016-17) balance of Rs. 115 lakhs (2015 : 365 lakhs) and contending that the amount will be recoverable and there is no doubtful receivable amount as at year-end.

**4. 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.

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.

## **5 Inventories**

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.

## **6 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 Statement of Profit and Loss. 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 Statement of Profit and Loss. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

## **7 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**

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.

**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. 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.

**8 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.

**9 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.

#### **10 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.

#### **11 Sales Commission**

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

#### **12 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.

#### **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 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.

#### **14 Segment reporting**

##### **Identification of segments**

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

#### **15 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.

#### **16 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.

**OVOBEL FOODS LIMITED**

Notes to Financial Statements as at March 31, 2017

(Amount in Rs. Lakhs)

## Note 2

**SHARE CAPITAL****Authorized shares**

1,10,00,000 (March 31, 2016: 1,10,00,000) equity shares of Rs. 10 each

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

1,05,00,800 (March 31, 2016: 1,05,00,800) equity shares of Rs. 10 each fully paid up

**Total issued, subscribed and fully paid-up share capital**

	31-Mar-17	31-Mar-16
Authorized shares	1,100	1,100
Issued, subscribed and fully paid-up shares	1,050	1,050
Total issued, subscribed and fully paid-up share capital	1,050	1,050

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**  
**Equity Shares**

	31-Mar-17		31-Mar-16	
	No.	Amount	No.	Amount
At the beginning of the year	10,500,800	1,050	10,500,800	1,050
Issued During the year	-	-	-	-
Outstanding at the end of the year	10,500,800	1,050	10,500,800	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 is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees & foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The company has not declared any dividend during the year.

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-17		31-Mar-16	
	No.	% holding	No.	% holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Ovobel NV	1,484,691	14.14%	1,484,691	14.14%
Utsav Parekh	1,043,600	9.94%	1,043,600	9.94%
Karnataka State Industrial and Infrastructure Development Corporation Ltd.	1,000,000	9.52%	1,000,000	9.52%
Indus Food Products & Equipments	850,000	8.09%	850,000	8.09%
Shanti Swarup Agarwal	772,409	7.36%	772,409	7.36%
Vinita Agarwal	628,400	5.98%	628,400	5.98%

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.

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

Pending transfer of 1,00,000 Equity Shares in favour of the Company in terms of Buy back of share approved by KSIIDC vide approval dated 02 February 2015.

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

**Note 3****RESERVES AND SURPLUS****Surplus/ (Deficit) in the Statement of Profit and Loss**

	31-Mar-17	31-Mar-16
Balance as per last financial statements	(150)	(568)
Profit/(Loss) for the year	(377)	418
<b>Net Surplus/(Deficit) in the statement of Profit and Loss</b>	<b>(526)</b>	<b>(150)</b>
<b>Capital Reserve</b>		
Balance as at beginning and closing of the year	489	489
<b>Total Reserves and Surplus</b>	<b>(37)</b>	<b>339</b>

**Note 4****Long-term borrowings****Secured term loans**

	31-Mar-17	31-Mar-16
Term loans from financial institutions	128	128
<b>Total Long term Borrowings</b>	<b>128</b>	<b>128</b>

- a. 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 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 favor of Vijaya bank
  - Arrangement for transfer of the equity in favour of the company.
- b. 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

- c. 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.
- d. 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. Accordingly final effect of the above settlements will be given in the books of the Company during the year of sanction by BIFR.

**Note 5**

**Provisions**

**Provision for employee benefits**

Provision for gratuity

Provision for leave benefits

Provision for bonus

Long Term		Short Term	
31/Mar/17	31/Mar/16	31/Mar/17	31/Mar/16
139	115	3	3
28	21	1	1
-	-	6	37
<b>168</b>	<b>136</b>	<b>10</b>	<b>41</b>

**Note 6**

**Short-term borrowings**

**Secured**

Packing credit from banks (secured)

Bill discounted (secured)

Overdraft facility (Secured)

**Total Short-term borrowings**

31-Mar-17	31-Mar-16
308	164
837	880
-	261
<b>1,145</b>	<b>1305</b>

- a. First charge on the raw materials, work in progress, finished goods and receivables
- b. First charge on the fixed assets of the company, (pending modification of the charge to be effected by KSIIDC)
- c. Personal guarantee of the few directors

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements as at March 31, 2017**
*(Amount in Rs. Lakhs)*

<b>Note 7</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
<b>Trade Payables (including Acceptances)</b>		
- (refer note no. 34 & 35)		
Dues to micro, medium and small enterprises	6	1
Dues to other than micro, medium and small enterprises	135	325
<b>Total</b>	<b>141</b>	<b>326</b>
The above disclosure is based upon the information available with the Company		
<b>Other Current Liabilities</b>		
Interest accrued and due on borrowings	1	-
Interest accrued but not due on borrowings *	2,423	2423
Advance from customers	71	71
Other statutory dues	14	102
Other liabilities	113	137
<b>Total other Current Liabilities</b>	<b>2,621</b>	<b>2,732</b>

\* Interest accrued but not due on borrowings pertains to the long-term borrowings as referred to in Note 4 above

**Note 8**
**Tangible Assets & Intangible Assets**

Particulars	Land & Building	Factory Building	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles	Computer & Peripherals	Tangible Assets Total	Software	Intangible Assets Total
<b>Gross asset carrying value</b>										
As at 1 April 2015	17	394	23	18	1,926	5	16	2,400	5	5
Additions	-	4	15	5	75	8	0	107	-	-
Disposals	-	-	-	-	-	5	-	5	-	-
As at 31 March 2016	17	398	38	22	2,001	8	16	2,501	5	5
Additions	-	45	7	13	275	-	3	343	-	-
Disposals	-	-	-	-	6	-	-	6	-	-
As at 31 March 2017	17	443	45	35	2,270	8	20	2,838	5	5
<b>Depreciation</b>										
As at 1 April 2015	-	237	20	11	1,906	2	13	2,189	3.23	3.23
Charge for the year	-	27	4	3	19	1	1	55	1	1
Disposals	-	-	-	-	-	3	-	3	-	-
As at 31 March 2016	-	264	24	14	1,925	0	14	2,241	4	4
Charge for the year	-	22	8	5	65	2	1	104	0.25	0.25
Disposals	-	-	-	-	1	-	-	1	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	-	286	32	19	1,989	3	15	2,343	5	5
<b>Net block</b>										
As at 31 March 2016	17	135	14	9	76	8	2	260	1	-
As at 31 March 2017	17	157	13	16	281	6	5	495	-	-

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements as at March 31, 2017**
*(Amount in Rs. Lakhs)*
**Note 9**
**Non-current investments**

Investments in equity instruments (Quoted)

10,000 (31 March 2016 : 10,000) equity shares face value of Rs.10 each full paid up in SMIFS Capital Markets Limited [Market Value March 17 Rs. 4.60 lakhs] [March 16 Rs. 3 Lakhs]

31-Mar-17	31-Mar-16
3	3
<b>3</b>	<b>3</b>

**Note 10**
**Deferred Tax Asset ( Net )**
**Deferred Tax liability**

Fixed assets : Impact of Difference between tax depreciation and Depreciation / Amortisation Charged in financials

31-Mar-17	31-Mar-16
-	-
<b>-</b>	<b>-</b>

**Gross Deferred Tax liability**
**Deferred Tax asset**

Fixed assets : Impact of Difference between tax depreciation and Depreciation / Amortisation Charged in financials

Expenses on which Tax is not deducted

Bonus

Leave Encashment

Exgratia

**Gross Deferred Tax Asset**

31-Mar-17	31-Mar-16
62	75
2	1
2	12
9	7
9	-
<b>84</b>	<b>95</b>
<b>84</b>	<b>95</b>

**Net Deferred Tax Asset/(Liability)**
**Note 11**
**Loans and Advances**
**Long term**
**Short term**
**Security Deposits**

Secured, considered good

Unsecured, considered good

31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
-	-	-	-
28	23	-	-
<b>28</b>	<b>23</b>	<b>-</b>	<b>-</b>

**Advance to related party**

Unsecured considered good

(Refer Note no. 26 related party disclosure)

31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
-	-	41	-
<b>-</b>	<b>-</b>	<b>41</b>	<b>-</b>

**Advances recoverable in cash or kind**

Unsecured considered good

31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
-	-	315	565
<b>-</b>	<b>-</b>	<b>315</b>	<b>565</b>

**Other Loans and Advances**

Advance Tax (Net of provision for taxation)

Prepaid expenses

Balances with Statutory Authorities

Advances to Employees

Other Advances

31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
-	-	227	139
-	-	28	13
10	11	10	77
-	-	7	3
-	-	5	-
<b>10</b>	<b>11</b>	<b>277</b>	<b>232</b>

**Total Loans & Advances**

31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
<b>38</b>	<b>34</b>	<b>633</b>	<b>797</b>

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements as at March 31, 2017**
*(Amount in Rs. Lakhs)*
**Note 12**

<b>Inventories</b>	<b>3/31/2017</b>	<b>3/31/2016</b>
Raw Materials and Components	47	60
Finished Goods	1,070	630
Stock in transit	153	113
<b>Total Inventories</b>	<b>1,270</b>	<b>803</b>

**Note 13**

<b>Trade Receivables</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
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	1,094	1,738
Unsecured, considered good - outstanding for a period exceeding six months	-	3
<b>Total Trade receivables</b>	<b>1,094</b>	<b>1,741</b>

**Note 14**

<b>Cash and cash equivalents</b>	<b>Non-current</b>		<b>Current</b>	
	<b>31/Mar/17</b>	<b>31/Mar/16</b>	<b>31/Mar/17</b>	<b>31/Mar/16</b>
<b>Cash and cash balances</b>				
Balances with banks:				
On current accounts	-	-	31	36
In deposit account with original maturity for less than 3 months	-	-	74	-
Cash on hand	-	-	1	0
	-	-	<b>106</b>	<b>36</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	500	1,256
	-	-	<b>500</b>	<b>1,256</b>
Amount disclosed under non-current bank deposits	-	-	-	-
	-	-	<b>606</b>	<b>1,292</b>

**Note 15**

<b>Other Current Assets</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Advance against OTS offers (Refer Note 4)	824	824
Gratuity Trust balance - LIC	139	129
Duty Drawback Receivable	31	37
Advance to suppliers	9	25
Interest accrued on fixed deposits	-	16
<b>Total Other Current assets</b>	<b>1,003</b>	<b>1,031</b>

**OVOBEL FOODS LIMITED**

Notes to Financial Statements as at March 31, 2017

(Amount in Rs. Lakhs)

**Note 16****Revenue from Operations****Sale of products**

Income from Operation

Less Excise duty \*

31-Mar-17	31-Mar-16
7,611	10,642
76	85
<b>7,535</b>	<b>10,557</b>

\* Excise duty on sales amounting to Rs. 76 lakhs (31 March 2016 : Rs. 85 lakhs) has been reduced from the sales in the Statement of Profit and Loss

**Details of products sold****Finished goods sold**

Egg-Powder

Egg-Liquid

6,748	10,198
787	359
<b>7,535</b>	<b>10,557</b>

**Note 17****Other income**

Interest income on:

Bank deposits

Others

Dividend on Long term investment

Exchange fluctuation Gain (net)

Other non - operating income \*

(Net of expenses directly attributable to such income)

\* Includes sale of export licenses Rs. 231 lakhs (March 2016: Rs. 517 lakhs)

\* Includes duty drawback Rs. 62 lakhs (March 2016: 107 lakhs)

31-Mar-17	31-Mar-16
41	162
-	-
0	0
131	147
350	646
<b>522</b>	<b>955</b>

**Note 18****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 materials consumed

31-Mar-17	31-Mar-16
33	10
6,780	8,039
<b>6,813</b>	<b>8,049</b>
22	33
<b>6,791</b>	<b>8,016</b>

**Details of Raw materials and components**

Eggs

Pigments, Yeast and Enzymes

6,703	7,868
87	148
<b>6791</b>	<b>8016</b>

**Details of Inventories**

Raw Materials and components

Eggs

Pigments, Yeast and Enzymes

12	10
9	23
<b>21</b>	<b>33</b>



**OVOBEL FOODS LIMITED**
**Notes to Financial Statements as at March 31, 2017**
*(Amount in Rs. Lakhs)*
**Note 19**
**(Increase) or Decrease in Stock in Trade**
**Inventories at the end of the year**

Finished Goods & Stock in transit	1,223	744
	<b>1,223</b>	<b>744</b>

**Inventories at the beginning of the year**

Finished Goods & Stock in transit	744	594
	<b>744</b>	<b>594</b>

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

	<b>(480)</b>	<b>(150)</b>
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**Note 20**
**Employee benefit expense**

	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Salaries, wages and bonus	481	642
Contribution to provident and other fund	24	16
Staff welfare expenses	50	40
	<b>555</b>	<b>698</b>

**Note 21**
**Other expenses**

	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Electricity Charges	209	236
Brokerage and discounts	181	362
Power & fuel Consumption	160	198
Freight Charges	131	363
Spares and Consumables	125	233
Repairs & Maintenance	105	201
Miscellaneous Expenses	83	53
Travelling and Conveyance	69	64
Legal and professional fees	65	225
Insurance	36	39
Security Charges	30	24
House Keeping Charges	23	16
Inspection Charges	21	26
CSR Expenses	18	8
Rates & taxes	14	12
Postage & Courier	6	8
Business Promotion	6	6
Payment to auditors (Refer details below)	5	20
Donation	4	8
Printing and stationery	4	5
Rent	4	4
Communication costs	3	2
Loss on Sale of Asset	2	0
Bad debts written off	1	-
	<b>1,302</b>	<b>2,113</b>

**Payment to Auditors (Excluding Service Tax)**

	<b>31-Mar-17</b>	<b>31-Mar-16</b>
<b>As auditor:</b>		
Statutory Audit fee	4	3
Tax audit fee	1	1
<b>In other capacity:</b>		
Management Services	-	4
Company law matters	-	8
Taxation Matters	-	3
Limited Review Audit	0.5	1
Other services (certification fees)	-	-
	<b>5</b>	<b>20</b>

**OVOBEL FOODS LIMITED**
**Notes to Financial Statements as at March 31, 2017**
*(Amount in Rs. Lakhs)*
**Note 22**
**Depreciation and amortization expense**

	31-Mar-17	31-Mar-16
Depreciation of tangible assets	104	55
Amortization of intangible assets	0.25	1
	<b>104</b>	<b>56</b>

**Note 23**
**Finance Costs**

	31-Mar-17	31-Mar-16
Interest on loans	63	127
Bank Charges	38	34
	<b>102</b>	<b>161</b>

**Note 24**
**Earnings per Share (EPS)**

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

**Basic & Diluted EPS**

Net profit / (loss) after tax	(377)	418
Less : Dividend on convertible preference shares & tax thereon	-	-
Net profit / (loss) for calculation of EPS	<b>(377)</b>	<b>418</b>

Weighted average number of equity shares in calculating basic EPS	10,500,800	10,500,800
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**Earnings Per Share**

	<b>(3.59)</b>	<b>3.98</b>
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**Note 25**
**Disclosure under Accounting Standard 15 on Employee**
**Benefits**

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

**Net employment benefit expenses recognised in the employee cost**

	31-Mar-17	31-Mar-16
Current service cost	8	6
Interest cost on benefit obligation	9	5
Past Service Cost	-	(2)
Expected Return on Plan Assets	(11)	-
Actuarial (Gain) / loss recognised in the year	11	51
Net benefit expenses	<b>18</b>	<b>60</b>

**Benefit asset / liability**

	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-14
Present value of defined benefit obligation	142	118	63	51	45
Fair value of plan assets	146	129	-	-	-
Plan asset / (liability - Non current)	<b>4</b>	<b>11</b>	<b>(63)</b>	<b>(51)</b>	<b>(45)</b>

**OVOBEL FOODS LIMITED**

Notes to Financial Statements as at March 31, 2017

(Amount in Rs. Lakhs)

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

	31-Mar-17	31-Mar-16
Opening defined benefit obligation	118	63
Current service cost	8	6
Interest cost	9	5
Past Service Cost	-	(2)
Expected Return on Assets	(11)	-
Actual return on Plan Assets	9	-
Benefits paid	(3)	(5)
Actuarial (Gain) / Loss on obligation	11	51
Closing defined benefit obligation	142	118

Change in Fair Value of Plan Assets are as follows:

	31-Mar-17	31-Mar-16
Opening fair value of plan assets	129	-
Expected return	9	-
Contributions ( Estimated )	10	129
Benefits Settled	(3)	-
Actuarial gain / (loss)	-	-
Closing fair value of plan assets	146	129

The principal assumptions used in determining gratuity and post post-employment medical benefit obligations for the company's plans are shown below:

	31-Mar-17	31-Mar-16
Discount factor	7.40%	8%
Salary increase	7%	7%
No. of employees	108	107
Total Monthly Salary	17	15
Average Monthly salary	0.14	0.16
Average Past Service	15.79	15.61
Decrement Adjusted Future Service	15.50	15.78
Average Age	40.87	40.56
Attrition rate	1% - 3%	1% - 3%
Retirement age	60	60

**Note 26****Related Party Disclosures**

Related parties with whom transactions have taken place during the year

Names of related parties and description of 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

**VOBEL FOODS LIMITED**
**Notes to Financial Statements as at March 31, 2017**
*(Amount in Rs. Lakhs)*

a. Reimbursement of expenses	Year ended	Amount	Amount owned to related parties
Induss Food Products & Equipments Limited	3/31/2017	6	-
	3/31/2016	19	-

b. Advance given to Key Managerial Personnel	Year Ended	Advance given	Repayment /Set off	Interest Accrued	Amount owned to related parties
Managing Director & Key Managerial Personnel					
Mr. Shanti Swarup Aggarwal	31.03.17	92	52	-	41
	31.03.16	61	61	-	-

c. Advances Given	Year Ended	Advances given	Repayment /Set off	Interest Accrued	Amount owned to related parties
Chief Financial Officer					
Mr. Sudhir Kulkarni	31.03.17	15	16	-	2
	31.03.16	17	14	-	3

d. Remuneration to Key managerial personnel	31-Mar-17	31-Mar-16
Mr. Shanti Swarup Aggarwal, Managing Director		
Salaries and emoluments	65	138
Mr. Sudhir Kulkarni, Chief Financial Officer		
Salaries	16	14
	<b>81</b>	<b>152</b>

**Note 27**
**Value of imports calculated on CIF basis**

Components and spare parts

	31-Mar-17	31-Mar-16
	5	91
	<b>5</b>	<b>91</b>

**Note 28**
**Expenditure in foreign currency**

(Accrual Basis)

Sales Commission

Travelling overseas

Professional Charges

	31-Mar-17	31-Mar-16
	181	214
	21	22
	14	9
	<b>216</b>	<b>246</b>

**Note 29**
**Earnings in foreign currency (Accrual Basis)**

Exports

	31-Mar-17	31-Mar-16
	6,813	9,743
	<b>6,813</b>	<b>9,743</b>

**Note 30**
**Segment Reporting**

The primary segment reporting format is determined to be geographical segments as the company's risks and rates of return are affected predominantly by geographical locations

Revenue	31-Mar-16	31-Mar-16
Asia	7,535	10,558
Europe	-	-
Australia	-	-
	<b>7,535</b>	<b>10,558</b>

**OVOBEL FOODS LIMITED**

Notes to Financial Statements as at March 31, 2017

(Amount in Rs. Lakhs)

**Note 31****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 as below -

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

**Note 32****Capital and other commitments**

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

**Note 33****Contingent Liabilities**

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.

Particulars	31-Mar-17	31-Mar-16
Non-receipt of C-forms	33	-
	33	-

**Note 34****Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year

	31-Mar-17	31-Mar-16
Principal amount due to micro and small enterprises	6	1
Interest accrued and remaining unpaid at the end of accounting year	-	-
	6	1

**Note 35****Trade Receivables and Trade Payables, Loans & Advances**

Trade Receivables and Trade Payables, Loans and Advances balances disclosed in the financial statement are subjected to the confirmation and reconciliation as at the end of the financial year.

**Note 36**

Details of Specified Bank Notes for the period 8th November to 30th December 2016 is as follows:

(SBN Value in INR)

Particulars	SBN'S	Other denomination Notes & Coins	TOTAL
Closing Cash in Hand as on 08.11.2016	114,000	105,998	219,998
(+) Permitted Receipts	-	500,000	500,000
(-) Permitted Payments	-	522,479	522,479
(-) Amount deposited in Banks	114,000	-	114,000
Closing Cash in Hand as on 30.12.2016	-	83,519	83,519

**OVOBEL FOODS LIMITED**

Notes to Financial Statements as at March 31, 2017

(Amount in Rs. Lakhs)

**Note 37****BIFR status**

The government of India has given effect to the SICA repealment Act with effect from 1st December 2016 and consequently BIFR is no longer in existence. Hence, has company will be seeking professional advice on the necessity/ statutory compulsions, if any, to make a fresh reference to National Company Law Tribunal (NCLT) under the provisions of the "Insolvency and Bankruptcy Code 2016", as provided for under SICA Repealment Act and based on the professional advice, further steps, if any required, will be taken

**Note 38****Employees Stock Option**

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

**Note 39****Previous year figures**

Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

As per our report of even date

For Nara Hari & Raghvendra Associates

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

Swapn Kumar Majumder  
Director  
DIN: 03178122

Place: Kolkata  
Date: 30th May 2017

Place: Kolkata  
Date: 30th May 2017

Place: Bangalore  
Date: 30th May 2017

Sudhir Kulkarni  
Chief Financial Officer

Ritu Singh  
Company Secretary  
M. No.: A24934

## Notes

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## Notes