

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: accounts@ovobelfoods.com | Telephone No: +91-80-2559 4145

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Friday, the 25th September 2015, at 10:00 A.M, at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Books of Accounts, Balance Sheet as on 31st March 2015, 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 re-appointment.
3. To re-appoint Guru and Jana, Chartered Accountants (FRN: 006826S) as Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and fix their remuneration.

SPECIAL BUSINESS:

4. **TO APPOINT NARENDRA HALDAWAR AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013, Mr. Narendra Haldawar who was appointed as Additional Director in the category of Independent Director by the Board of Directors of the Company with effect from 31st December, 2014, be and is hereby appointed as Independent Director of the Company who shall hold office in terms of the provisions of Section 149 (10) of Companies Act, 2013 and whose term of office shall not be liable to retire by rotation.”

"RESOLVED FURTHER THAT any one of the directors of the Company be and is hereby authorized to file required forms with the Registrar of Companies / Ministry of Corporate Affairs and to do all the acts, deeds and things which are necessary for the above resolution."

For, Ovobel Foods Limited

Sutheja K.J
Company Secretary
Membership No.: 39340

Place: Bangalore
Date: 29th August, 2015

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 Clause 35B of Listing Agreement, 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 Integrated Enterprises India Limited at their Registered Office situated at No 12, Ramanuja Plaza, Ground Floor, 5th Cross, Malleswaram, Bangalore - 560 003, Karnataka, India.
9. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
10. Shareholders are requested to lodge the Share Transfer Deeds duly executed and intimate change of addresses if any, to its Registrars M\S Integrated Enterprises India Limited at No 12, Ramanuja Plaza, Ground Floor, 5th Cross, Malleswaram, Bangalore - 560 003, Karnataka, India.

For Ovobel Foods Limited

Sutheja K.J

Company Secretary

Membership No.:39340

Place: Bangalore

Date: 29th August, 2015

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES
ACT, 2013**

SPECIAL BUSINESS

Item No.: 04

**TO APPOINT NARENDRA HALDAWAR AS INDEPENDENT DIRECTOR OF THE
COMPANY:**

Mr. Narendra Haldawar was appointed as an Additional Director by the Board of Director w.e.f. 31st December, 2014 in accordance with the provisions of Section 161(1) of the Companies Act, 2013.

Pursuant to Section 161(1) of the Companies Act 2013, the above director holds office up to the date of the ensuing Annual General Meeting. The Board feels that presence of Mr. Narendra Haldawar on the Board is needed and would be beneficial to the company and hence it is recommended to appoint him as Independent Director of the Company.

None of the Directors, Managers, and other key managerial personnel, and their relatives are concerned or interested in this resolution except Mr. Narendra Haldawar who is proposed to be appointed as Independent director of the Company.

For Ovobel Foods Limited

Sutheja K.J
Company Secretary
Membership No.: 39340

Place: Bangalore
Date: 29th August, 2015

Form No. MGT-11**Proxy form**

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

CIN:	L85110KA1993PLC013875
Name of the company:	Ovobel Foods Limited
Registered office:	Ground Floor, No.46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bangalore -560042, Karnataka, India

Name of the member(s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting/ ~~Extraordinary general meeting~~ of the company, to be held on Friday, the 25th September, 2015 At 10:00 A.M. / ~~p.m.~~ at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India 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 2015, 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 re-appointment.
3.	To re-appoint the Guru and Jana, Chartered Accountants (FRN 006826S) Auditors under section 139(1) of the Companies Act, 2013 who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and fix their remuneration.
4.	Special Business: To appoint Narendra Haldawar as independent director of the company

Signature of shareholder

Date:

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

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Email: accounts@ovobelfoods.com | Telephone No: +91-80-2559 4145

ATTENDANCE SLIP

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

I, hereby record my presence at the Annual General Meeting Scheduled to be held on Friday, the 25th September 2015, at 10:00 A.M, at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India.

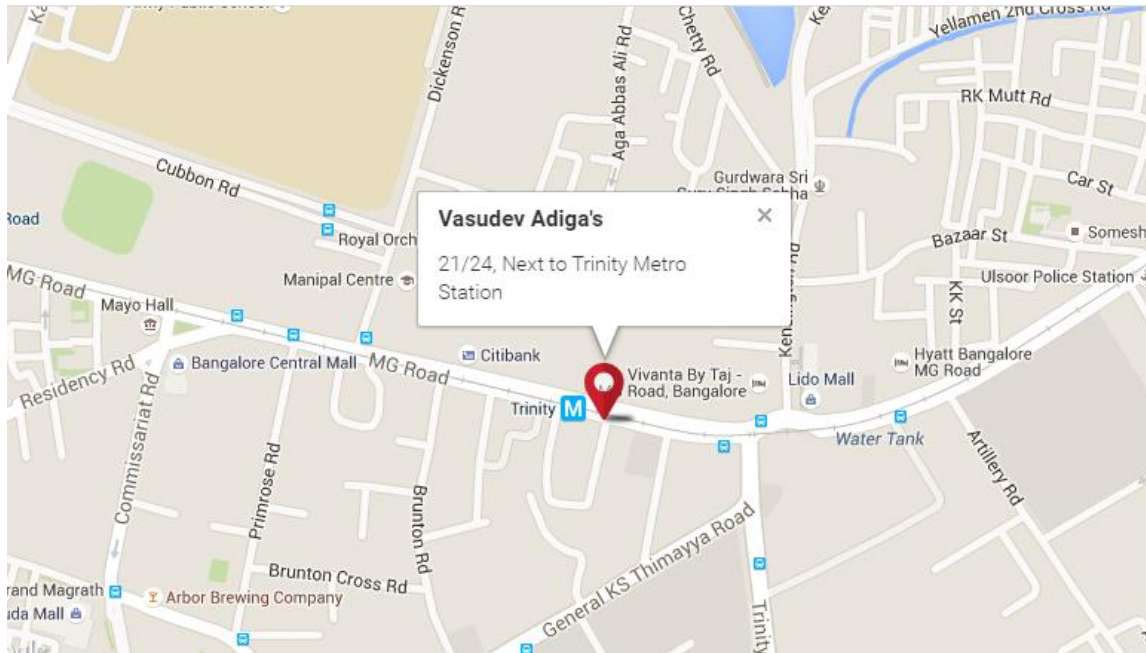
Regd Folio No	
Full Name of the Shareholder in Block Letters	
No. of Shares held	
Name of Proxy (if any) in Block Letters	

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

Route Map

Land Mark: Trinity Metro Station



The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19th September, 2015 (09:00 a.m.) and ends on 24th September, 2015 (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.
- (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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• 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.• 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in

Bank Details	<p>the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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).
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Ovobel Foods Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter 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 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.
 - 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 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.
- (xix) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

BOARD'S REPORT

Your Board has the pleasure in presenting the Twenty Third Annual Report of **Ovobel Foods Limited** (the Company) for the year ended 31st March, 2015.

1. DISCLOSURE UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 (HEREINAFTER KNOWN AS THE "ACT")

Disclosure under Section 92(3) of the Act that relate to the Extracts of Annual Return has been placed at Annexure I and forms part of this Board Report.

2. MEETINGS OF THE BOARD DURING THE FINANCIAL YEAR 2014-15:

The Board duly met for 14 times during the year under review.

3. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Board, based on the representations received from the management, confirms that:

- a) In the preparation of the annual accounts, for year ended on 31.03.2015, the applicable accounting standards have been followed and that there are no material departures;
- b) The Board has selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as 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 the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors had prepared the annual accounts on a going concerns 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 were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. DECLARATIONS BY INDEPENDENT DIRECTORS:

Pursuant to Section 149(7) of the Act, Independent Directors of the Company have submitted their Declarations confirming about all the requirements as specified under Section 149(6) of the said Act.

5. COMPANY'S POLICIES ON APPOINTMENT OF DIRECTORS, REMUNERATION AND OTHER MATTERS:

The Company shall, for the purpose of appointment of Directors, assess the current Board's skills, experience and expertise to identify the skills that would best increase Board effectiveness; assess the needs of the business currently and going forward to ensure that the Board is structured in a way that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business; exercises independent judgment; encourages and enables the enhanced performance of the Company and can effectively review and challenge the performance of management.

The details regarding the remuneration of all Executive, Non-Executive and Independent Directors are provided in Annexure 1 which is attached herewith to this Report.

6. STATUTORY AUDITORS:

M/s. Guru & Jana, Chartered Accountants were appointed as statutory auditors by the company to hold office till the conclusion of ensuring Annual General Meeting, being eligible, offer themselves for reappointment for the Financial Year 2015-16. The Board recommends their re-appointment.

7. AUDITORS' REPORT:

• Auditor's Comment:

Point i.a) in the Annexure to Auditor's Report:

The company has not maintained register for fixed assets showing full particulars, including quantitative details and situation of fixed assets.

Directors' Reply:

Your Directors hereby state that the Company shall take all the necessary steps to maintain a Register for Fixed Assets in the forthcoming years.

• Auditor's Comment:

Point ix) in the Annexure to Auditor's Report:

The company had defaulted in repayment of dues to the financial institutions & during the current year, has settled the dues through Draft Rehabilitation Scheme.

Directors' Reply:

As stated by the Auditors, the company has settled the dues through Draft Rehabilitation Scheme. However, the scheme is still pending approval from the BIFR and hence once the scheme is approved, the settlement of dues would be resolved.

8. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act 2013, Mr. Rafeeulla Shariff, Practicing Company Secretary, was appointed as the Secretarial Auditor for conducting the Secretarial Audit for the Financial Year 2014-15.

9. SECRETARIAL AUDIT REPORT:

Secretarial Auditor Report given by Mr. Rafeeulla Shariff, Practising Company Secretary, forms part of Annexure VI of the Board's Report for the Financial Year 2014-15. In the report issued by the Secretarial Auditor under Companies Act, 2013, the following qualifications / observations were made:

Auditor's Comment:

- *The Company has not appointed a Company Secretary as a Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013. However before signing of this report, the Company has appointed Mr. Sutheja K.J as the Company Secretary with effect from 30th April, 2015.*

Directors' Reply:

- The Directors of the Company had taken necessary steps to appoint a Company Secretary as a result of which the Company has appointed a Company Secretary with effect from 30th April, 2015.

Auditor's Comment:

- *The Company has not appointed an Internal Auditor for the financial year for the purpose of Internal Audit pursuant to the provisions of Section 138 of the Companies Act, 2013.*

Directors' Reply:

- The Board hereby confirms that M/s Nara Hari and Raghavendra, Chartered Accountants are appointed as Internal Auditors of the Company with effect from 30th April, 2015 to comply with the provisions of Companies Act, 2013.

Auditor's Comment:

- *The Company is suspended from trading of its equity shares at Bombay Stock Exchange Limited from 07th January, 2002 due to penal reasons. However, the Company is under the process of revocation of suspension from trading of its securities and before signing of this report the Company has submitted application for revocation to Bombay Stock Exchange Limited on 13th July, 2015.*

Directors' Reply:

- The Company has submitted the application for revocation of suspension from trading of securities to Bombay Stock Exchange Limited on 13th July, 2015.
The Board has been taking necessary steps in order to revoke the suspension.

Auditor's Comment:

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

Directors' Reply:

- The Board will take necessary steps in order to revoke the suspension from trading of securities at the Culcutta Stock Exchange Limited.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company had no transactions during the year 2014-15 falling under the purview of the provisions of Section 186 of the Companies Act, 2013.

11. 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 2 which forms part of Board Report.

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

[http://www.ovobelfoods.com/general-information/related-party-transaction/.](http://www.ovobelfoods.com/general-information/related-party-transaction/)

12. WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company has in place a Vigil Mechanism / Whistleblower Policy. The policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

Whistle Blower Policy has been disclosed on the website of the Company. Below is the link of the website.

<http://www.ovobelfoods.com/general-information/whistle-blower-policy/>

13. STATE OF COMPANY AFFAIRS OF THE COMPANY:

The Revenue from Operations of the Company for the year under review was Rs. 9,82,965 (In 000's) in comparison to *[previous year figure of Rs. 1,054,182 (In 000's)]*.

The Board promises to improve its performance in the forthcoming years.

14. RESERVES:

The Directors are happy to mention that the Annual Audited Financial Statements of the Company for the year ended March 31, 2015 have reported a Net Profit of Rs. 92,149 *(In 000's)* and the entire amount of the profits have been transferred to Reserves.

15. DIVIDEND:

Due to accumulated losses during the previous years, the Board does not recommend any dividend for the Financial Year 2014-15.

16. MATERIAL CHANGES POST END OF THE FINANCIAL YEAR:

The Company has revised the estimated useful lives of its fixed assets with effect from April 01, 2014 as provided in Schedule II of the Companies Act, 2013. Accordingly, the net book value of the fixed assets as at April 01, 2014, is depreciated on a prospective basis over the remaining useful life, wherever applicable. This change in accounting estimate has resulted in increase in depreciation and amortization expenses for the year ended March 31, 2015 by Rs.177 *(In 000's)*.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO:

a) Conservations of Energy

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

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

The consumption of the briquettes per hour is 450 kgs/hr and the consumption of agro waste is 925 kgs/hr.

The Capacity of the boiler is 20,00,000 kcals/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) Expenditure in Foreign Currency:

<i>(Amount in 000's)</i>		
Expenditure in Foreign Currency	31.03.2015	31.03.2014
Sales Commission	16,343	18,786
Lab Testing External	110	226
Total	16,454	19,013

Earnings in Foreign Currency:

<i>(Amounts in 000's)</i>		
Particulars	31.03.2015	31.03.2014
Exports	9,31,239	10,07,861
Total	9,31,239	10,07,861

18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Company had incurred losses continuously in the immediate three preceding Financials years and hence the provisions of Section 135 of the Companies Act, 2013 is not applicable.

19. STATEMENT INDICATING FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

i. FINANCIAL SUMMARY:

The summarized working results for the year are as follows:

<i>(Amount in 000's)</i>		
Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from Operations	9,82,965	10,54,182
Operating Expenses	(9,18,291)	(9,28,679)
EBITDA	64,674	1,25,503
Finance Cost & Depreciation	(14,817)	2,34,665
Other Income	84,434	70,208
Net Profit Before Tax	1,34,290	(38,954)
Tax Expenses	(42,142)	-
Net Profit After Tax	92,149	(38,954)

ii. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business of the Company during the period under review.

iii. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE FINANCIAL YEAR:

Pursuant to Section 149 of the Act, the Company during the period under review the Company has appointed Narendra Haldawar as Additional Director in the category of Independent Director of the Company with effect from 31st December, 2014.

Further, Mr. Sudhir Kulkarni was appointed as the Chief Financial Officer of the Company with effect from 02nd March, 2015.

iv. DETAILS RELATING TO DEPOSITS COVERED/ NOT COVERED UNDER THE COMPANIES ACT, 2013:

There were no Deposits which are covered / not covered under the Companies Act, 2013.

v. **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There were no such significant and material orders passed.

vi. **THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

There were adequate internal financial controls with reference to the financial statements during the financial year.

20. MANAGERIAL REMUNERATION

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

Your Board report that:

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year was 11.3634:1
- The percentage increase in remuneration during the financial year of each:
 - Executive Director (including Chief Executive Officer); and
 - Chief Financial Officer and Company Secretary (or Manager, if any,)

There was no increase in the remuneration of any Executive Director, Chief Financial Officer or Company Secretary of the Company and hence not applicable.

- 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: 105
- The explanation on the relationship between average increase in remuneration and company performance: Not Applicable
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: Since the Company is still coping with the accumulated losses, the remuneration paid to its Managerial Personnel cannot be compared with the performance of the Company.

However, the remuneration of the Key Managerial Personnel is reviewed from time to time based on their performance and contribution to the Company.

- Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the

company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Currently, the trading of the securities of the Company in the Stock Exchange is suspended due to which the market value of its shares is unavailable. However, the Company has submitted application to the Bombay Stock Exchange for revocation of suspension of trading in securities of the Company.

- Average percentile increase already made in the salaries of employees 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
- Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: Since the Company is still coping with the accumulated losses, the remuneration paid to its Managerial Personnel cannot be compared with the performance of the Company.

However, the remuneration of the Key Managerial Personnel is reviewed from time to time based on their performance and contribution to the Company.

- The key parameters for any variable component of remuneration availed by the directors: There is no variable component of remuneration availed by the directors;
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: there were no such employees in the Company who receive remuneration in excess of the highest paid director during the year.
- 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.
- No employee during the year-
 - (i) Was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;
 - (ii) Was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;
 - (iii) 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.

21. SHARE CAPITAL:

During the year, there was no change in the Share Capital of the Company.

22. PUBLIC DEPOSITS:

The Company has not accepted any public deposits during the year.

23. SUBSIDIARIES:

The Company does not have any Subsidiaries.

24. CORPORATE GOVERNANCE:

Disclosures relating to Corporate Governance are placed at Annexure V and forms part of this Board Report.

25. ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation of the efforts and co-operation of the Company's employees, consultants, associates, auditors, solicitors, vendors, shareholders, bankers and business associates for their support to the company.

For and on behalf of the Board

Shanti Swarup Aggarwal
Managing Director
DIN: 00322011

Swapan Kumar Majumder
Director
DIN: 03178122

Place: Kolkata
Date: 29th August, 2015

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L85110KA1993PLC013875
ii.	Registration Date	11.01.1993
iii.	Name of the Company	Ovobel Foods Limited
iv.	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	Address: Ground Floor, No.46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bangalore-560042, Karnataka, India. Contact Details: +91-80- 25594145/25594146
vi.	Whether listed company	Listed.
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Ltd. Address: No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore – 560003, Karnataka, India. Contact Details: +91-80- 23460815-818 Fax: +91-80-23460819

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 Albumen Powder	Group 107	26.75
2	Egg Yolk Powder	Group 107	23.25
3	Whole Egg Powder	Group 107	46.13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company doesn't have any holding, subsidiary and associate companies.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage 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
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
g) Individual/HUF	-	3122609	3122609	29.74	-	3122609	3122609	29.74	-
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt (s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	-	850000	850000	8.09	-	850000	850000	8.09	-
k) Banks / FI	-	-	-	-	-	-	-	-	-
l) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):-		3972609	3972609	37.83	-	3972609	3972609	37.83	
2. Foreign	-	-	-	-	-	-	-	-	-
a) NRIs-	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
b) Other-									
Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	1484691	-	14.14	-	1484691	1484691	14.14	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	1484691	-	14.14	-	1484691	1484691	14.14	-
Total Shareholding of Promoter (A)=(A) (1) +(A)(2)	-	5457300	5457300	51.97	-	5457300	5457300	51.97	-

B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1000600	1000600	9.53	-	1000600	1000600	9.53	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	1000600	1000600	9.53	-	1000600	1000600	9.53	-
2. Non-Institutions									
a) Bodies Corp.	-	834000	834000	7.94	-	834000	834000	7.94	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1421300	1421300	13.54	-	1421300	1421300	13.54	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	1537800	1537800	14.64	-	1537800	1537800	14.64	-
c) Others (specify) *Non-resident Indian	-	249800	249800	2.38	-	249800	249800	2.38	-
Sub-total (B)(2):-	-	4042900	4042900	38.50	-	4042900	4042900	38.50	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	5043500	5043500	48.03	-	5043500	5043500	48.03	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10500800	10500800	100	-	10500800	10500800	100	-

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anisha Aggarwal	186800	1.78	-	186800	1.78	-	-
2	Induss Food Products & Equipments Limited	850000	8.09	-	850000	8.09	-	-
3	Janki Devi Aggarwal	100	0.00	-	100	0.00	-	-
4	Natasha Aggarwal	183800	1.75	-	183800	1.75	-	-
5	Ovobel S.A. Belgium	1484691	14.14	-	1484691	14.14	-	-
6	Sadhana Agarwal	325100	3.10	-	325100	3.10	-	-
7	Shanti Swarup Aggarwal	764709	7.28	-	764709	7.28	-	-
8	Utsav Parekh	1043600	9.94	-	1043600	9.94	-	-
9	Vinita Agarwal	618400	5.89	-	618400	5.89	-	-
10	Vishan Swarup Agarwal	100	0	-	100	0	-	-
	Total	5457300	51.97	-	5457300	51.97	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change):
There was no change in Promoters Shareholding during the Financial Year 2014-15.

Sl. No		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				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity Etc.				
	At the End of the year				

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

Sl. No		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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	2350500	22.38	2350500	22.38
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.				

	allotment / transfer / bonus/ sweat Equity Etc.				
	At the End of the year	2350500	22.38	2350500	22.38

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No		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
	For Each of the Directors and KMP				
	At the beginning of the year	951509*	9.06	951509*	9.06
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity Etc.	-	-	-	-
	At the End of the year	951509*	9.06	951509*	9.06

*The Above Shares are held by Shanti Swarup Aggarwal, Managing Director and Anisha Agarwal, Directors of the Company respectively.

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	1,27,75,000	0	0	1,27,75,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	24,23,06,545	0	0	24,23,06,545
Total (i+ii+iii)	25,50,81,545	0	0	25,50,81,545
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year:				
i)Principal Amount	1,27,75,000	0	0	1,27,75,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	24,68,78,365	0	0	24,68,78,365
Total (i+ii+iii)	25,96,53,365	0	0	25,96,53,365

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Shanti Swarup Aggarwal	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,00,000	20,00,000

	(Basic and Leave Encashment Included)		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission -as % of profit -others, specify	0	0
5	Others –Bonus	25,00,000	25,00,000
	Total (A)	45,00,000	45,00,000
	Ceiling as per the Act	46,07,450	46,07,450

B. Remuneration to other directors

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Philip Jan Clement Maria Jozef Van Bosstraeten	Anisha Agarwal	Swapan Kumar Majumder	Satish Narayana Swamy	Narendra Haldawar	
	3.Independent Directors						
	• Fee for attending board / committee meetings	NA	NA	NA	0	0	0
	• Commission	NA	NA	NA	0	0	0
	• Others, please specify	NA	NA	NA	0	0	0
	Total (1)	0	0	0	0	0	0
	4. Other Non-Executive Directors						
	• Fee for attending board / committee	0	0	0	NA	NA	0

	meetings						
	• Commission	0	0	0	NA	NA	0
	• Others, please specify	0	0	0	NA	NA	0
	Total(2)	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0	0
	Overall Ceiling as per the Act	921490					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Sudhir Kulkarni (Chief Financial Officer)	Total
1.	Gross salary (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	10,81,920	10,81,920
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please Specify	0	0
	Total	10,81,920	10,81,920

D. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis – There were no contracts which were not at Arm's length basis and hence, it is not applicable.

- (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.

3. Details of material contracts or arrangement or transactions at arm's length basis:

Details are disclosed in table A which is attached below.

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of ~~contracts/arrangements~~/transactions:
Reimbursements of expenses to Related Parties, Repayment of loan given and Remuneration to Key Managerial Personnel
- (c) Duration of the ~~contracts / arrangements~~/transactions: Yearly
- (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: NIL

(f) Amount paid as advances, if any: NIL

For Ovobel Foods Limited

Shanti Swarup Aggarwal
Managing Director
DIN: 00322011

Swapn Kumar Majumder
Director
DIN: 03178122

Table A

Sl. No	Name of Related Party	Nature of Transaction	Amount
1	Induss Food Products & Equipments Limited	Reimbursements of expenses	42,42,238
2	Shanti Swarup Aggarwal	Repayment/Set off	8,15,000
3	Shanti Swarup Aggarwal	Salaries, Perquisites ,Contribution to PF	45,00,000

For Ovobel Foods Limited

Shanti Swarup Aggarwal
Managing Director
DIN: 00322011

Swapan Kumar Majumder
Director
DIN: 03178122

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.

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.

f. Internal control systems and their adequacy.

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

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

The Company has drastically increased its profitability compared to earlier years.

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

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

For Ovobel Foods Limited

Shanti Swarup Aggarwal
Managing Director
DIN: 00322011

Swapan Kumar Majumder
Director
DIN: 03178122

**To,
The Members
Ovobel Foods Limited**

Sub: "Certificate on the compliance of the provisions of Clause 49 of the Listing Agreement"

We have examined the compliance of conditions of Corporate Governance by Ovobel Foods Limited ('the Company') for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock exchange(s).

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 Listing Agreement.

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 and on behalf of M/s Guru and Jana
Chartered Accountants (FRN: 006826S)**

**CA Guru Prasad M
Partner
Membership No:-200714**

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. 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

a. Composition and category of directors:

NAMES OF THE DIRECTORS	CATEGORY OF THE DIRECTOR (EXECUTIVE / NON-EXECUTIVE)	WHETHER INDEPENDENT / NON-INDEPENDENT	DIRECTORSHIPS IN OTHER COMPANIES
Shanti Swarup Aggarwal	Executive	Non-Independent	4
Anisha Agarwal	Non-Executive	Non-Independent	1
Philip Jan Clement Maria Jozef Van Bosstraeten	Non-Executive	Non-Independent	0
Swapan Kumar Majumder	Non-Executive	Independent	0
Satish Narayana Swamy	Non-Executive	Independent	3
Narendra Haldawar	Non-Executive	Independent	7

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

NAMES OF THE DIRECTORS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Shanti Swarup Aggarwal	14	14

Anisha Agarwal	14	10
Philip Jan Clement Maria Jozef Van Bosstraeten	14	1
Swapan Kumar Majumder	14	13
Satish Narayana Swamy	14	11
Narendra Haldawar	14	4

Note: i) Mr. Philip Jan Clement Maria Jozef Van Bosstraeten was appointed as an Additional Director with effect from 11th November, 2014 and was regularized as a Director of the Company at the Annual General Meeting of the Company held on 31st December, 2014

Mr. Narendra Haldawar was appointed as an Additional Director with effect from 31st December, 2014.

2. 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

NAMES OF THE MEMBERS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. Swapan Kumar Majumder	4	4
Mr. Satish Narayana Swamy	4	4
Mr. Narendra Haldawar	4	1
Mr. Shanti Swarup Aggarwal	4	3

Note: Mr. Shanti Swarup Aggarwal stepped down from the Committee with effect from 31st December, 2014.

3. 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

There were no Nomination and Remuneration Committee meetings held during the year.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- i. Name of non-executive director heading the committee –Satish Narayana Swamy
- ii. Name and designation of compliance officer –Sudhir Kulkarni
- iii. Number of shareholders' complaints received so far -5
- iv. Number not solved to the satisfaction of shareholders -0
- v. Number of pending complaints -0

5. GENERAL BODY MEETINGS:

FINANCIAL YEAR ENDED	DATE AND TIME	VENUE	SPECIAL RESOLUTION PASSED
March 31, 2012	28 th September, 2012 at 11:00 a.m.	Registered Office of the Company	NIL
March 31, 2013	10 th December, 2013 at 11:00 a.m.	Registered Office of the Company	NIL
March 31, 2014	30 th December, 2014 at 11:00 a.m.	Registered Office of the Company	Amendment of Memorandum of Association and Articles of Association

6. 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. –The Company was suspended from trading of its securities at the Bombay Stock Exchange from 07th January, 2002. However, the Company has applied for the revocation of suspension.
- 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 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.

8. Means of communication:

- i. Quarterly results –Newspapers and Website
- ii. Newspapers wherein results normally published –Business Standard and Vijayavaani
- iii. Any website, where displayed –www.ovobelfoods.com
- iv. Whether it also displays official news releases -No
- v. The presentations made to institutional investors or to the analysts -No

9. General Shareholder information:

AGM: Date, time and venue	Date: 25 th September, 2015; Time: 10:00 A.M; Venue: Vasudev Adigas Fast Food, 02 nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India
Financial year	2014-15
Date of Book closure	18 th September, 2015 to 25 th September, 2015 (both days inclusive)
Dividend Payment Date	-
Listing on Stock Exchanges	Listed (Suspended from trading)
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	Integrated Enterprises India 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	Malur, Kolar District
Address for correspondence	Ground Floor, No.46 Old No.32/1, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bangalore -560042, Karnataka, India

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

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

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 31st March, 2015 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 31st March, 2015 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;

I have relied on the representation made by the Company and its officers for systems & mechanism formed by the Company for compliance under other applicable Acts, laws, rules and regulations to the Company.

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

i) The Listing Agreement entered by the Company with Bombay Stock Exchange relating to listing of Equity shares;

However, since the Secretarial Standards issued by The Institute of Company Secretaries of India are not applicable for the Financial Year 2014-15, the same have not been verified.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent as mentioned below:

- i. The Company has not appointed a Company Secretary as a Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013. However before signing of this report, the Company has appointed Mr. Sutheja K.J as the Company Secretary with effect from 30th April, 2015.*
- ii. The Company has not appointed an Internal Auditor for the purpose of Internal Audit pursuant to the provisions of Section 138 of the Companies Act, 2013.*
- iii. The Company is suspended from trading of its equity shares at Bombay Stock Exchange Limited from 07th January, 2002 due to penal reasons. However, the Company is under the process of revocation of suspension from trading of its securities and before signing of this report the Company has submitted application for revocation to Bombay Stock Exchange Limited on 13th July, 2015.*
- iv. The Company is suspended from trading of securities at Calcutta Stock Exchange Limited.*

I further report that

The Board of the Company is duly constituted with proper balance of Directors as required under the Companies Act, 2013 including: Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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,-

- i.** The company has appointed Mr. Sudhir Kulkarni as the Chief Financial Officer of the Company at its Board Meeting dated 02nd March, 2015.

- ii. 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 Operating Agency & 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.

Rafeeulla Shariff
Practicing Company Secretary
ACS No. 28890
C P No.: 11103

Place: Bangalore
Date: 29th August, 2015

Independent Auditor's Report

To

The Members of Ovobel Foods Limited

Report on the Financial Statements

1. We have audited the accompanying financials statements of **Ovobel Foods Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financials 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:

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 except for the following:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

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 2,000 thousands given in April'14 & the same 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Reports are in agreement with the books of accounts.
 - (d) 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.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

for **GURU & JANA,**
Chartered Accountants
Firm's Registration No: 006826S

K. L. Prashanth
Partner
Membership No: 213066

Place: Bangalore
Date: 30th May, 2015

Annexure to Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulator Requirements' of our Report of even date on the financial statements for the year ended on 31st March 2015, 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 explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i. (a) The company has not maintained register for fixed assets showing full particulars, including quantitative details and situation of fixed assets.

(b) Physical verification is done in a phased manner. However, during the year no physical verification was conducted. Hence we are unable to comment on any material discrepancies.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

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

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. 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. Accordingly, the provisions of clauses 3(iii)(a) & (b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- v. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 the Companies Act and the rules framed there under are not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, in respect of services carried out by the Company.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, , custom duty, excise duty, value added tax or cess which have not been deposited on account of any dispute except as follows:

(c) There are no amounts to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year. In the preceding financial year, the Company had incurred cash losses.
- ix. The company had defaulted in repayment of dues to the financial institutions & during the current year, has settled the dues through Draft Rehabilitation Scheme; however such scheme is pending approval from BIFR.
- x. In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- xi. In our opinion, the term loans have been applied for the purpose for which they were obtained.

- xii. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for **GURU & JANA**,
Chartered Accountants
Firm's Registration No: 006826S

K. L. Prashanth
Partner
Membership No: 213066

Place: Bangalore
Date: 30th May, 2015

OVOBEL FOODS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

(Rupees in 000's)

Particulars	Notes	31-Mar-15	31-Mar-14
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	105,008	105,008
Reserves and surplus	3	(56,772)	(198,360)
Net Worth before Capital Reserve		48,236	(93,352)
Capital Reserve		48,935	48,935
		97,171	(44,416)
 Non-current liabilities			
Long-term borrowings	4	12,775	12,775
Long-term provisions	5	7,730	6,270
		20,505	19,045
 Current liabilities			
Short-term borrowings	6	151,747	96,507
Trade Payables	7	32,290	54,408
Other current liabilities	7	254,219	248,088
Short-term provisions	5	843	-
		439,099	399,002
		556,775	373,631
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	21,036	22,707
Intangible assets	8	143	327
Capital Work In progress		3,480	-
Non-current investments	9	250	250
Deferred Tax assets(net)	10	10,861	-
Long-term loans and advances	11	2,911	4,975
		38,680	28,259
 Current assets			
Inventories	14	62,612	63,843
Trade receivables	12	127,521	111,219
Cash and bank balances	15	217,480	151,768
Short-term loans and advances	11	24,507	9,130
Other current assets	13	85,975	9,412
		518,095	345,372
		556,775	373,631

Summary of significant accounting policies

1

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

As per our report of even date

For **Guru & Jana**

Chartered Accountants

Firm Registration No.006826S

For and on behalf of the Board of Directors

K.L Prashanth

Partner

Membership No.213066

**Shanti Swarup
Aggarwal**

Managing Director
DIN: 00322011

**Swapan Kumar
Majumder**

Director
DIN: 03178122

Place : Bangalore

Date : 30/05/2015

Sudhir Kulkarni
Chief Financial Officer

Sutheja K.J
Company Secretary

OVOBEL FOODS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Notes	31-Mar-15	31-Mar-14
CONTINUING OPERATIONS			
Income			
Revenue from operations (gross)	16	988,758	1,059,040
Less: Excise Duty		5,793	4,858
Revenue from operations (net)		982,965	1,054,182
Other income	17	84,434	70,208
Total revenue (i)		1,067,398	1,124,390
Expenses			
Cost of raw materials and components consumed	18	743,940	766,557
(Increase) / Decrease in inventories of finished goods , work in progress and traded goods	19	(227)	(11,246)
Employee benefit Expenses	20	48,061	47,334
Other expenses	21	126,518	126,033
Depreciation and amortization expense	22	2,599	2,422
Finance costs	23	12,218	232,243
Total (ii)		933,108	1,163,344
Profit/ (Loss) before Exceptional and Extraordinary Items and Tax[(i) - (ii)]		134,290	(38,954)
Extraordinary Items			
Prior Period Expenses		-	-
Profit before Tax		134,290	(38,954)
Tax expenses			
Current tax		3,297	-
Deferred tax		38,845	-
Total tax expense		42,142	-
Profit/(loss) for the year		92,149	(38,954)
Earnings per equity share [nominal value of share Rs. 10(31 March 2014 : Rs.10)]			
Basic & Diluted	24		
Computed on the basis of profit from continuing operations		8.78	(3.71)
Computed on the basis of total profit for the year		8.78	(3.71)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For Guru & Jana

Chartered Accountants

Firm Registration No.006826S

For and on behalf of the Board of Directors

K.L Prashanth

Partner

Membership No.213066

**Shanti Swarup
Aggarwal**

Managing Director

DIN: 00322011

**Swapan Kumar
Majumder**

Director

DIN: 03178122

Place : Bangalore

Date : 30/05/2015

Sudhir Kulkarni
Chief Financial Officer

Sutheja K.J
Company Secretary

OVOBEL FOODS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015
(Rupees in '000)

Particulars	31-Mar-15	31-Mar-14
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	134,290	(38,954)
Profit before tax	134,290	(38,954)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	2,599	2,422
Loss/ (profit) on sale of fixed assets	-	-
Interest Expense	9,496	229,284
Interest income	(12,285)	(5,177)
Dividend Income	(10)	(14)
Operating profit before working capital changes	134,091	187,561
Movements in working capital :		
Increase/ (Decrease) in trade payables	(22,118)	(31,188)
Increase / (Decrease) in long term provisions	1,460	1,169
Increase / (decrease) in short-term provisions	843	(413)
Increase/ (decrease) in other current liabilities	1,559	(1,341)
Decrease / (increase) in trade receivables	(16,301)	(9,627)
Decrease / (increase) in inventories	1,232	(12,302)
Decrease / (increase) long term loans and advances	2,065	(1,939)
Decrease / (increase) short term loans and advances	(15,376)	(4,042)
Decrease / (increase) in other current assets	(2,449)	(6,209)
Decrease / (increase) in other non current assets	-	-
Cash generated from / (used in) operations	85,006	121,669
Direct taxes paid (net of refunds)	(3,297)	-
Net cash flow from/ (used in) operating activities (A)	81,709	121,669
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(4,493)	(2,908)
Sale of Investments	-	20
Investments in bank deposits (having maturity of 12 months)	(80,381)	(59,852)
Interest received	12,285	5,177
Dividend Received	10	14
Net cash flow from/ (used in) investing activities (B)	(72,579)	(57,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	55,240	(10,747)
Repayments of long-term borrowings	(74,114)	-
Interest accrued but not due	4,572	219,024
Interest paid	(9,496)	(229,284)
Net cash flow from/ (used in) in financing activities (C)	(23,798)	(21,007)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(14,668)	43,113
Cash and cash equivalents at the beginning of the year	45,111	1,998
Cash and cash equivalents at the end of the year	30,443	45,111
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	52	60
Cheques/ drafts on hand	-	-
With banks- on current account	30,391	45,051
- unpaid matured deposits	-	-
Total cash and cash equivalents (Note 15)	30,443	45,111

Summary of significant accounting policies 1

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

As per our report of even date

For **Guru & Jana**
Chartered Accountants
Firm Registration No.006826S

For and on behalf of the Board of Directors

K.L Prashanth
Partner
Membership No.213066

Shanti Swarup Aggarwal
Managing Director
DIN: 00322011

Swapan Kumar Majumder
Director
DIN: 03178122

Place : Bangalore
Date : 30/05/2015

Sudhir Kulkarni
Chief Financial Officer

Sutheja KJ
Company Secretary

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 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.

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Intangible assets are amortized over a period of 3 years.

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than 5,000/- did not have any material impact on financial statements of the company for the current year.

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.

4 Inventories

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

5 Investments

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

6 Revenue Recognition

A. Sale of Products:

1. Export Sales

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

2. Domestic Sales

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

B. Sale of Export license:

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

C. Interest Income:

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

D. Dividend Income:

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

7 Expenditure

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

8 Foreign Currency Transactions

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

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

9 Cash Flow

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

10 Sales Commission

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

11 Earnings Per Share

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

12 Retirement Benefits

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

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

13 Segment reporting**Identification of segments**

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

14 Accounting for Tax on Income

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

15 Contingent Liabilities & Provisions

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

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

OVOBEL FOODS LIMITED**Notes to Financial Statements for the year ended 31st March 2015****(Rupees in '000)****Note 2****SHARE CAPITAL****Authorized shares**

11,000,000 (March 31, 2014: 11,000,000) equity shares of Rs. 10 each

	31-Mar-15	31-Mar-14
	110,000	110,000
	110,000	110,000

Issued, subscribed and fully paid-up shares

10,500,800 (March 31, 2014: 10,500,800) equity shares of Rs.10 each fully paid up

Total issued, subscribed and fully paid-up share capital

	105,008	105,008
	105,008	105,008

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

	31-Mar-15		31-Mar-14	
	No.	Amount	No.	Amount
At the beginning of the period	10,500,800	105,008	10,500,800	105,008
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,500,800	105,008	10,500,800	105,008

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

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

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

	31-Mar-15		31-Mar-14	
	No.	% holding	No.	% holding
Equity shares of Rs,10 each fully paid				
Ovobel NV	1,484,691	14.14%	1,484,691	14.14%
Shanti Swarup Aggarwal	761,409	7.25%	761,409	7.25%
Vinita Agarwal	618,400	5.89%	618,400	5.89%
Utsav Parekh	546,900	5.21%	546,900	5.21%

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

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

Balance as per last financial statements

	31-Mar-15	31-Mar-14
	(198,360)	(159,405)
Balance WDV of Fixed assets whose life as per Schedule II of Companies act 2013, was completed by 31st March'14.	(267)	
Deferred tax Asset pertaining to earlier years	49,706	
Profit/(Loss) for the year	92,149	(38,954)
Net Surplus/(Deficit) in the statement of Profit and Loss	(56,772)	(198,360)
Total Reserves and Surplus	(56,772)	(198,360)

OVOBEL FOODS LIMITED
Notes to Financial Statements for the year ended 31st March 2015
(Rupees in '000)
Note 4
Long-term borrowings
Term Loans
Secured

Rupee Loans from Financial Institutions

Total Long Term Borrowings

	31-Mar-15	31-Mar-14
	12,775	12,775
	12,775	12,775

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

b. On account of the sickness and company's inability to honour the repayment obligations ; company had approached these institutions for settlement of dues through One Time Settlement routes, adopting interest at the rate 15% p.a. as per RBI guidelines for Sick Companies. However, KSIIDC despite directions of Honorable Board for Industrial and Financial Reconstruction (BIFR) as well as Draft Rehabilitation Scheme (DRS) prepared by operating agency (OA) , declined company's request and quantified the recoverable dues at Rs. 2,55,033 thousands as on 31st December 2013 vide their letter dated 10th January 2014. Accordingly, company had, recognised the said demand during the year 2013-14 in lieu of the past practice in conformity with AS-5, which will be subject to the final decision of the respective lenders and the orders of Honorable BIFR when final effect as may needed will be given effect to.

c. As far as MFPI are concerned, though they had during January 2014, computed their recoverable dues at Rs. 12,242 thousands 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 2015 for want of approval by Honorable 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. 82,424 thousands in terms of approval given by each of them pending its approval/sanction by BIFR. 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 Income tax (Net of Advance tax)

Total Provisions

	Long-term		Short-term	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	5,836	5,088	453	-
	1,894	1,181	88	-
	-	-	302	-
	7,730	6,270	843	-

Note 6
Short Term Borrowings

Packing Credit (Secured)

Bill Discounting (Secured)

Overdraft facility (Secured)

Total Short term borrowings

	31-Mar-15	31-Mar-14
	20,000	13,741
	65,247	51,265
	66,500	31,500
	151,747	96,507

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

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

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

d. Both Packing Credit and Bil Discounting is repayable on demand and carries interest @ Base rate plus 1.5%

e. Two overdraft facilities have been availed by the company. Same are secured against fixed deposits & it carries interest @ 11.10% & 11.25%. Interest rates are linked to the RBI rates, hence are fluctuating in nature.

Note 7
Other Current Liabilities
Trade payables (including acceptances)

Dues to micro, medium and small enterprises

Dues to other than micro, medium and small enterprises

	31-Mar-15	31-Mar-14
	10	-
	32,280	54,408
	32,290	54,408

Other Current Liabilities

Interest accrued but not due on borrowings

Other Liabilities

Statutory dues

Total other Current Liabilities

	246,878	242,307
	7,079	5,006
	261	775
	254,219	248,088

Interest accrued but not due on borrowings includes interest of Rs 2,42,258 thousands pertaining to the long term borrowings as referred to in Note 4 above.

OVOBEL FOODS LIMITED
Notes to financial statements for the year ended 31st March 2015
Note 8
Tangible and Intangible Assets
(Rupees in '000)

Particulars /Assets	Tangible Assets								Intangible Assets	
	Land & Buliding	Factroy Building	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles	Computer & Peripherals	Total	Software	Total
Cost or valuation										
At 31st March 2013	1,722	39,436	1,936	1,665	189,684	515	1,318	236,277	183	183
Additions	-	-	257	-	2,218	-	149	2,624	285	285
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March 2014	1,722	39,436	2,193	1,665	191,902	515	1,467	238,901	467	467
Additions	-	-	108	101	725	-	78	1,013	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March 2015	1,722	39,436	2,301	1,766	192,627	515	1,546	239,913	467	467
Depreciation										
At 31st March 2013	-	20,981	1,117	831	163,583	126	1,088	187,726	86	86
Charge for the year	-	1,317	97	105	572	49	227	2,368	54	54
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March 2014	-	22,298	1,213	937	164,155	175	1,315	190,093	141	141
Charge for the year	-	1,317	65	68	209	49	34	1,742	65	65
Depreciation Adjustment as per Companies Act, 2013	-	85	382	71	62	28	47	675	117	117
Transferred to R&S as per Companies Act, 2013	-	-	267	-	-	-	-	267	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March 2015	-	23,700	1,927	1,076	164,427	251	1,396	192,777	323	323
Impairment of Assets										
At 31 March 2013					26,100			26,100		
Charge for the year					-			-		
At 31st March 2014	-	-	-	-	26,100	-	-	26,100	-	-
Charge for the year										
At 31st March 2015	-	-	-	-	26,100	-	-	26,100	-	-
Net Block										
At 31st March 2014	1,722	17,138	980	729	1,646	341	152	22,707	327	327
At 31st March 2015	1,722	15,736	374	691	2,100	264	149	21,036	144	143

Note: The Company has revised the estimated useful lives of its fixed assets with effect from April 01, 2014 as provided in Schedule II of the Companies Act, 2013. Accordingly, the net book value of the fixed assets as at April 01, 2014, is depreciated on a prospective basis over the remaining useful life, wherever applicable. This change in accounting estimate has resulted in increase in depreciation and amortisation expenses for the year ended March 31, 2015 by Rs. 792.39 thousands. Further, in case of fixed assets whose useful life on such reassessment had expired as of March 31, 2014, net book value of assets of Rs. 267 thousands is adjusted against the surplus / (deficit) in the statement of profit and loss as of April 01, 2014

OVOBEL FOODS LIMITED
Notes to Financial Statements for the year ended 31st March 2015
(Rupees in '000)
Note 9
Non Current Investments
Investment in Equity Instruments (Quoted)

10,000 (31 March 2014 : 10,000) equity shares of Rs. 10 each fully paid in SMIFS Capital Markets Limited
[Market Value Rs 228 thousand (March 2014: Rs 234 thousand)]

Total Non Current Investments

	31-Mar-15	31-Mar-14
	250	250
	250	250

Note 10
Deferred Tax Asset (Net)

Deferred Tax liability

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

Charged in financials

Gross Deferred Tax liability

	31-Mar-15	31-Mar-14
	-	-
	-	-

Deferred Tax asset

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

Charged in financials

Expenses on which Tax is not deducted

Provision for Gratuity

Provision for Leave encashment

Provision for Bonus

	7,328	-
	207	-
	1,943	-
	613	-
	770	-

Gross Deferred Tax Asset

	10,861	-
--	---------------	---

Net Deferred Tax Asset

	10,861	-
--	---------------	---

Note: The Company had been incurring losses prior to the year ended 31st March 2015; hence Deferred Tax Assets (net) arising due to such losses was not recognised due to want of virtual certainty. However, the Company has earned profits during the current year; hence deferred tax assets (net) has been recognised for the first time in the current year.

As per the transitional provisions of AS-22, effect of Deferred Tax upto the year ended 31st March 2014 has been computed and given effect to Reserves & Surplus (Profit & Loss A/c) and deferred tax for the year ended 31st March 2015 has been given effect to the current year's profit & loss account.

Note 11
Loans and Advances
Security Deposit

Secured considered good

Unsecured considered good

Loans to related parties

Unsecured considered good

(Refer Note no 25. related party disclosure)

Advances recoverable in cash or kind

Unsecured considered good

Other loans and Advances

Prepaid expenses

Advances to employees

Advance Income Tax

Deposits with government/statutory authorities

Long Term		Short Term	
31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
2,322	2,220		
-	-		
2,322	2,220	-	-
-	-	-	815
-	-	-	815
-	-	20,134	75
-	-	20,134	75
-	-	998	156
-	-	509	767
-	1,774	-	-
589	982	2,866	7,318
589	2,756	4,373	8,240
2,911	4,975	24,507	9,130

Total Loans and Advances
Note 12
Trade Receivables

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

Unsecured, considered good

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

Total Trade receivables

	31-Mar-15	31-Mar-14
	127,521	111,219
	-	-
	127,521	111,219

Note 13
Other Current Assets

Advance to suppliers

Advance against One Time Settlement offers (Refer Note 4)

Total Other Assets

	31-Mar-15	31-Mar-14
	3,552	1,102
	82,424	8,310
	85,975	9,412

Note 14
Inventories

Raw Materials and Components

(Refer note no.18 for cost of raw materials consumed)

Finished Goods

Stock in transit

Total Inventories

	31-Mar-15	31-Mar-14
	3,196	4,655
	32,452	43,503
	26,964	15,686
	62,612	63,843

Note 15
Cash and bank balances
Cash and cash equivalents

Balances with banks:

- On current accounts

Cash on hand

Non-current		Current	
31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
-	-	30,391	45,051
-	-	52	60
-	-	30,443	45,111

Other bank balances

Deposits with original maturity for 12 months

Margin money deposit

-	-	187,038	106,657
-	-	-	-
-	-	187,038	106,657

Amount disclosed under non-current assets

-	-	-	-
-	-	217,480	151,768

Note 16**Revenue from operations****Sale of Products**

Revenue from operations (Gross)

Less - Excise Duty *

Revenue from Operations (Net)

	31-Mar-15	31-Mar-14
Revenue from operations (Gross)	988,758	1,059,040
Less - Excise Duty *	5,793	4,858
Revenue from Operations (Net)	982,965	1,054,182

* Excise duty on sales amounting to Rs. 5,793(31 March 2014: Rs. 4,858) has been reduced from the sales in the Statement of Profit & Loss account.

Details of products sold**Finished goods sold**

Egg -Powder

Egg -Liquid

	31-Mar-15	31-Mar-14
Egg -Powder	970,558	1,022,350
Egg -Liquid	12,407	31,832
Finished goods sold	982,965	1,054,182

Note 17**Other income****Interest income on**

Bank Deposits

Others

Dividend Income on

Long term Investments

Exchange Fluctuation Gain (net)

Other Non-operating income*

(Net of expenses directly attributable to such income)

* Includes sale of export licenses Rs. 53,380 thousands (March 2014: Rs. 49,892 thousands)

	31-Mar-15	31-Mar-14
Bank Deposits	12,285	5,187
Others	-	11
Dividend Income on		
Long term Investments	10	14
Exchange Fluctuation Gain (net)	11,235	5,149
Other Non-operating income*	60,904	59,847
Other income	84,434	70,208

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 Raw materials and components consumed

	31-Mar-15	31-Mar-14
Inventory at the beginning of the year	1,302	1,656
Add : Purchases	743,676	766,203
	744,978	767,859
Less : Inventory at the end of the year	1,038	1,302
Cost of Raw materials and components consumed	743,940	766,557

Details of Raw materials and Components Consumed

Eggs

Pigments, Yeasts and Enzymes

	31-Mar-15	31-Mar-14
Eggs	741,902	766,051
Pigments, Yeasts and Enzymes	2,038	506
Details of Raw materials and Components Consumed	743,940	766,557

Details of Inventory**Raw Materials and components**

Eggs

Pigments, Yeasts and Enzymes

	31-Mar-15	31-Mar-14
Eggs	216	52
Pigments, Yeasts and Enzymes	822	1,250
Details of Inventory	1,038	1,302

OVOBEL FOODS LIMITED**Notes to Financial Statements for the year ended 31st March 2015****(Rupees in '000)****Note 19****(Increase) / Decrease in inventories****Inventories at the end of the year**

Finished Goods

31-Mar-15	31-Mar-14
59,416	59,189
59,416	59,189

Inventories at the beginning of the year

Finished Goods

59,189	47,943
59,189	47,943
(227)	(11,246)

(Increase) / Decrease**Details of inventory****Finished Goods**

Egg - Powder

Egg - Liquid

31-Mar-15	31-Mar-14
59,179	57,259
237	1,930
59,416	59,189

Note 20**Employee benefit expense**

Salaries, wages and bonus

Contribution to provident fund and other funds

Staff welfare expenses

31-Mar-15	31-Mar-14
44,345	43,832
1,280	1,620
2,436	1,883
48,061	47,334

Note 21**Other expenses**

Consumption of Power & fuel

Freight & Forwarding Charges

Consumption of stores & spares

Electricity

Sales commision

Repairs and Maintenanace

-Plant and Machinery

-Buildings

-Others

Travelling and conveyance

Legal and Professional Fees

Insurance

Inspection Charges

Service Tax of earlier years, not recoverable written off

Payment to auditor (*refer table below*)

Rent

Communication costs

Misellaneous expenses

Loss on Forward Contract

31-Mar-15	31-Mar-14
33,093	32,006
14,260	16,427
13,092	14,796
12,134	12,393
16,343	18,786
4,417	4,108
4,327	1,359
350	746
4,197	4,458
5,405	2,672
2,867	3,029
2,132	2,308
2,612	-
861	823
356	394
986	1,161
9,085	9,228
-	1,341
126,518	126,033

Payment to Auditor**As Auditor:**

Audit Fee

Tax audit fee

VAT audit fee

31-Mar-15	31-Mar-14
300	225
100	75
40	35

In Other capacity:

Taxation matters

Company law matters

Certification Fees

Other services

Reimbursement of Expenses

155	136
183	189
83	23
-	118
-	23
861	823

OVOBEL FOODS LIMITED**Notes to Financial Statements for the year ended 31st March 2015****(Rupees in '000)****Note 22****Depreciation and amortization expense**

Depreciation of tangible assets

Amortization of intangible assets

31-Mar-15	31-Mar-14
2,417	2,368
182	54
2,599	2,422

Note 23**Finance Costs**

Interest *

Bank charges

31-Mar-15	31-Mar-14
9,496	229,284
2,722	2,959
12,218	232,243

* Interest cost for the year ended 31st March 2014 includes differential interest amounting to Rs. 2,17,059 claimed by KSIIDC, during the previous year (2013-14) for and on behalf of themselves and MFPI, vide their letter dated 10.01.2014, in response to DRS circulated by operating agency and which is recognised by the company, pending final decision on company's OTS requests by both institutions and its subsequent sanction by Hon'ble BIFR.

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

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

Basic & Diluted EPS

Net Profit/(Loss) after tax

Less : Dividends on convertible preference shares & tax thereon

Net Profit/(Loss) for calculation of EPS

31-Mar-15	31-Mar-14
92,149	(38,954)
-	-
92,149	(38,954)
Weighted average number of equity shares in calculating basic EPS (in '000s)	10,501
Earnings Per Share	8.78
	(3.71)

OVOBEL FOODS LIMITED**Notes to Financial Statements for the year ended 31st March 2015****Note 25****Disclosure under Accounting Standard 15 on Employee Benefits**

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

Net employment benefit expenses recognised in the employee cost

	<i>(Rupees in '000)</i>	
	31-Mar-15	31-Mar-14
Current service cost	398	230
Interest cost on benefit obligation	464	411
Expected return on plan assets	-	-
Acturial (Gain) / loss recognised in the year	2,205	(57)
Net benefit expenses	3,067	584

Benefit asset / liability

	31-Mar-15	31-Mar-14
Present value of defined benefit obligation	6,289	5,088
Fair value of plan assets	-	-
Plan asset / (liability)	(6,289)	(5,088)

	31-Mar-13	31-Mar-12	31-Mar-11
Present value of defined benefit obligation	4,504	4,380	3364
Fair value of plan assets	-	-	-
Plan asset / (liability)	(4,504)	(4,380)	(3,364)

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

	31-Mar-15	31-Mar-14
Opening defined benefit obligation	5,088	4,504
Current service cost	398	230
Interest cost	464	411
Benefits paid	(1,867)	-
Acturial (Gain) / Loss on obligation	2,205	(57)
Closing defined benefit obligation	6,289	5,088

Change in Fair Value of Plan Assets are as follows:

	31-Mar-15	31-Mar-14
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions (Estimated)	-	-
Benefits Settled	-	-
Acturial gain / (loss)	-	-
Closing fair value of plan assets	-	-

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

	31-Mar-15	31-Mar-14
Interest rate	7.80%	9.12%
Discount factor	7.80%	9.12%
Estimated rate of return on plan assets	0.00%	0.00%
Salary increase	5.00%	5.00%
Attrition rate	2% - 1%	2% - 1%
Retirement age	58	58

Note 26**Related Party Disclosures****Related parties with whom transactions have taken place during the year**

Member, Director & Key Managerial Personnel	Mr. Shanti Swarup Aggarwal
Director	Mr. Swapan Kumar Majumder
Director	Ms. Anisha Agarwal
Director	Mr. Satish Narayana Swamy
Director	Mr. Philip Jan Clement Maria Jozef Van Bosstraeten
Chief Financial Officer	Mr. Sudhir Kulkarni

Companies in which directors are interested	Induss Food Products & Equipments Limited
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Related party transactions

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

a. Services received from related parties

	Year Ended	Amount	Amount owned to related parties
Companies in which directors are interested			
Prestige Icecream Private Limited	31-Mar-15	-	-
	31-Mar-14	120	-

b. Reimbursement of expenses to related parties

	Year Ended	Amount	Amount owned to related parties
Companies in which directors are interested			
Induss Food Products & Equipments Limited	31-Mar-15	4,242	-
	31-Mar-14	12,230	-

c. Loan given to key managerial person

	Year Ended	Loan given	Repayment/ Set off	Interest Accrued	Amount owned by related parties
Director & Key Managerial Personnel					
Mr.Shanti Swarup Aggarwal	31-Mar-15		815		-
	31-Mar-14	-	-	-	815

d. Remuneration to Key Management personnel

	31-Mar-15	31-Mar-14
Mr.Shanti Swarup Aggarwal, Managing Director		
Salaries, Perquisites ,Contribution to PF	4,500	2,000

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

	31-Mar-15	31-Mar-14
Components and spare parts	421	2,226
	421	2,226

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

	31-Mar-15	31-Mar-14
Sales Commission	16,343	18,786
Lab Testing External	110	226
	16,454	19,013

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

	31-Mar-15	31-Mar-14
Exports	931,239	1,007,861
	931,239	1,007,861

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-15	31-Mar-14
Asia	875,692	966,439
Europe	103,143	85,789
Australia	4,130	1,954
	982,965	1,054,182

Note 31**Leases**

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

	31-Mar-15	31-Mar-14
Payments (Accrual Basis)	356	394
	356	394

OVOBEL FOODS LIMITED**Notes to Financial Statements for the year ended 31st March 2015**

Note 32**Derivative Instruments & Unhedged Currency Exposure**

- a. There are no Derivative Outstanding as at Balance sheet date.
b. The Company has outstanding foreign currency exposure amounting to 19,46,020 USD & 1,15,348 USD towards export sales & vendor payments.

Note 33**Capital and other commitments**

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

Note 34**Contingent Liabilities**

There were no contingent liabilities as on Balance Sheet date.

Note 35**Employees Stock Option Plan**

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

Note 36**Previous year figures**

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

As per our report of even date

for **Guru & Jana**

Chartered Accountants

Firm Registration No.006826S

for and on behalf of the Board of Directors

K.L Prashanth

Partner

Membership No.213066

Shanti Swarup

Aggarwal

Managing Director

DIN: 00322011

Swapan Kumar

Majumder

Director

DIN: 03178122

Place : Bangalore

Date : 30/05/2015

Sudhir Kulkarni

Chief Financial Officer

Sutheja K.J

Company Secretary