OVOBEL
FOODS LIMITED

# OVOBEL FOODS LIMITED

Ground Floor, No.46 Old No. 32/1,
3rd Cross, Aga Abbas Ali Road,
Ulsoor, Bangalore - 560042,
Karnataka, India.
Tel: 080-2559 4145, 080-2559 4146

## ANNUAL REPORT
## FINANCIAL YEAR 2018 - 2019

# CORPORATE INFORMATION

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

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

## STATUTORY AUDITOR FOR FINANCIAL YEAR 2018-19:

**Nara Hari & Raghavendra**
Chartered Accountants,
No. 271, GJ Homes, 3rd Floor, 5th Cross, 8th Main, Pramod Layout,
Near Nice Road, Bangalore – 560039, Karnataka, India.

**Contact details:** 8095304250, 9538068831.
**Email:** naraharica@gmail.com | raghava.ca1984@gmail.com

## REGISTRAR SHARE TRANSFER AGENT:

**Maheshwari Datamatics Pvt. Ltd.**
No. 23, R.N Mukherjee Road, 5th Floor, Kolkata – 700 001
West Bengal, India.

**Contact:** 033-22482248, 2243-5029
**Fax:** 033-22484787
**Email:** mdpldc@yahoo.com

## REGISTERED OFFICE OF THE COMPANY:

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

**Email:** info@ovobelfoods.com
**Website:** www.ovobelfoods.com
**Telephone No:** +91-80-2559 4145/ 91-80-2559 4146
**Fax:** +91-80-2559 4147

**CIN:** L85110KA1993PLC013875

## PLANT LOCATION:

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

**Contact Details:** +08151-234605

**Email:** operations@ovobelfoods.com

## DETAILS OF COMMITTEES OF THE COMPANY

### AUDIT COMMITTEE:

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

### NOMINATION AND REMUNERATION COMMITTEE:

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

### COMPANY SECRETARY & COMPLIANCE OFFICER:

Mrs. Ritu Singh

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## NOTICE FOR 27TH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH(27TH) ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON MONDAY 23RD SEPTEMBER 2019 AT 10:30 A.M, AT VASUDEV ADIGAS FAST FOOD, 02ND FLOOR PARTY HALL, NO. 21/24, NEXT TO METRO TRINITY STATION, M.G. ROAD, BENGALURU – 560 001, KARNATAKA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

**Agenda Item No. 1:**

**ADOPTION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019:**

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

**"RESOLVED THAT** the audited Balance Sheet as at 31st March 2019 and Profit and Loss Account for the period ended along with schedules and notes attached thereto, Report of Auditors and Report of Board of Directors for the same period be and is hereby approved, adopted and taken on record".

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

**Agenda Item No. 2:**

**TO RE-APPOINT PHILIP VAN BOSSTRAETEN, DIRECTOR OF THE COMPANY WHO RETAIRS BY ROTATION:**

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

**"RESOLVED THAT** pursuant the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder **Philip Van Bosstraeten** (DIN: 02600487)**,** who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.

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

**SPECIAL BUSINESS.**

**Agenda Item No. 3:**

**RE-APPOINTMENT OF MR. NARENDRA DATTATRI HALDAWAR AS AN INDEPENDENT DIRECTOR:**

To re-appoint Mr. Narendra Dattatri Haldawar as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Narendra Dattatri Haldawar (DIN: 01633735), who was appointed as an Independent Director and who holds office of Independent Director up to 30th December, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 31st December, 2019 on the Board of the Company."

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

**For Ovobel Foods Limited**

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

**Date:** 14th August 2019
**Place**: Bangalore

**Notes:**

1. A member entitled to attend, and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.

2. Proxies in order to be effective should be deposited at the registered office of the company not less than forty-eight hours (48 Hrs) before the time scheduled for commencement of the meeting.

3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.

4. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. The business set out in the Notice will be transacted through E-voting system through CDSL. Complete details of the instructions for E-voting are annexed to this Notice. In accordance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the Company has provided the facility for voting through physical ballot or shareholder who do not have access to internet. Facility for voting through Poll will also be provided to the shareholders at the Meeting who have not cast their Ballot either through Ballot Paper or e-Voting.

8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to our Registrar to Transfer

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

9. Shareholders are requested to lodge the Share Transfer Deeds duly executed and intimate change of addresses if any, to its Registrars M/s Maheshwari Datamatics Private Limited at No. 23, R.N Mukherjee Road, 5th Floor, Kolkata – 700 001.

10. To Ratify M/s. Nara Hari & Raghavendra, Chartered Accountants, (Firm Registration Number: 014509S) as Statutory Auditors of the Company who were previously appointed for a term of 5 years at the 24th Annual General Meeting (till FY 2020-21).

11. The Board has appointed Mr. Rafeeulla Shariff, Practicing Company Secretary as Scrutinizer for the POLL and e-voting for the ensuing Annual General Meeting dated 23rd September 2019.

12. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members, as on 16.09.2019 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purpose only.

13. The Register of Members and Share Transfer Books of the Company shall remain closed from 17.09.2019 to 23.09.2019 (both days inclusive).

**For Ovobel Foods Limited**

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

**Date:** 14th August 2019
**Place**: Bangalore

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

**Agenda Item No. 3:**

**RE-APPOINTMENT OF MR. NARENDRA DATTATRI HALDAWAR AS AN INDEPENDENT DIRECTOR:**

Mr. Narendra Dattatri Haldawar is appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Regulations of the SEBI (LODR) Regulations, 2015. He holds office as Independent Directors of the Company till 30th December 2019. The Nomination and Remuneration Committee has recommended reappointment of Mr. Narendra Dattatri Haldawar as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by him during his tenure, the continued association of Mr. Narendra Dattatri Haldawar would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Narendra Dattatri Haldawar as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Mr. Narendra Dattatri Haldawar is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as an Independent Director. The Company has also received declaration from Mr. Narendra Dattatri Haldawar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Narendra Dattatri Haldawar fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Narendra Dattatri Haldawar are independent of the management.

Details of Director whose re-appointment as Independent Directors is proposed at Item No. 3, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Mr. Narendra Dattatri Haldawar are interested in the resolutions set out respectively at Item No. 3 of the Notice with regard to their respective re-appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item No. 3 of the Notice for approval by the members.

**For Ovobel Foods Limited**

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

**Date:** 14th August 2019
**Place**: Bangalore

**ANNEXURE TO THE NOTICE DATED 14TH AUGUST 2019 – ITEM NO. 3.**

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

| **Particulars** | **Mr. Narendra Dattatri Haldawar** |
|---|---|
| Date of Birth | 11/05/1979 |
| Age | 40 Years |
| Experience | 15 Years (approx.) |
| Date of first appointment | 31/12/2014 |
| Expertise in specific functional areas | Expertise as an Accountant |
| Qualifications | B. Com, Bachelor of Law. |
| Names of other listed entities in which the person also holds the directorship. | Nill |
| Names of other entities in which the person also holds membership/Chairmanship of Committees of the board | Nill |
| Shareholding in the Company as on 31st March, 2019 | Nill |
| Remuneration drawn during the FY 2018-19 | Nill |
| Number of meetings of the Board attended during the financial year 2018-19 | 1 |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company, | NA |

**Route Map** for Twenty Seventh Annual General Meeting of the Company Ovobel Foods Limited scheduled to be held on Monday 23rd September 2019 at 10:30 AM at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India.



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

i) The voting period begins on 20.09.2019 at 09:00 A.M to 22.09.2019 at 05:00 P.M. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

ii) The shareholders should log on to the e-voting website www.evotingindia.com.

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 | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department<br>(Applicable for both demat shareholders as well as physical shareholders)<br>• 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.<br>• 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 Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• 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). |

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Ovobel Foods Limited> on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the same password, then Enter the User ID and the image verification code and click on Forgot Password & entering the details as prompted by the system.

xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.

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.

**Form No. MGT-11**

Affix Revenue Stamp

**Proxy form**

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Seventh** Annual General Meeting of the Company, to be held on Monday 23rd September, 2019 At 10:30 AM at Vasudev Adigas Fast Food, 02nd Floor Party Hall, No.21/24,

Next to Metro Trinity Station, M.G. Road, Bengaluru -560 001, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars |
|---|---|
| **ORDINARY BUSINESS** | |
| 1 | To receive, consider and adopt the Books of Accounts, Balance Sheet as on 31st March 2019, 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 Philip Van Bosstraeten, Director of the Company, who retires by rotation and being eligible, offers herself for reappointment. |
| **SPECIAL BUSINESS** | |
| 3 | To consider and approval for Re-appointment of Mr. Narendra Dattatri Haldawar as Independent Director of the company |

Signed this……day…….. 2019

Signature of shareholder……

Signature of Proxy holder(s)……

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

**ATTENDANCE SLIP**

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

I hereby record my presence at the **Twenty Seventh (27th)** Annual General Meeting Scheduled to be held on Monday 23rd September 2019 at 10:30 AM at Vasudev Adigas Fast Food, 2nd Floor Party Hall, No. 21/24, Next to Metro Trinity Station, M.G. Road, Bengaluru – 560 001, Karnataka, India.

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

Signature of the Shareholder/Proxy/Representative

*Strike out whichever is not applicable

**Note**:

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

## BOARD'S REPORT

**To,**
The members of
**Ovobel Foods Limited**

Your Directors are pleased to present the **27th (Twenty Seventh)** Annual Report of **Ovobel Foods Limited** together with the Audited Statement of Accounts for the year ended 31st March 2019.

### 1. PERIOD OF THE REPORT:

This report pertains to the period from 01st April 2018 to 31st March 2019.

### 2. EXTRACT OF ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3):

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "***Annexure I***".

### 3. FINANCIAL SUMMARY AND HIGHLIGHTS:

The following gives a summary of the financial results of the Company:

*(Rupees in Lakhs)*

| Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|---|---|
| Total Income | 11,211.51 | 9,997.42 |
| Total Expenses excluding Finance Cost & Depreciation | 10,185.25 | 9,250.90 |
| Finance Cost & Depreciation | 185.65 | 219.46 |
| Total Expenses including Finance Cost & Depreciation | 10,370.89 | 9,470.36 |
| **Net Profit (Loss) Before Tax** | **840.61** | **527.06** |
| Tax Expenses: | | |
| Current Tax / Taxes of earlier year | 241.63 | 103.11 |
| Deferred Tax charge/(Income) | 33.77 | (28.92) |
| **Net Profit (Loss) After Tax** | **565.22** | **452.88** |
| **Total Comprehensive Income for the year** | **565.51** | **450.00** |
| Earnings Per Share – | | |
| Basic & | 5.38 | 4.31 |
| Diluted (in Rs.) | 5.38 | 4.31 |

## 4. OPERATIONAL REVIEW:

The highlights of the Company performance are as under:

- The Net Sales for the period increased from Rs. 8,360.18 lakhs (previous year) to Rs. 9,729.81 lakhs (current year).

- The Profit Before Tax for the period increased from Rs. 527.06 Lakhs (previous year) to Rs. 840.61 Lakhs (Current year).

- Profit/(Loss) after tax for the period increased from Rs. 452.88 Lakhs (previous year) to Rs. 565.22 lakhs (Current year).

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

## 5. NATURE OF BUSINESS:

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

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

## 6. SHARE CAPITAL AND ITS CHANGES:

| Sl. No. | Particulars | Share Capital (No. of shares) | Share Capital (In Rupees) |
|---|---|---|---|
| 1 | Authorized share Capital | 1,10,00,000 | 11,00,00,000 |
| 2 | Issued, Subscribed & Paid up share capital | 1,05,00,800 | 10,50,08,000 |

During the year there has been no change in the capital structure of the company.

## 7. TRANSFER TO RESERVES AND SURPLUS ACCOUNT:

During the financial year, entire profit of the Company has been transferred to the reserves and surplus account.

## 8. DIVIDEND:

During the financial year ended 31st March 2019, the company has not proposed for any dividend payable to the shareholders.

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

## 9. DEPOSITS:

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

## 10. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

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

## 11. CHANGES IN COMPOSITION OF BOARD OF DIRECTORS AND KMP:

During the financial year 2018-19, following changes have been occurred in the board of directors of the Company.

| SL. No | Name of Director | DIN | Designation | Appointment / Resignation | With effect from |
|---|---|---|---|---|---|
| 1. | Swapan Kuamr Majumder | 03178122 | Independent Director | Re-Appointment | 24.09.2018 |
| 2. | Satish Narayana Swamy | 05264105 | Independent Director | Re-Appointment | 24.09.2018 |
| 3. | Shanti Swarup Aggarwal | 00322011 | Managing Director | Re-Appointment | 24.09.2018 |

## 12. POLICIES ON APPOINTMENT OF DIRECTORS, REMUNERATION AND OTHER MATTERS:

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

Your Board report that:

- the ratio (Approx.) of the remuneration of each director to the median remuneration of the employees of the company for the financial year 33.8:1.

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

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

| **Name** | **Designation** | **Remuneration in the FY 2018-19** ***(Rs. in lakhs)*** | **Remuneration for the FY 2017-18** ***(Rs. in lakhs)*** | **Percentage Increase / Decrease in the remuneration** |
|---|---|---|---|---|
| Shanti Swarup Aggarwal | Managing Director | 84 | 84 | Nil |
| Sudhir Kulkarni | Chief Financial Officer | 19 | 18 | 5.56 |
| Ritu Singh | Company Secretary | 2 | 2 | Nil |

- The percentage increase in the median remuneration of employees in the financial year is: *1.43% (Approx.)*

- The number of permanent employees on the rolls of company: *119 (As on 31.03.2019).*

- Average percentage increases already made in the salaries of employee's other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

  *The average increase in salaries of employees other than managerial personnel in 2018-19 was 13.76 % (approx.). there are no changes in the managerial remuneration for the year.*

  The key parameters for any variable component of remuneration availed by the directors: *There is no variable component of remuneration availed by the directors.*

- Affirmation that the remuneration is as per the remuneration policy of the Company: *Company affirms that the remuneration is as per the Remuneration policy of the Company.*

- Names of the **top ten** employees in terms of remuneration drawn:

| Name | Remuneration received (Amount in Rs.) | Nature of employment whether contractual or otherwise | Qualification & Experience | Date of commencement of employment | Age | Percentage of equity shares held by the employee as a remuneration | Whether any employee is a relative of any director/ manager of the Company and if so, name of such director/ manager |
|---|---|---|---|---|---|---|---|
| S S Aggarwal | 84,00,000 | Permanent | B. Com | 11-01-1993 | 68 | Nil | Nil |
| Sudhir Kulkarni | 19,00,000 | Permanent | B. Com | 17-02-2011 | 59 | Nil | Nil |
| Sabitha Maheshwaran | 12,83,947 | Permanent | M.Phil., Ph.D. in FSN | 11-03-2017 | 44 | Nil | Nil |
| Ashwani Kumar Arora | 11,64,344 | Permanent | B. Tech | 12-09-2016 | 33 | Nil | Nil |
| Mohan. T. Gangoor | 11,19,825 | Permanent | B. E | 01-08-1997 | 51 | Nil | Nil |
| Sahadevan C | 8,25,526 | Permanent | M.Sc., M.Phil., B.Ed., Ph.D. | 19-09-1998 | 52 | Nil | Nil |
| Sunil Varghese P | 7,77,667 | Permanent | B. Com | 16-03-2015 | 43 | Nil | Nil |
| Vijaysekhar. T | 4,81,399 | Permanent | B.Tech(Food Process Engg.) | 03-07-2017 | 31 | Nil | Nil |
| Regina Mary D | 4,00,060 | Permanent | B. Com | 01-06-2006 | 43 | Nil | Nil |
| Srinivas O. L | 2,28,560 | Permanent | B. Com (incomplete) | 01-06-2006 | 55 | Nil | Nil |

- The Name of every employee, who:

  (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: Nil.

  (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month: Nil.

  (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Nil.

## 13. RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

## 14. PARTICULARS OF CONTRACTS UNDER SECTION 188:

The Company has entered various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details relating to related party transactions during the period under review are provided in AOC-2 as ***"Annexure II"***.

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

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

## 15. DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the

Workplace (Prevention, Prohibition & Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

The following is a summary of sexual harassment complaints received and disposed of during the year under review:

a) Number of complaints pending at the beginning of the year: Nil
b) Number of complaints received during the year: Nil
c) Number of complaints disposed of during the year: Nil
d) Number of cases pending at the end of the year: Nil

## 16. DISCLOSURE UNDER SECTION 134(3)(l) OF THE COMPANIES ACT,2013:

Except as disclosed elsewhere in this report, if there have been any material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and the date of this report, the same shall be reported here: Nil.

## 17. STATUTORY AUDITORS:

The Statutory Auditors M/s, Nara Hari & Raghavedra, Chartered Accountants, Bangalore, (Firm registration No. 014509S) was appointed as Statutory Auditor of the Company on Annual General Meeting held on 29th December, 2016 for a tenure of five years as per the provisions of Section 139 of the Companies Act, 2013, i.e. the appointment is valid till the conclusion of 29th Annual General Meeting for the Financial year 2020-2021.

As per the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder, the Audited financial statements along with Statutory Audit report for the FY 2018-19 is hereby annexed as ***Annexure IX***.

## 18. SECRETARIAL AUDITOR AND REPORT:

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

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

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

## 19. COST AUDITORS:

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

## 20. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION/ADVERSE REMARK / DISCLAIMER MADE BY THE AUDITORS:

(i) **Statutory Auditor's observations/comments/qualifications:**

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

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

(ii) **Secretarial Auditor's observations/comments/qualifications:**

a. Listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group to be in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board. I observed that, one of the promoters (M/s. Ovobel NV) shares are not in dematerialized form as prescribed in the provisions of Regulation 31 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

c. There were Two days delay in submission of financial results for the 1st Quarter ended 30.06.2018 and One day delay furnishing prior intimation about the Board meeting dated 14.11.2018 to BSE in pursuant to Regulation 33 & 29 of SEBI (LODR) Regulations, 2015.

**Management Reply:**

a. The directors of the Company have intimated to the respective promoters to convert their shares from physical form into dematerialized form and the respective promoters are in the process of conversion of their physical shares into dematerialized form.

b. The Directors of the Company will take necessary steps for delisting of securities at Calcutta Stock Exchange Limited. The Directors of the Company had visited to the Stock Exchange and discussed the matter relating to delisting of shares.

c. The delay in filing of financial results was due to technical error in the Bombay Stock Exchange's (BSE) website while submitting the financial results with Bombay Stock Exchange (BSE). Further, the Company Suo moto has submitted request letter for condonation of delay in filing the financial results.

   The delay in furnishing prior intimation of the Board of directors meeting was due to medical emergency of Mrs. Ritu Singh, Company Secretary cum Compliance officer of the Company. Further, the Company has submitted request letter for condonation of delay in furnishing prior intimation of Board of Directors meeting.

## 21. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year i.e. 31.03.2019 and of the profit and loss of the company for that period;

c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors had prepared the annual accounts on a going concern basis; and

e) The directors, in the case of a listed company, 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.

## 22. CFO CERTIFICATION:

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

## 23. COMPLIANCE WITH SECRETARIAL STANDARD:

The company is in compliance with the applicable Secretarial Standards and other Secretarial Standards voluntarily adopted by the company.

## 24. EMPLOYEE STOCK OPTION PLAN (ESOP):

During the year there was no Employee Stock Option plan in the company.

## 25. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

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

## 26. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

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

The policy on the Corporate Social Responsibility has been disclosed on the website of the Company. Below is the link of the website.

http://www.ovobelfoods.com/general-information/policies/csr-policy/

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

The Company has invested in 10,000 Equity Instruments at a face value of Rs. 10/- each fully paid in SMIFS Capital Markets Limited (Quoted) on 28th March 1995. (Market value of the equity shares as on 31st March 2018 was Rs. 5.68 lakhs and as on 31.03.2019 was Rs. 3.90 Lakhs).

## 28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/ OUTGO IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014:

### a) Conservation of Energy:

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

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

The consumption of the briquettes per hour is 380 kgs/hr.

The Capacity of the boiler is 20,00,000 kcals/hr. and the Company has invested Rs.35,03,000/- (inclusive of system oil) towards it.

### b) Technology Absorption:

The Company continues to keep abreast the developments and seeks to implement the latest technology in the factory for the forthcoming years.
However, there was no technology imported by the Company during the last three years.

### c) Foreign Exchange Outflow/Inflow:

| **Particulars** | **31.03.2019** ***(Rupees in Lakhs)*** | **31.03.2018** ***(Rupees in Lakhs)*** |
|---|---|---|
| Foreign Exchange Earnings | 8,377.11 | 7,491.98 |
| Foreign Exchange Expenditures | 266.86 | 239.58 |

## 29. INDUSTRIAL RELATIONS:

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

## 30. FRAUD REPORTING:

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

## 31. CHANGE OF REGISTRAR & SHARE TRANSFER AGENTS:

During the Financial Year 2018-19, there was no change in Registrar and Share transfer agents.

## 32. MATERIAL CHANGES AND COMMITMENTS:

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

During the financial year 2018-19, as per BIFR proceedings, Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC) & Ministry of Food Processing Industry (MFPI) have accepted the scheme of one-time settlement and have issued no due certificate.

## 33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Report on Management Discussion and Analysis Report as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report and is annexed to this Report as ***Annexure III.*** Certain Statements in the said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

## 34. CORPORATE GOVERNANCE:

Your Company is committed to observe good Corporate Governance practices. The report on Corporate Governance for the financial year ended March 31, 2019 as per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report and is annexed to this Report as ***Annexure V.*** The requisite certificate from Statutory Auditors, M/s, Narahari &

Raghavendra, Bangalore confirming Compliance with the provisions of Corporate Governance, is attached to this Report as ***Annexure IV.***

## 35. DECLARATION BY INDEPENDENT DIRECTORS:

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

## 36. BOARD EVALUATION:

- As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors.
- The Independent Directors meeting to review the performance of the non-Independent Directors and Board as whole was held on 11.03.2019.

## 37. BOARD MEETINGS/COMMITTEE MEETINGS:

During the financial year 2018-19, Six Board Meetings and Twenty-Three Committee Meetings were held. The details of all Board meeting and Various Committee's Meeting are given in the Corporate Governance Report. The intervening gap between the Meetings was within the time prescribed under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

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

- The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in each situation and the reporting structure.

- All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

- The Code of conduct has been posted on the Company website http://www.ovobelfoods.com/general-information/policies/code-conduct/

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

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

During the financial year 2018-19, 4 (Four) Audit Committee Meetings, 1 (One) Nomination and Remuneration Committee Meeting, 17 (Seventeen) Stakeholders Relationship Committee Meetings and 1 (One) Corporate Social Responsibility Meetings were held at the Company as per requirement of Corporate Governance and any other applicable Regulations of the SEBI (LODR) Regulation 2015.

## 40. VIGIL MECHANISM /WHISTLE BLOWER POLICY:

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

**41. <u>ACKNOWLEDGEMENTS AND APPRECIATIONS</u>:**

Your Directors gratefully acknowledge all stakeholders of the Company viz. customers, members, clients, employees, consultants, associates, solicitors, vendors, shareholders, bankers and business associates for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

**Sd/-**
**_____**
**Shanti Swarup Aggarwal**
Managing Director
**DIN:** 00322011
**Place:** Kolkata
**Date:**30.05.2019

**Sd/-**
**_____**
**Swapan Kumar Majumder**
Director
**DIN:** 03178122
**Place:** Kolkata
**Date:** 30.05.2019

**Sd/-**
**_____**
**Sudhir Kulkarni**
Chief Financial Officer
**PAN**: AFEPK8240D
**Place:** Bangalore
**Date:** 30.05.2019

**Sd/-**
**_____**
**Ritu Singh**
Company Secretary & Compliance Officer
**Membership No.:** A24934
**Place:** Bangalore
**Date:** 30.05.2019

***Annexure I***

**FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

## I. REGISTRATION & OTHER DETAILS:

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

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

| SL. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Egg - Powder | Group 107<br>Class 1079<br>Sub class 10799 | 95.87% |
| 2 | Egg – Liquid | Group 107<br>Class 1079<br>Sub class 10799 | 4.13% |

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

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

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

### i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| | | | | | | | | | |
| (1) Indian | -- | | | | | | | | -- |
| a) Individual/HUF | 31,40,109 | 0 | 31,40,109 | 29.90 | 31,40,109 | 0 | 31,40,109 | 29.90 | -- |
| b) Central Govt.or State Govt. | -- | -- | -- | -- | -- | -- | | | -- |
| c) Bodies Corporates | 8,50,000 | -- | 8,50,000 | 8.09 | 8,50,000 | -- | 8,50,000 | 8.09 | - |
| d) Bank/FI | -- | -- | -- | -- | -- | -- | -- | -- | - |
| e) Any other | -- | -- | -- | -- | -- | -- | | | - |
| **SUB TOTAL:(A) (1)** | **39,90,109** | **-** | **39,90,109** | **37.99** | **39,90,109** | **--** | **39,90,109** | **37.99** | **--** |
| | | | | | | | | | - |
| **(2) Foreign** | | | | | | | | | - |
| a) NRI- Individuals | -- | -- | -- | -- | -- | -- | -- | -- | - |
| b) Other Individuals | -- | -- | -- | -- | -- | -- | -- | -- | |
| c) Bodies Corp. | -- | 14,84,691 | 14,84,691 | 14.14 | -- | 14,84,691 | 14,84,691 | 14.14 | - |
| d) Banks/FI | -- | -- | -- | -- | -- | -- | -- | -- | - |
| e) Any other… | -- | -- | -- | -- | -- | -- | -- | -- | - |
| | | | | | | | | | - |
| **SUB TOTAL (A) (2)** | **--** | **14,84,691** | **14,84,691** | **14.14** | -- | **14,84,691** | **14,84,691** | **14.14** | - |
| | | | | | | | | | |
| **Total Shareholding of Promoter (A)= (A)(1)+(A)(2)** | **39,90,109** | **14,84,691** | **54,74,800** | **52.13** | **39,90,109** | **14,84,691** | **54,74,800** | **52.13** | - |
| | | | | | | | | | - |
| **B. PUBLIC SHAREHOLDING*** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | - |
| a) Mutual Funds | -- | 600 | 600 | 0.01 | -- | 600 | 600 | 0.01 | - |
| b) Banks/FI | -- | 10,00,000 | 10,00,000 | 9.52 | -- | 10,00,000 | 10,00,000 | 9.52 | -- |
| C) Central govt | -- | -- | -- | -- | -- | -- | -- | -- | - |
| d) State Govt. | -- | -- | -- | -- | -- | -- | -- | -- | - |
| e) Venture Capital Fund | -- | -- | -- | -- | -- | -- | -- | -- | - |
| f) Insurance Companies | -- | -- | -- | -- | -- | -- | -- | -- | |
| g) FIIS | -- | -- | -- | -- | -- | -- | -- | -- | - |
| h) Foreign Venture Capital Funds | -- | -- | -- | -- | -- | -- | -- | -- | - |
| i) Others (specify) | -- | -- | -- | -- | -- | -- | -- | -- | - |
| **SUB TOTAL (B)(1):** | **--** | **10,00,600** | **10,00,600** | **9.53** | **--** | **10,00,600** | **10,00,600** | **9.53** | - |
| **(2) Non-Institutions** | | | | | | | | | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| a) Bodies corporates | | | | | | | | | |
| i) Indian | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| ii) Overseas | -- | -- | -- | -- | -- | -- | -- | -- | - |
| b) Individuals | -- | -- | -- | -- | -- | -- | -- | -- | - |
| i) Individual shareholders holding nominal share capital up to Rs.2 lakhs | 6,19,300 | 11,74,800 | 17,94,100 | 17.09 | 7,44,850 | 10,67,900 | 18,12,750 | 17.27 | 0.18 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 2lakhs | 12,38,100 | 3,08,300 | 15,46,400 | 14.73 | 12,48,450 | 3,05,100 | 15,53,550 | 14.79 | 0.06 |
| c) Others (specify) Non-resident Indian | 3,08,600 | 3,76,300 | 6,84,900 | 6.52 | 3,17,700 | 3,41,400 | 6,59,100 | 6.28 | -0.24 |
| | -- | -- | -- | -- | -- | -- | | -- | - |
| **SUB TOTAL (B)(2):** | **21,66,000** | **18,59,400** | **40,25,400** | **38.34** | **23,11,000** | **17,14,400** | **40,25,400** | **38.34** | **--** |
| | -- | -- | -- | -- | -- | -- | -- | -- | - |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **21,66,000** | **28,60,000** | **50,26,000** | **47.87** | **23,11,000** | **27,15,000** | **50,26,000** | **47.87** | -- |
| | -- | -- | -- | -- | -- | -- | -- | -- | - |
| **C. Shares held by Custodian for GDRs & ADRs** | -- | -- | -- | -- | -- | -- | -- | -- | - |
| | -- | -- | -- | -- | -- | -- | -- | -- | - |
| **Grand Total (A+B+C)** | **61,56,109** | **43,44,691** | **1,05,00,800** | **100** | **63,01,109** | **43,44,691** | **1,05,00,800** | **100** | -- |

**ii) Shareholding of Promoter-**

| SL N0. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | Anisha Aggarwal | 1,86,800 | 1.78 | - | 1,86,800 | 1.78 | - | - |
| 2 | Induss Food Products & Equipments Limited | 8,50,000 | 8.09 | - | 8,50,000 | 8.09 | - | - |
| 3 | Natasha Aggarwal | 1,83,800 | 1.75 | - | 1,83,800 | 1.75 | - | - |
| 4 | Ovobel S.A. Belgium | 14,84,691 | 14.14 | - | 14,84,691 | 14.14 | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 5 | Sadhana Agarwal | 3,25,100 | 3.10 | - | 3,25,100 | 3.10 | - | - |
| 6 | Shanti Swarup Aggarwal | 7,72,409 | 7.36 | - | 7,72,409 | 7.36 | - | - |
| 7 | Utsav Parekh | 10,43,600 | 9.94 | - | 10,43,600 | 9.94 | - | - |
| 8 | Vinita Agarwal | 6,28,400 | 5.98 | - | 6,28,400 | 5.98 | - | - |
| | **Total** | **54,74,800** | **52.14** | **-** | **54,74,800** | **52.14** | **-** | **-** |

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

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 54,74,800 | 52.14 | 54,74,800 | 52.14 |
| | Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.) | NIL | | | |
| | At the end of the year | 54,74,800 | 52.14 | 54,74,800 | 52.14 |

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

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

| 2. AJAY KUMAR KAYAN | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **3,27,500** | **3.12** | **3,27,500** | **3.12** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | **At the end of the year** | **3,27,500** | **3.12** | **3,27,500** | **3.12** |

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

| 4. NILANGI PAREKH | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **2,45,700** | **2.34** | **2,45,700** | **2.34** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |

| | | | | | |
|---|---|---|---|---|---|
| 3 | **At the end of the year** | **2,45,700** | **2.34** | **2,45,700** | **2.34** |

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

| **6. SAHARSH PAREKH** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **16,600** | **0.15** | **16,600** | **0.15** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Increasing in shareholding and its percentage due to transfer of share during the FY 2018-19 | | | |
| 3 | **At the end of the year** | **1,09,400** | **1.04** | **1,09,400** | **1.04** |

| **7. RAKESH KISHOR TEJURA** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **83,200** | **0.79** | **83,200** | **0.79** |
| 2 | Increase / Decrease in Shareholding during the year | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | **At the end of the year** | **83,200** | **0.79** | **83,200** | **0.79** |

| **8. VANDANA TAYAL** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **75,200** | **0.72** | **75,200** | **0.72** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | **At the end of the year** | **75,200** | **0.72** | **75,200** | **0.72** |

| **9. M P SATISH BABU** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **52,700** | **0.50** | **52,700** | **0.50** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Increasing in shareholding and its percentage due to transfer of share during the FY 2018-19 | | | |
| 3 | **At the end of the year** | **53,000** | **0.50** | **53,000** | **0.50** |

| **10. HARMINDER KAUR** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total | No. of shares | % of total shares of the |

| | | | | | |
|---|---|---|---|---|---|
| | | | shares of the company | | company |
| 1 | **At the beginning of the year** | **50,000** | **0.48** | **50,000** | **0.48** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | **At the end of the year** | **50,000** | **0.48** | **50,000** | **0.48** |

| **11. KULBIR SINGH** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **50,000** | **0.48** | **50,000** | **0.48** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | **At the end of the year** | **50,000** | **0.48** | **50,000** | **0.48** |

| **12. SANTOSH DEVI PODDAR** | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **90,000** | **0.86** | **90,000** | **0.86** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Decreasing in shareholding and its percentage due to transfer of share during the FY 2018-19 | | | |
| 3 | **At the end of the year** | **50,000** | **0.48** | **50,000** | **0.48** |

| 13. NEELAM. SINGH | | | | | |
|---|---|---|---|---|---|
| **SN** | **For Each of the Top 10 Shareholders** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **At the beginning of the year** | **50,000** | **0.48** | **50,000** | **0.48** |
| 2 | Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | **At the end of the year** | **50,000** | **0.48** | **50,000** | **0.48** |

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

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

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

| | **Secured Loans excluding deposits** | **Unsecured Loans** | **Deposits** | **Total Indebtedness** |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 1,194.64 | - | - | 1,194.64 |

| | | | | |
|---|---|---|---|---|
| ii) Interest due but not paid | - | **-** | **-** | - |
| iii) Interest accrued but not due | 998.90 | **-** | **-** | 998.90 |
| **Total (i+ii+iii)** | **2,193.54** | - | - | **2,193.54** |
| **Change in Indebtedness during the financial year** | - | - | - | - |
| * Addition | **-** | **-** | **-** | **-** |
| * Reduction | 1,031.7 | **-** | **-** | 1,031.7 |
| **Net Change** | **1,031.7** | **-** | **-** | **1,031.7** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 1,161.84 | - | - | 1,161.84 |
| ii) Interest due but not paid | - | **-** | **-** | - |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | **1,161.84** | **-** | **-** | **1,161.84** |
| | - | - | - | - |

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

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

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---|---|---|---|---|
| | | Shanti Swarup Agarwal | - | - |
| 1 | Gross salary for the FY 2018-19 | 84 | - | 84 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission<br>- as % of profit<br>- others, specify… | - | - | - |
| 5 | Others, please specify | - | - | - |
| | **Total (A)** | **84** | **-** | **84** |
| | Ceiling as per the Act* | 84 | - | 84 |

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

The approval of the members has been taken by the Company at its 26th AGM held on 24.09.2018, to pay remuneration upto Rs. 120 Lakhs to the Managing Director of the Company.

**B.** Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | Total Amount (IN INR) |
|---|---|---|---|
| | | Satish Narayana Swamy | |
| 1 | Independent Directors | - | - |
| | Fee for attending board and committee meetings | 1,88,260 | 1,88,260 |
| | Commission | - | - |
| | Others, please specify | - | - |
| | Total (1) | 1,88,260 | 1,88,260 |
| 2 | Other Non-Executive Directors | - | - |
| | Fee for attending board committee meetings | - | - |
| | Commission | - | - |
| | Others, please specify | - | - |
| | Total (2) | - | - |
| | Total (B)= (1+2) | 1,88,260 | 1,88,260 |
| | Total Managerial Remuneration | - | - |
| | Overall Ceiling as per the Act | - | - |

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

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | CFO (Sudhir Kulkarni) | Company Secretary (Ritu Singh) | Total |
| 1 | Gross salary | -- | 19 | 2 | 21 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -- | -- | -- | -- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | -- | -- | -- |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | -- | -- | -- |
| 2 | Stock Option | -- | -- | -- | -- |
| 3 | Sweat Equity | -- | -- | -- | -- |
| 4 | Commission | | | | |
| | - as % of profit | -- | -- | -- | -- |
| | others, specify… | | | | |
| 5 | Others, please specify | -- | -- | -- | -- |
| | **Total** | **--** | **19** | **2** | **21** |

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

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | -- | -- | -- | -- | -- |
| Punishment | -- | -- | -- | -- | -- |
| Compounding | -- | -- | -- | -- | -- |
| **B. DIRECTORS** | | | | | |
| Penalty | -- | -- | -- | -- | -- |
| Punishment | -- | -- | -- | -- | -- |
| Compounding | -- | -- | -- | -- | -- |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | -- | -- | -- | -- | -- |
| Punishment | -- | -- | -- | -- | -- |
| Compounding | -- | -- | -- | -- | -- |

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

**Sd/-**

**Shanti Swarup Aggarwal**
Managing Director
**DIN:** 00322011
**Place:** Kolkata
**Date:**30.05.2019

**Sd/-**

**Swapan Kumar Majumder**
Director
**DIN:** 03178122
**Place:** Kolkata
**Date:** 30.05.2019

**Sd/-**

**Sudhir Kulkarni**
Chief Financial Officer
**PAN**: AFEPK8240D
**Place:** Bangalore
**Date:** 30.05.2019

**Sd/-**

**Ritu Singh**
Company Secretary & Compliance Officer
**Membership No.:** A24934
**Place:** Bangalore
**Date:** 30.05.2019

***Annexure II***

**Form No. AOC-2**

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

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

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

**2.** Details of material contracts or arrangement or transactions at arm's length basis: **(As disclosed in Table A, attached)**
   (a) Name(s) of the related party and nature of relationship:
   (b) Nature of contracts/arrangements/transactions:
   (c) Duration of the contracts / arrangements/transactions:
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   (e) Date(s) of approval by the Board, if any:
   (f) Amount paid as advances, if any:

## Table A

| Sl. No. | Name of the Related Party | Nature of Relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangement/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any: | Amount In Lakhs |
|---|---|---|---|---|---|---|---|
| 01. | Shanti Swarup Aggarwal | Managing Director | Salaries & Emoluments | NA | NA | NA | 84 |
| | | | Loans given | NA | NA | NA | 4.28 |
| | | | Received/Adjustments to loans | NA | NA | NA | 4 |
| 02. | Sudhir Kulkarni | CFO | Salaries & Emoluments | NA | NA | NA | 19 |
| | | | Loans given | NA | NA | NA | 7 |
| | | | Received/Adjustments to loans | NA | NA | NA | 6 |
| 03. | Ms. Ritu Singh | Company Secretary | Salaries & Emoluments | NA | NA | NA | 2 |

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

**Sd/-**
_____
**Shanti Swarup Aggarwal**
Managing Director
**DIN:** 00322011
**Place:** Kolkata
**Date:**30.05.2019

**Sd/-**
_____
**Swapan Kumar Majumder**
Director
**DIN:** 03178122
**Place:** Kolkata
**Date:** 30.05.2019

**Sd/-**
_____
**Sudhir Kulkarni**
Chief Financial Officer
**PAN**: AFEPK8240D
**Place:** Bangalore
**Date:** 30.05.2019

**Sd/-**
_____
**Ritu Singh**
Company Secretary & Compliance Officer
**Membership No.:** A24934
**Place:** Bangalore
**Date:** 30.05.2019

*Annexure-III*

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**a. Industry structure and developments**:

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

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

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

**b. Opportunities:**

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

**c. Threats:**

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

**d. Segment wise or product wise performance:**

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

**e. Outlook:**

Despite the severe working capital shortage, your directors have prioritized in improving its quality measures and have been successful in keeping its clients happy on the product quality front. The management looks to the future with optimism.

**f. Risks and concerns:**

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

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

**g. Internal control systems and their adequacy:**

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

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

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. These financial statements were prepared on a historical cost basis. Your management accepts the responsibility for integrity and objectivity of the financial statements as well as estimates and judgments used. These estimates and judgments relating to financial statements are prudently made to reflect in a true and fair manner the form and substance of transactions. This also enables in reasonably presenting the Company's state of affairs and profits and cash flows for the year ended March 31st, 2019.

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

The company has experienced, loyal professionals working in production, sales and administration. The company has got very good industrial relations and the employees and the management has very cordial relationship between them. Your Company prides in the commitment, competence and dedication of employees. The Company's structured induction at all levels and management development programs have helped enhance competence.

**j. Cautionary Statement:**

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

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

**Sd/-**

**Shanti Swarup Aggarwal**
Managing Director
**DIN:** 00322011
**Place:** Kolkata
**Date:**30.05.2019

**Sd/-**

**Swapan Kumar Majumder**
Director
**DIN:** 03178122
**Place:** Kolkata
**Date:** 30.05.2019

**Sd/-**

**Sudhir Kulkarni**
Chief Financial Officer
**PAN**: AFEPK8240D
**Place:** Bangalore
**Date:** 30.05.2019

**Sd/-**

**Ritu Singh**
Company Secretary & Compliance Officer
**Membership No.:** A24934
**Place:** Bangalore
**Date:** 30.05.2019

***Annexure-III***

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

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

We have examined the compliance conditions of Corporate Governance of M/s Ovobel Foods Limited ('the Company') further, we have examined the relevant provisions of Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of listing Regulations for the period 01st April, 2018 to 31 March, 2019.

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

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

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

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

**Sd/-**

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

**Date:** 30.05.2019
**Place:** Bangalore.

*Annexure-V*

## REPORT ON CORPORATE GOVERNANCE

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

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

1.1 Your Company is committed to good corporate governance and adheres to the tenets of integrity, accountability, fairness and transparency in all its operations.

1.2 Your Company pursues growth by adopting best corporate practices and timely disclosures, which will enhance the long-term value to all stakeholders.

### 2. GOVERNANCE STRUCTURE:

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

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

### 3. BOARD OF DIRECTORS:

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

| **Key Managerial Personnel as per Section 203 of the Companies Act, 2013** | | |
|---|---|---|
| **Sl. No** | **Name** | **Designation** |
| 1 | Shanti Swarup Aggarwal | Managing Director |
| 2 | Sudhir Kulkarni | Chief Financial Officer |
| 3 | Ritu Singh | Whole Time Company Secretary |

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

During the year on the following dates meetings of Board of directors 30.05.2018, 06.06.2018, 14.08.2018, 14.11.2018, 22.12.2018 and 14.02.2019 were held.

| NAMES OF THE DIRECTORS | NUMBER OF MEETINGS ENTITLED TO ATTEND | NUMBER OF MEETINGS ATTENDED |
|---|---|---|
| Shanti Swarup Aggarwal | 6 | 6 |
| Anisha Agarwal | 6 | 5 |
| Philip Jan Clement Maria Jozef Van Bosstraeten | 6 | 1 |
| Swapan Kumar Majumder | 6 | 5 |
| Satish Narayana Swamy | 6 | 1 |
| Narendra Haldawar | 6 | 1 |

## 4. AUDIT COMMITTEE:

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

The Audit Committee is currently comprised with:

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

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

During the year on the following dates meetings of Audit Committee 30.05.2018, 14.08.2018, 14.11.2018 and 13.02.2019 were held

| NAMES OF THE MEMBERS | NUMBER OF MEETINGS ENTITLED TO ATTEND | NUMBER OF MEETINGS ATTENDED |
|---|---|---|
| Mr. Swapan Kumar Majumder | 4 | 1 |
| Mr. Satish Narayana Swamy | 4 | 4 |
| Mr. Narendra Haldawar | 4 | 4 |

## 5. NOMINATION AND REMUNERATION COMMITTEE:

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

The Nomination and Remuneration Committee is currently comprised with:

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

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

During the year on 20.07.2018 meeting of Nomination & Remuneration Committee was held:

| NAMES OF THE MEMBERS | NUMBER OF MEETINGS ENTITLED TO ATTEND | NUMBER OF MEETINGS ATTENDED |
|---|---|---|
| Mr. Swapan Kumar Majumder | 1 | 0 |
| Mr. Satish Narayana Swamy | 1 | 1 |
| Mr. Narendra Haldawar | 1 | 1 |

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

I. Name and designation of compliance officer – Ritu Singh.
II. Number of shareholders' complaints received during the year - 1
III. Number not solved to the satisfaction of shareholders -1
IV. Number of pending complaints -0

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

The Stakeholder's Relationship Committee is currently comprised with:

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

**Meetings and attendance during the year**

During the year, the following are the dates of meetings of Stakeholder Relationship Committee 16.04.2018, 23.04.2018, 29.05.2018, 21.09.2018, 16.11.2018, 01.12.2018, 13.12.2018, 15.12.2018, 10.01.2019, 11.01.2019, 15.01.2019, 28.01.2019, 04.02.2019, 05.02.2019, 18.02.2019, 15.03.2019 and 29.03.2019 were held.

| NAMES OF THE MEMBERS | NUMBER OF MEETINGS HELD | NUMBER OF MEETINGS ATTENDED |
|---|---|---|
| Mr. Swapan Kumar Majumder | 17 | 3 |
| Mr. Satish Narayana Swamy | 17 | 17 |
| Mr. Narendra Haldawar | 17 | 17 |

## 7. CORPORATE SOCIAL RESPONSIBILTY COMMITTEE:

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

The Corporate Social Responsibility Committee is currently comprised with:

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

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

During the year on 12.03.2019 meeting of Corporate Social Responsibility Committee was held

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

## 8. INDEPENDENT DIRECTOR'S MEETING:

### a. Name of independent directors.

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

### b. Meetings and attendance during the year

The Independent director's meeting held on 11th March 2019, during the financial year 2018-19.

## 9. ANNUAL GENERAL BODY MEETINGS:

| FINANCIAL YEAR ENDED | DATE AND TIME | VENUE | SPECIAL RESOLUTION PASSED |
|---|---|---|---|
| March 31, 2012. | 28th September 2012 at 11:00 AM. | Registered Office of the Company. | NIL |
| March 31, 2013. | 10th December 2013 at 11:00 AM. | Registered Office of the Company. | NIL |
| March 31, 2014. | 30th December 2014 at 11:00 AM. | Registered Office of the Company | Amendment of Memorandum of Association and Articles of Association |
| March 31, 2015. | 25th September 2015 at 10:00 AM | Vasudev Adigas Fast Food, 2nd Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001 | NIL |
| March 31, 2016. | 29th December 2016 at 10:30 AM | Vasudev Adigas Fast Food, 2nd Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001 | NIL |
| March 31, 2017. | 18th September 2017 at 10:30 AM | Vasudev Adigas Fast Food, 2nd Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001 | NIL |
| March 31,2018 | 24th September 2019 at 10:30 A.M | Vasudev Adigas Fast Food, 2nd Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001 | 1. Re-appointment of Satish Narayana Swamy and Swapan Kumar Majumder as an Independent Director.<br>2. Re-appointment of Shati Swarup Aggarwal as Managing Director. |

## 10. DISCLOSURES:

*i.* Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large: *Nil*

*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:

a. *During the financial year 2016-17, there were 25 days delay in submission of financial results for the 3rd quarter ended 31.12.2016 and the Company had paid penalty for the same to BSE Limited.*

b. *There were Two days delay in submission of financial results for the 1st Quarter ended 30.06.2018 and One day delay furnishing prior intimation about the Board meeting dated 14.11.2018 to BSE in pursuant to Regulation 33 & 29 of SEBI (LODR) Regulations, 2015. However, the Company has submitted request letter for condonation of delay in filing of financial results and furnishing prior intimation about the Board meeting to BSE Limited.*

*iii.* Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee: *The Company has Whistle Blower Policy and the management affirms that no personnel have been denied access to the Audit Committee.*

*iv.* Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause: *The Company has complied with all the mandatory requirements of this Clause. However, it has not adopted any of the non-mandatory requirements.*

## 11. MEANS OF COMMUNICATION:

i. Quarterly results –Newspapers and Website.

ii. Newspapers wherein results normally published – English newspaper widely circulated in substantial part of India and Regional Language (Kannada).

iii. Any website, where displayed – www.ovobelfoods.com

iv. Whether it also displays official news releases -No

v. The presentations made to institutional investors or to the analysts -No

## 12. GENERAL INFORMATION FOR SHAREHOLDER:

<table>
<tr><td>AGM: Date, time and venue</td><td>Date: 23.09.2019<br>Time: 10:30 AM<br>Venue: Vasudev Adigas Fast Food, 2nd Floor, Party Hall, No 21/24, Next to Metro Trinity Station, MG Road, Bengaluru-560001</td></tr>
<tr><td>Financial year</td><td>2018-19</td></tr>
<tr><td>Date of Book closure</td><td>17.09.2019 to 23.09.2019 (both days inclusive)</td></tr>
<tr><td>Dividend Payment Date</td><td>-</td></tr>
<tr><td>Listing on Stock Exchanges</td><td>Listed on Bombay Stock Exchange</td></tr>
<tr><td>Stock / Scrip Code</td><td>530741</td></tr>
<tr><td>Market Price Data: High., Low during each month in last financial year</td><td>
<table>
<tr><th>Month</th><th>High</th><th>Low</th></tr>
<tr><td>April 2018</td><td>20.65</td><td>13.9</td></tr>
<tr><td>May 2018</td><td>15.43</td><td>13.4</td></tr>
<tr><td>June 2018</td><td>20.05</td><td>16.1</td></tr>
<tr><td>July 2018</td><td>17.5</td><td>15</td></tr>
<tr><td>August 2018</td><td>17.5</td><td>15.35</td></tr>
<tr><td>September 2018</td><td>26.7</td><td>17.7</td></tr>
<tr><td>October 2018</td><td>23.85</td><td>16.55</td></tr>
<tr><td>November 2018</td><td>24.6</td><td>17.35</td></tr>
<tr><td>December 2018</td><td>25.7</td><td>19.1</td></tr>
<tr><td>January 2019</td><td>22.1</td><td>18.55</td></tr>
<tr><td>February 2019</td><td>19.45</td><td>17.7</td></tr>
<tr><td>March 2019</td><td>19.2</td><td>13.25</td></tr>
</table>
</td></tr>
<tr><td>Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.</td><td>NA</td></tr>
<tr><td>Registrar and Transfer Agents</td><td>Maheshwari Datamatics Private Limited</td></tr>
<tr><td>Share Transfer System</td><td>-</td></tr>
<tr><td>Distribution of shareholding</td><td>-</td></tr>
<tr><td>Dematerialization of shares and liquidity</td><td>-</td></tr>
<tr><td>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</td><td>NIL</td></tr>
<tr><td>Plant Locations</td><td>Plot # 30, KIADB Industrial Area, Malur, Kolar district, Karnataka, India – 563160</td></tr>
</table>

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

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

**Sd/-**
**_____**
**Shanti Swarup Aggarwal**
Managing Director
**DIN:** 00322011
**Place:** Kolkata
**Date:**30.05.2019

**Sd/-**
**_____**
**Swapan Kumar Majumder**
Director
**DIN:** 03178122
**Place:** Kolkata
**Date:** 30.05.2019

**Sd/-**
**_____**
**Sudhir Kulkarni**
Chief Financial Officer
**PAN**: AFEPK8240D
**Place:** Bangalore
**Date:** 30.05.2019

**Sd/-**
**_____**
**Ritu Singh**
Company Secretary & Compliance Officer
**Membership No.:** A24934
**Place:** Bangalore
**Date:** 30.05.2019

*Annexure-VI*

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

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

**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

**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, 2019 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 2019 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act');

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi) The management has identified and confirmed the following laws as specifically applicable to the Company:

a) The Factories Act, 1948
b) The Payment of Wages Act, 1936
c) Employees Provident Fund and Miscellaneous Provisions Act, 1952

d) Employers State Insurance Act,1948
e) The Payment of Bonus Act, 1965
f) The Environment (Protection) Act, 1986
g) Water & Air Pollution Act, 1981
h) Income Tax Act 1961
i) Payment of Gratuity Act,1972
j) Goods and Service Tax Act, 2017
k) Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
l) Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
m) Legal Metrology Act ,2009
n) Food Safety and Standards Act, 2006
o) Boilers Act, 1923
p) Industrial Dispute Act, 1947
q) Contract Labour (Regulation and Abolition) Act, 1970

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India,

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

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

d. *Listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group to be in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board. I observed that, one of the promoters (M/s. Ovobel NV) shares are not in dematerialized form as prescribed in the provisions of Regulation 31 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.*

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

f. *There were Two days delay in submission of financial results for the 1st Quarter ended 30.06.2018 and One day delay furnishing prior intimation about the Board meeting dated 14.11.2018 to BSE in pursuant to Regulation 33 & 29 of SEBI (LODR) Regulations, 2015.*

**I further report that**

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

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

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

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

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

During the financial year 2018-19, as per BIFR proceedings, Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC) & Ministry of Food Processing Industry (MFPI) have accepted the scheme of one-time settlement and have issued no due certificate and released 10,00,000 equity shares to the Company. As per the details provided to me, the Company is in the process of obtaining the SEBI and other regulatory authorities approval for the treatment of the shares issued to KSIIDC.

**Sd/-**
**Rafeeulla Shariff**
**Practicing Company Secretary**
Membership No: F-9367
C P No: 11103

**Date:** 30th May, 2019
**Place:** Bangalore

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

**'Annexures A'**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

*Annexure- VII*

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

### 1. Introduction:

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

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

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

The Company understands the need for promoting health, education, growth and development of children from lower socio-economic sections of society, Senior citizen belongs to below poverty line and has taken up various activities and has also contributed towards various NGOs which involved in such activities are part of your Company CSR Programs during the Financial Year 2018-19.

The CSR Policy of the Company is disclosed on the website of the Company www.ovobelfoods.com.

### 2. Composition of the CSR Committee:

CSR Committee comprises of the following Directors;

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

The Committee met once during the Financial Year on 12$^{th}$March, 2019.

### 3. Average net profit of the Company for last three Financial Years (from 2015-16 to 2017-18):

Average of 3 financial years net profit is Rs. -60.67Lakhs.

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

As per Section 135 of the Companies Act, 2013 and relevant rules made thereunder, the Company is required to spend at least two percent of its average net profits of the three immediately preceding financial years towards CSR activities.

Since, the average net profit is negative value, there is no requirement to spend money towards CSR activities by the Company during the financial year.

5. **Details of CSR spent during financial year 2018-19:**

| Sl. No. | Name | Amount |
|---|---|---|
| 1 | Donation to Rotary Trust | 300,000 |
| 2 | Donation to School Development Trust, Government High School, Malur Taluk, Kolar. | 2,500 |
| 3 | Donation to Karnataka Industrial Areas Development Board, Kolar. | 1,600 |
| 4 | Donation to Shri Bhuvaneshwari Kannada Karmikara Kshemabhvirdhi Sangha. | 15,000 |
| 5 | Donation to Shri Bhuvaneshwari Kannada karmikara Kshemabhvirdhi Sangha | 15,000 |
| | **Total** | **3,34,100** |

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

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

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

**Sd/-**
_____
**Shanti Swarup Aggarwal**
Managing Director
**DIN:** 00322011
**Place:** Kolkata
**Date:**30.05.2019

**Sd/-**
_____
**Swapan Kumar Majumder**
Director
**DIN:** 03178122
**Place:** Kolkata
**Date:** 30.05.2019

**Sd/-**
_____
**Sudhir Kulkarni**
Chief Financial Officer
**PAN**: AFEPK8240D
**Place:** Bangalore
**Date:** 30.05.2019

**Sd/-**
_____
**Ritu Singh**
Company Secretary & Compliance Officer
**Membership No.:** A24934
**Place:** Bangalore
**Date:** 30.05.2019

***Annexure VIII***

## CFO CERTIFICATION

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

a) We have reviewed the financial statements and the cash flow statement of Ovobel Foods Limited for the financial year 2018 -19 and certify that:
These statements to the best of our knowledge and belief:

   - Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.

   - Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.

d) We have also indicated to the Auditors and the Audit Committee.

   - Significant changes in Internal Controls with respect to financial reporting during the year.

   - Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.

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

**For Ovobel Foods Limited**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **_____** | **_____** |
| **Sudhir Kulkarni** | **Shanti Swarup Aggarwal** |
| Chief Financial Officer | Managing Director |
| **PAN**: AFEPK8240D | **DIN:** 00322011 |
| | |
| **Place:** Bangalore | **Place:** Kolkata |
| **Date:** 30.05.2019 | **Date:** 30.05.2019 |

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF OVOBEL FOODS LIMITED

### Report on the audit of Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Ovobel Foods Limited ("the Company") which comprises of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss including (Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the

a) state of affairs of the company as at March 31, 2019,
b) the profit and total comprehensive income,
c) changes in equity and its
d) cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Matter | Remarks |
|---|---|---|
| 1 | Accuracy of recognition, measurement, presentation and disclosure of revenue and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customer" (new revenue accounting standard) | The application of new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of basis use d to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Note |
| | | Auditor response |
| | | Principle Audit Procedure –<br>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the inter nal controls and substantive testing as follows:<br>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.<br>• Selected a sample of contracts, and tested the operating effectiveness of the internal control , relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of t hese controls.<br>• Selected a sample of contracts and performed the following procedures:<br>–– Read, analyzed and identified the distinct performance obligations in these contracts.<br>–– Compared these performance obligations with that identified and recorded by the Company.<br>–– Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.<br>–– In respect of samples relating to sale of goods |

| | | |
|---|---|---|
| | | contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts.<br>–– Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. |

**Emphasis of Matter**

1. We draw attention to the following matters in the notes to the standalone Ind AS financial statements:

   a. Note 14 to the standalone Ind AS financial statements pertaining to long term outstanding dues to Public Financial Institutions, a portion of which has been written back during the year pursuant to issuance of 'no dues certificate' from the lenders

   b. Note 4 to the standalone Ind AS financial statements pertaining to inter corporate advance of Rs. 200 lakhs given in April' 14 & it was outstanding as on balance sheet date.

   c. Note 4 to the standalone Ind AS financial statements pertaining to Advances against OTS Offers, a portion of which has been adjusted during the year against the corresponding loan liability.

**Information other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the prepara tion of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind As and other accoun ting principles generally accepted in India. This responsibility also includes 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 frauds and ot her irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effec tively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern basis and using the going concern basis of accounting unless manage ment either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasona ble assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from frau d or error and are considered material if, individually or i n aggregate, they could reasonably be expected to influence the econo mic decisions of users taken on basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may inv olve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriat eness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obta ined, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or c onditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transac tions and events in a manner that achieves fair presentation.

Materiality is the ma gnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we det ermine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

   d. In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

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

Place: Bangalore
Date: 31st May 2019

**"Annexure A" to the Independent Auditor's Report**

Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirement' of our Report of even date to the Standalone Ind AS financial statements for the year ended on 31st March, 2019 of **OVOBEL FOODS LIMITED.**

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

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, in the current year no physical verification of fixed assets has been done by the Company.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties, as disclosed in Note 2 of the standalone financial statements, are held in the name of the Company.

2. The inventory has been physically verified by the management during the year and the discrepancies noticed on such verification between the physical stock and the book records were not material. In our opinion, the frequency of such verification is reasonable.

3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, the company has not granted any loans to parties and accordingly the paragraph 3(iv) relating to provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security does not apply.

5. The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2013 and the rules framed there under.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub- section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7. a) Undisputed Statutory dues including PF, ESI, Income tax, Sales tax, Service Tax, duty of custom, Duty of Excise, Value added Tax, cess have generally been regularly deposited with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

   b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute.

8. Based on our audit procedures, we are of the opinion that the company has not defaulted in repayment of dues to its bank, financial institutions, Government or Debenture holders.

9. The Company has not raised any moneys by way of initial Public offer / Further Public offer during the Year. In our opinion, the moneys raised by way of Term Loans during the year were applied for the purposes for which those are raised.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company and no fraud on the company by its officers or employees has been noticed or reported during the year.

11. Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid to managerial personnel defined as per section 197 read with Schedule V to the Companies Act;

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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

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

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

Place: Bangalore
Date: 31st May 2019

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF OVOBEL FOODS LIMITED**

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

We have audited the internal financial controls over financial reporting of **Ovobel Foods Limited** as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone IND AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss, changes in equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report even dated expressed an "unqualified opinion thereon"

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

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

Place: Bangalore
Date : 31st May 2019

**Ovobel Foods Limited**
**Balance Sheet as at 31st March 2019**
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | **Assets** | | | |
| 1 | **Non-current assets** | | | |
| | Property, plant and equipment | 2 | 351.50 | 400.31 |
| | Intangible assets | 2 | - | - |
| | Financial Assets | | | |
| | Investments | 3 | 3.90 | 5.68 |
| | Loans & Advances | 4 | 30.98 | 27.20 |
| | Current tax assets (net) | 5 | 20.22 | 123.78 |
| | Deferred Tax Assets (Net) | 6a | 80.31 | 113.94 |
| | | | **486.92** | **670.91** |
| 2 | **Current assets** | | | |
| | Inventories | 7 | 1,063.66 | 911.00 |
| | Financial assets | | | |
| | Trade Receivables | 8 | 697.78 | 1,197.71 |
| | Cash and cash equivalents | 9 | 57.46 | 6.51 |
| | Bank Balances other than above | 10 | 734.32 | 642.27 |
| | Loans & Advances | 4 | 645.36 | 753.39 |
| | Other Current Assets | 11 | 33.53 | 34.26 |
| | | | **3,232.10** | **3,546.00** |
| | **Total Assets** | | **3,719.02** | **4,216.91** |
| | **Equity and liabilities** | | | |
| | **Equity** | | | |
| | Equity Share Capital | 12 | 1,050.08 | 1,050.08 |
| | Other Equity | 13 | 978.72 | 411.35 |
| | | | **2,028.80** | **1,461.43** |
| 1 | **Non-current liabilities** | | | |
| | Financial Liabilities | | | |
| | Borrowings | 14 | - | 41.50 |
| | Provisions | 15 | 46.21 | 51.46 |
| | | | **46.21** | **92.96** |
| 2 | **Current liabilities** | | | |
| | Financial liabilities | | | |
| | Borrowings | 14 | 1,161.84 | 1,153.14 |
| | Provisions | 15 | 48.85 | 61.41 |
| | Trade Payable | 16 | 331.09 | 267.60 |
| | Other financial liabilities | 17 | - | 998.90 |
| | Other Current liabilities | 18 | 102.22 | 181.46 |
| | | | **1,644.01** | **2,662.51** |
| | **Total Equity & Liabilities** | | **3,719.02** | **4,216.91** |
| Summary of significant accounting policies | | 1B | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date
**For Nara Hari & Raghvendra**
Chartered Accountants
**Firm Registration No. 014509S**

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

Place : Bangalore
Date : 31 May 2019

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

**Shanti Swarup Aggarwal**
Managing Director
**DIN: 00322011**
Place : Kolkata
Date : 30 May 2019

**Swapan Kumar Majumder**
Director
**DIN: 03178122**
Place : Kolkata
Date : 30 May 2019

**Sudhir Kulkarni**
Chief Financial officer
Place : Bangalore
Date : 30 May 2019

**Ritu Singh**
Company Secretary
Place : Bangalore
Date : 30 May 2019

**Ovobel Foods Limited**
**Statement of Profit and Loss for the year ended 31 March 2019**
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Particulars | Note No. | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|---|---|
| | **Income** | | | |
| | Sales | 19 | 9,729.81 | 8,360.18 |
| I | **Revenue from Operations** | | **9,729.81** | **8,360.18** |
| II | Other income | 20 | 1,481.70 | 1,637.25 |
| III | **Total Income** | | **11,211.51** | **9,997.42** |
| | | | | |
| | **Expenses** | | | |
| | Cost of materials consumed | 21 | 8,098.14 | 6,834.99 |
| | Changes in inventories of finished goods and stock-in-transit | 22 | (154.98) | 351.23 |
| | Excise Duty | 23 | - | 18.18 |
| | Employee Benefit Expenses | 24 | 739.20 | 661.64 |
| | Finance Cost | | 87.39 | 92.96 |
| | Depreciation and Amortization Expenses | 26 | 98.25 | 126.50 |
| | Other Expenses | 27 | 1,502.88 | 1,384.85 |
| IV | **Total expenses** | | **10,370.89** | **9,470.36** |
| V | **Profit before Tax ( III - IV )** | | **840.61** | **527.06** |
| | **Tax expenses** | | | |
| | Current tax & earlier year's tax | 6 | 241.63 | 103.11 |
| | Deferred tax charge/(income) | 6a | 33.77 | -28.92 |
| VI | **Total Tax expenses** | | **275.39** | **74.18** |
| VII | **Profit for the year ( V - VI )** | | **565.22** | **452.88** |
| | **Other comprehensive income** | | | |
| | Items that will be reclassified to profit or (loss) in subsequent periods | | -2.50 | 3.18 |
| | Items that will not be reclassified to profit or (loss) in subsequent periods-DBO | | 3.72 | -7.69 |
| | Income Tax effect on the above | | -0.93 | 2.31 |
| VIII | **Total Other Comprehensive Income for the year** | | **0.29** | **-2.20** |
| IX | **Total Comprehensive Income for the year ( VII + VIII )** | | **565.51** | **450.00** |
| | | | | |
| | **Earning per equity share (Rs. 10 paid up) (In Rs.)** | | | |
| | [Nominal value of share Rs. 10 (Previous year : Rs. 10)] | | | |
| | Basic | | 5.38 | 4.31 |
| | Diluted | | 5.38 | 4.31 |
| Summary of significant accounting policies | | 1B | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date
**For Nara Hari & Raghvendra**
Chartered Accountants
**Firm Registration No. 014509S**

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

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

**Shanti Swarup Aggarwal**
Managing Director
**DIN: 00322011**
Place : Kolkata
Date : 30 May 2019

**Swapan Kumar Majumder**
Director
**DIN: 03178122**
Place : Kolkata
Date : 30 May 2019

**Sudhir Kulkarni**
Chief Financial officer
Place : Bangalore
Date : 30 May 2019

**Ritu Singh**
Company Secretary
Place : Bangalore
Date : 30 May 2019

Place : Bangalore
Date : 31 May 2019

**Ovobel Foods Limited**

**Cash Flow Statement for the year ended 31 March 2019**

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

| | Particulars | For the year ended 31-Mar-2019 | For the year ended 31-Mar-2018 |
|---|---|---|---|
| **A** | **Cash flow from operating activities** | | |
| | **Profit before tax** | **841.83** | **522.55** |
| | **Non-cash adjustment & adjustments for other activities:** | | |
| | Depreciation / amortization on continuing operation | 98.25 | 126.50 |
| | Interest Expense | 63.00 | 74.57 |
| | Interest income | -43.79 | -34.99 |
| | **Changes in Assets and Liabilities** | **959.30** | **688.64** |
| | Increase/(decrease) in trade payables | 63.49 | 126.74 |
| | Increase/(decrease) in other non current financial liabilities | -5.25 | 20.12 |
| | Increase/(decrease) in other current liabilities | -79.23 | -16.04 |
| | Increase/(decrease) in other current financial liabilities | -998.90 | -1,425.10 |
| | Increase/(decrease) in Short term Provisions | -12.57 | 53.98 |
| | (Increase)/decrease in other non current financial assets | 1.78 | -1.18 |
| | (Increase)/decrease in Current Assets | 108.02 | 516.80 |
| | (Increase)/decrease in Inventories | -152.66 | 359.06 |
| | (Increase)/decrease in trade receivables | 499.92 | -103.89 |
| | Increase/(decrease) in other current financial assets | 0.73 | -34.26 |
| | Increase/(decrease) in Borrowings | 8.70 | 8.61 |
| | (Increase)/decrease in Loans and Advances | -3.79 | 10.23 |
| | (Increase)/decrease in in Current Tax Assets | 103.55 | 102.77 |
| | Increase/(decrease) in Non Current Borrowings | -41.50 | -86.25 |
| | **Cash generated from /(used in) operations** | **451.60** | **220.24** |
| | Direct taxes paid during the year (net of refunds) | 239.93 | 106.19 |
| | **Net cash flow from/ (used in) operating activities (A)** | **211.67** | **114.04** |
| **B** | **Cash flow from investing activities** | | |
| | Sale / (Purchase) of fixed assets, including CWIP and capital advances | **-49.46** | -31.91 |
| | (Loss) / Profit on Sale of Fixed Asset, net of expenses | - | - |
| | Proceeds from matured Fixed deposits | | |
| | Interest received | 43.79 | 34.99 |
| | **Net cash flow from/(used in) investing activities (B)** | **-5.67** | **3.08** |
| **C** | **Cash flow from financing activities** | | |
| | Interest Expense | -63.00 | -74.57 |
| | **Net cash flow from/(used in) in financing activities (C)** | **-63.00** | **-74.57** |
| | Net increase/(decrease) in cash and cash equivalents (A + B + C) | 143.00 | 42.55 |
| | Cash and cash equivalents at the beginning of the year | 648.78 | 606.22 |
| | **Cash and cash equivalents at the end of the year** | **791.78** | **648.78** |
| | **Components of cash and cash equivalents** | | |
| | Cash on hand | 6.71 | 1.57 |
| | With banks - on current account | 50.75 | 4.94 |
| | Deposits with Bank (Not included above) | 734.32 | 642.27 |
| | **Total cash and cash equivalents** | **791.78** | **648.78** |

Summary of significant accounting policies IB

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

As per our report of even date
**For Nara Hari & Raghvendra**
Chartered Accountants
**Firm Registration No. 014509S**

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

Place : Bangalore
Date : 31 May 2019

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

**Shanti Swarup Aggarwal**
Managing Director
**DIN: 00322011**
Place : Kolkata
Date : 30 May 2019

**Swapan Kumar Majumder**
Director
**DIN: 03178122**
Place : Kolkata
Date : 30 May 2019

**Sudhir Kulkarni**
Chief Financial officer
Place : Bangalore
Date : 30 May 2019

**Ritu Singh**
Company Secretary
Place : Bangalore
Date : 30 May 2019

**Ovobel Foods Limited**
**Statement of Changes in Equity for the year ended 31 March 2019**
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**A. Equity Share Capital**

| Particulars | As at April 1, 2017 | Changes in equity share capital during the year | As at April 1, 2018 | Changes in equity share capital during the year | As at March 31, 2019 |
|---|---|---|---|---|---|
| Equity share capital | 1,050 | - | 1,050 | - | 1,050 |

**B. Other Equity**

| Particulars | Reserves and Surplus | | Items of Other Comprehensive Income | Total |
|---|---|---|---|---|
| | Retained Earinings | Capital Reserves | | |
| **Balance as on 01 April 2017** | **(500)** | **489** | **(24)** | **(35)** |
| Profit for the year | 450.57 | - | - | 450.57 |
| Revaluation of Invenstments | - | - | 3.18 | 3.18 |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | (8) | (8) |
| **Balance as on 31 March 2018** | **(49)** | **489** | **(29)** | **411** |
| Profit for the year | 565 | - | - | 565 |
| Revaluation of Invenstments | - | - | (2) | (2) |
| Remeasurement of net defined benefit liability/asset (net of tax) | - | - | 4 | 4 |
| **Balance as on 31 March 2019** | **516** | **489** | **(28)** | **978** |
| Summary of significant accounting policies | 1B | | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date
**For Nara Hari & Raghvendra**
Chartered Accountants
**Firm Registration No. 014509S**

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

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

Place : Bangalore
Date : 31 May 2019

**Shanti Swarup Aggarwal**
Managing Director
**DIN: 00322011**
Place : Kolkata
Date : 30 May 2019

**Sudhir Kulkarni**
Chief Financial officer
Place : Bangalore
Date : 30 May 2019

**Swapan Kumar Majumder**
Director
**DIN: 03178122**
Place : Kolkata
Date : 30 May 2019

**Ritu Singh**
Company Secretary
Place : Bangalore
Date : 30 May 2019

**Ovobel Foods Limited**
**Notes to the financial statements for the year ended March 31, 2018**
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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

The financial statements are approved foor issue by the company's Board of Directors on May 30, 2019.

**1 Summary of Significant Accounting Policies:**

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

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

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

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

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

**1B Significant accounting policies**

**i Use of Estimates**

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

**ii Accounting of FPS (MEIS) Licence**

Company is entitled to receive Government Assistance on FOB Value of its export turnover. As per Indian Accounting Standard (IND AS) 20, "Accounting for Government Grants and Disclosure of Government Assistance", government grants including non monetary grants shall be recognised when company is well assured that:
a) the company will comply with conditions attaching to them; and
b) the grant will be received.
Company recognises income arising from Focus Product Scheme [FPS] and duty drawback under the MEIS Scheme of Foreign trade policy on accrual basis since the Company has reasonable assurance of receiving of the entitlement applied with Director General of Foreign Trade (DGFT) authorities.

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

**A. Property, plant and equipment**

Property, plant and equipment except land are carried at historical cost of acquisition, less accumulated depreciation and amortisation.
Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
Assets under installation or under construction and the related advances as at the Balance Sheet date are shown as Capital Work in Progress.

**B. Transition to IND AS**

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

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

**a) On tangible Assets**

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

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

| Asset Class | Life As per Schedule II |
|---|---|
| Factory Buildings | 30 years |
| Office Equipments | 05 years |
| Furniture & Fixtures | 10 years |
| Plant & Machinery - Continuous process plant | 08 years |
| Plant & Machinery - Electrical Installations & General Laboratory equipments | 10 years |
| Plant & Machinery - Others (Material handling pipelines & welding equipments) | 12 years |
| Plant & Machinery - Other Equipments | 15 years |
| Plant & Machinery - Vessels / Storage tanks and drying equipments / centrifuges | 20 years |
| Plant & Machinery - Transmission lines, cables & other network assets | 40 years |
| Computers & data processing units | 03 years |
| Motor Vehicles | 08 years |

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

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

**b) Impairment of assets**

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

**iv Inventories**

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.
Inventories comprising of Raw materials, Finished goods and Goods in transit are valued at cost or net realisable value whichever is less. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**v Investments & financial assets**

**i) Classification**

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

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

b) those measured at amortised cost.

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

**ii) Measurement**

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

**Fair value through profit or loss:**

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

**iii) Derecognition of financial assets**

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

**iv Income recognition**

**Interest Income**

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

**Dividends**

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

**vi Foreign currency transactions**

i) Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction as notified by CBEC from time to time

iii) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.

iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss in the manner detailed in note 20 to financial statements.

**vii Cash & Cash equivalents**

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

**viii Revenue Recognition**

The Company has adopted IndAS 115-"Revenue from Contracts with Customer ", with effect from 01 April 2018. Company has applied the following accounting policy in the preparation of its financial statements:

The Group recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Company recognises revenue at a point in time when it satisfies a performance obligation by transferring promised goods to a customer. An assset is transferred when the customer obtains control of the same.

When the company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Company undertakes production and sale of processed egg products and by products. The produced goods are sold to domestic and export customers.

**Export Sales**

Export contracts are entered on terms of CIF(cost, insurance and frieght) and CRF(cost and frieght) basis.

Control of goods is said to be transferred when customer has the ability to direct the use of and obtain the benefits from the good or service irrespective of risk or rewards being transferred. The shipment terms of CIF and CRF are a measure of transfer of risk and rewards only. Therefore, the transfer of control and point of recognising revenue will be considered when the goods arrive at their final destination port.

**Domestic Sales**

Revenue under domestic contracts is recognised when goods are outwarded from the place of production as the customer obtains control from that point of time, i.e., customer can direct its use thereafter.

**Other Income**

Other Income shall be required when entity satisfies the respective performance obligation.

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

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

**x Foreign Currency Transactions**

Foreign currency transactions during the year are initially recognised in the functional currency at the rate of exchange prevailing at the date of transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss in the period in which they arise.

Foreign currency monetary items as at the balance date are translated using the closing rate; the resultant exchange differences are recognized in the Statement of Profit and Loss.

Non- Monetary items that are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of transaction.

**xi Cash Flow Statements**

The entity reports the cash flow from

a) operating activities using indirect method by adjusting the profit or loss for the effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing cash flows.

b) From investing and financing activities by reporting separately the major cash receipts and cash payments that arises from investing and financing activities except to the extent permitted to be reported on net basis by IND AS -7.

**xii Sales Commission**

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

**xiii Earnings Per Share**

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

**xiv Retirement Benefits- Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The entity determines the defined benefit liability/asset annually by referring the same for valuation by a qualified actuary. The qualified actuary valued the defined benefit obligation by using the projected unit credit method. The amounts recognised in the financial statements are based on such actuarial valuation. Such determination of defined benefit obligations takes into account any practices of constructive obligations. The obligations (in respect of each material plan) are recognised in the financial statements

**a)** In Statement of Profit &Loss
(i) Current service cost
(ii) Any past service cost and gain or loss on settlement
(iii) Net interest on net defined benefit liability

**b)** In Other comprehensive income
(i) Actuarial gains and losses
(ii) Return on plan assets, excluding amounts included in net interest on the net defined benefit liability
(iii) Any change in the effect of asset ceiling

**c)** In the Balance sheet, the net defined benefit/asset is separately recognised and in respect of surplus in a defined plan, the net defined asset is measured at lower of
a) Surplus in the defined benefit plan and
b) The asset ceiling

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

***(iv) Long-term employee benefits***

The Other long-term benefits that arise consequent to employment contracts are recognised in Statement of Profit &Loss as

(i) Service cost

(ii) Net interest on net defined benefit liability

(iii) Re-measurements of the net defined benefit liability

Long term paid absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date.

**xv Segment reporting**

**Identification of segments**

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

**xvi Taxation**

Current tax is determined based on the amount of tax payable in respect of taxable income for the year.

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

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

**xvii Contingent Liabilities & Provisions**

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

**Ovobel Foods Limited**

**Cash flow statement for the year ended 31 March 2019**

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

**2. PROPERTY, PLANT & EQUIPMENT**

| Particulars | Property, Plant and equipment | | | | | | | | Total Tangible Asset | Intangible Assets | Total Intangible Asset |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land & Building | Factory Building | Office Equipments | Furniture & Fixtures | Plant & Machinery | Vehicles | Computers | Electrical fittings | | Sofware | |
| **GROSS BLOCK** | | | | | | | | | | | |
| As on 1st April 2017 | 17.22 | 443.00 | 44.70 | 35.06 | 2,270.19 | 8.32 | 19.91 | - | 2,838.41 | 4.67 | 4.67 |
| Additions | - | - | 1.14 | 1.83 | 25.16 | | 3.77 | - | 31.91 | - | - |
| Disposals | | | | | | | 0.33 | - | 0.33 | - | - |
| **At 31 March 2018** | **17.22** | **443.00** | **45.84** | **36.89** | **2,295.36** | **8.32** | **23.35** | **-** | **2,869.98** | **4.67** | **4.67** |
| As on 1st April 2018 | 17.22 | 443.00 | 45.84 | 36.89 | 2,295.36 | 8.32 | 23.35 | - | 2,869.98 | 4.67 | |
| Additions | - | 0.22 | 1.08 | 0.22 | 44.00 | - | 2.15 | 1.80 | **49.46** | | |
| Disposals | - | | - | - | | - | | | - | | |
| **At 31 March 2019** | **17.22** | **443.21** | **46.92** | **37.11** | **2,339.36** | **8.32** | **25.50** | **1.80** | **2,919.44** | **4.67** | **4.67** |
| As on 1st April 2017 | - | 286.17 | 31.89 | 18.70 | 1,988.86 | 2.62 | 14.93 | | 2,343.17 | 4.67 | 4.67 |
| Charge for the year | - | 19.02 | 6.56 | 5.11 | 91.95 | 1.66 | 2.21 | | 126.50 | | - |
| Disposals | | | | | | | | | - | | - |
| **At 31 March 2018** | **-** | **305.19** | **38.44** | **23.81** | **2,080.81** | **4.28** | **17.13** | **-** | **2,469.67** | **4.67** | **4.67** |
| As on 1st April 2018 | - | 305.19 | 38.44 | 23.81 | 2,080.81 | 4.28 | 17.13 | | **2,469.67** | 4.67 | 4.67 |
| Charge for the year | | 15.53 | 3.54 | 3.58 | 72.20 | 1.12 | 2.19 | 0.12 | **98.27** | | |
| Disposals | | | | | | | | | - | | |
| **At 31 March 2019** | **-** | **320.72** | **41.98** | **27.39** | **2,153.01** | **5.39** | **19.32** | **0.12** | **2,567.94** | **4.67** | **4.67** |
| **NET BLOCK** | | | | | | | | | | | |
| At 31 March 2018 | 17.22 | 137.81 | 7.40 | 13.08 | 214.55 | 4.04 | 6.22 | | 400.31 | - | - |
| **At 31 March 2019** | **17.22** | **122.49** | **4.94** | **9.71** | **186.35** | **2.92** | **6.18** | **1.68** | **351.50** | **-** | **-** |

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

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

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

**3. Investments**

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

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| a) Investments in equity instruments (Quoted) of SMIFS Capital Market Limited<br>10,000 (31 March 2018 : 10,000) equity shares face value of Rs.10 each full paid up<br>[Market Value March 19 Rs. 3.90 lakhs] [March 18 Rs. 5.68 Lakhs] | 3.90 | 5.68 |
| | **3.90** | **5.68** |

**4. Loans and advances**
**(Unsecured, good, unless stated otherwise)**

| Particulars | Non Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Security Deposits | 30.98 | 27.20 | - | - |
| Employee Advances | - | - | 19.84 | 15.59 |
| Advances to Suppliers | - | - | 59.75 | 17.97 |
| Advances against OTS Offers | - | - | 100.00 | 355.39 |
| Other Advances | - | - | 208.17 | 179.15 |
| Other Receivables | - | - | 204.98 | 173.67 |
| Balances with Statutory Authorities | - | - | 52.63 | 11.62 |
| | **30.98** | **27.20** | **645.36** | **753.39** |

Refer Note 14(f) 'Borrowings' forming part of the financial statements. The advance against OTS offers includes advance payment made towards the equity assistance provided by KSIIDC and MFPI. The company is in the process of obtaining the SEBI approval for the accounting treatment Refer Note 44 forming part of the financial statements.

**5. Current Tax (Net)**

| | Non Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Advance Tax (Net of provision for taxation) | 20.22 | 123.78 | - | - |
| | **20.22** | **123.78** | **-** | **-** |

**6. Income Tax**

**The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:**

**Statement of profit and loss:**
**Profit or loss section**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | **241.63** | **103.11** |
| **Deferred tax:** | | |
| Deferred tax charge/(income) | **33.77** | **-28.92** |
| | **275.39** | **74.18** |

| 6a. Deferred Tax (Net) | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| **Deferred tax liability** | | |
| Fixed Assets: impact of difference between tax depreciation and depreciation charged for the financial reporting | - | - |
| **Gross deferred tax liability** | **-** | **-** |
| **Deferred tax asset** | | |
| Fixed Assets: impact of difference between tax depreciation and depreciation charged for the financial reporting | 51.90 | 74.55 |
| Expenses on which Tax is not deducted | 1.96 | 2.08 |
| Bonus | 2.05 | 19.94 |
| Leave Encashment | 10.81 | 10.08 |
| Exgratia | | - |
| Gratuity | 13.59 | 7.29 |
| **Gross deferred tax asset** | **80.31** | **113.94** |
| **Net deferred Tax Asset** | **80.31** | **113.94** |

**7. Inventories**

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Raw Material | 36.68 | 39.00 |
| Finished Goods | 498.33 | 872.00 |
| Stock in transit | 528.65 | - |
| | **1,063.66** | **911.00** |

**8. Trade Receivable**

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

| | Non Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Good | - | - | 697.78 | 1,197.71 |
| Doubtful | - | - | - | - |
| | **-** | **-** | **697.78** | **1,197.71** |

**9. Cash & cash equivalents**

| | Non Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Cash on Hand | | | 6.71 | 1.57 |
| **Balances with banks:** | | | | |
| -On current Accounts | - | - | 50.75 | 4.94 |
| | **-** | **-** | **57.46** | **6.51** |

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

| | Non Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| -Deposits with more than 3 months but less than 12 months maturity | - | - | 734.32 | 642.27 |
| | **-** | **-** | **734.32** | **642.27** |

**11. Other Current Assets**

| | Non Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Accrued Interest on Security deposit | - | - | 0.30 | 0.59 |
| Prepaid rent | - | - | 0.25 | 0.54 |
| Prepaid expenses | - | - | 32.98 | 33.12 |
| | **-** | **-** | **33.53** | **34.26** |

**12. Equity share capital**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| **Authorized shares** | | |
| 1,10,00,000 (March 31, 2018: 1,10,00,000) equity shares of Rs. 10 each | 1,100.00 | 1,100.00 |
| | **1,100.00** | **1,100.00** |
| **Issued, subscribed and fully paid-up shares** | | |
| 1,05,00,800 (March 31, 2018: 1,05,00,800) equity shares of Rs. 10 each fully paid up | 1,050.08 | 1,050.08 |
| | **1,050.08** | **1,050.08** |

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

| Equity Shares | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| At the beginning of the period | 1,05,00,800.00 | 1,050.08 | 1,05,00,800.00 | 1,050.08 |
| Issued during the period | - | - | - | - |
| Bought Back during the period | - | - | - | - |
| **Outstanding at the end of the period** | **1,05,00,800.00** | **1,050.08** | **1,05,00,800.00** | **1,050.08** |

**Terms/Rights attached to Equity Shares**

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2019, the company has not proposed for any dividend payable to the share holders .

In the event of Liquidation, the holders of equity Share holders are entitled to receive remaining assets of the company after distribution of all preferential amount, in proportion to the number of shares held by shareholders.

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

| | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | No | % | No | % |
| Ovobel NV | 14,84,691 | 14.14% | 14,84,691 | 14.14% |
| Utsav Parekh | 10,43,600 | 9.94% | 10,43,600 | 9.94% |
| Indus Food Products & Equipments | 8,50,000 | 8.09% | 8,50,000 | 8.09% |
| Shanti Swarup Agarwal | 7,72,409 | 7.36% | 7,72,409 | 7.36% |
| Vinita Agarwal | 6,28,400 | 5.98% | 6,28,400 | 5.98% |

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

**Karnataka State Industrial and Infrastructure Development Corporation Ltd.**
KSIIDC and Ministry of Food Processing Industries [MFPI] have transferred 5,00,000 Equity Shares in favour of the Company in terms of Buy back of share approved by KSIIDC vide approval dated 02 February 2015.The company is in the process of obtaining the SEBI approval for the accounting treatment of the Share capital redeemed from KSIIDC & MFPI.

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

**13. Other equity**

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| **Surplus in the Statement of Profit and Loss** | | |
| Balance as per last financial statements | -71.18 | -524.06 |
| Profit for the year | 565.22 | 452.88 |
| Less: Appropriations | - | - |
| **Net surplus in the Statement of Profit and Loss** | **494.04** | **-71.18** |
| **Capital Reserve** | | |
| Opening balance | 489.35 | 489.35 |
| Addition to the reserve | - | - |
| Transfer/ utilization of reserve | - | - |
| **Net surplus in the Capital reserve** | **489.35** | **489.35** |
| **Investment Valuation Reserve** | | |
| Opening balance | 3.18 | - |
| Addition to the reserve | -2.50 | 3.18 |
| Transfer/ utilization of reserve | | - |
| **Net surplus in the Investment valuation reserve** | **0.68** | **3.18** |
| **Other Comprehensive Income Reserve** | | |
| Opening balance | -10.00 | - |
| Addition to the reserve - OCI | 3.72 | -7.69 |
| Transfer/ utilization of reserve | - | - |
| Income Tax effect on Defined Benefit Obligation | -0.93 | 2.31 |
| **Net surplus in the Other Comprehensive Income Reserve** | -5.35 | -10.00 |
| **Total Reserves And Surplus** | **978.72** | **411.35** |

**Restatement of OCI**
**Balance Sheet**

| Particulars | As on 31st March, 2018 | Reinstatement | Reinstated as on 1st April, 2019 |
|---|---|---|---|
| **Surplus in the Statement of Profit and Loss** | | | |
| Balance as per last financial statements | -524.06 | - | (524) |
| Profit / (Loss) for the year | 450.57 | 2.31 | 453 |
| Other Comprehensive Income/(expenses) | -7.69 | -2.31 | (10) |

**Profit and Loss account Impact**

| Particulars | As on 31st March, 2018 | Reinstatement | Reinstated as on 1st April, 2019 |
|---|---|---|---|
| Profit before Tax | 527.06 | - | 527.06 |
| Current Tax | 105.41 | -2.31 | 103.11 |
| Deferred tax charge/(income) | -28.92 | - | -28.92 |
| Profit for the year | 450.57 | 2.31 | 452.88 |
| **Other comprehensive income** | | | |
| *Actuarial Loss / (Gain) On DBO* | -7.69 | - | -7.69 |
| *Income tax effect on above* | - | 2.31 | 2.31 |

**Note:**
While preparing the financial statements for the year ended 31 March 2018, there was an error in measurement of actuarial loss/(gain) on DBO & Income tax effect on the same. The Company had erroneously omitted the tax effect and actuarial gain/loss. However, the net effect on the Statement of Profit and Loss is Nil.

**Note:**
**14. Borrowings**

| | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Term loans from financial institutions | - | 41.50 | - | - |
| Packing credit from banks (secured) | - | - | 241.74 | 417.67 |
| Bill discounting (secured) | - | - | 920.11 | 735.47 |
| Overdraft facility (secured) | - | - | - | - |
| | **-** | **41.50** | **1,161.84** | **1,153.14** |

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

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

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

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

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

e. The Company had remitted the dues as claimed by KSIIDC and MFPI under the OTS Scheme in the earlier years. The Company had not recorded the final entries in the books of accounts giving the effect of concessions provided by KSIIDC and MFPI till previous year.
However, during the previous year, the KSIIDC had given the No Due certificate with respect to the loan outstanding and interest accrued. Hence the Company has written back the interest accrued portion of KSIIDC.
During the current year, company has obtained no due certificate from MFPI with respect to the loan outstanding and interest accrued. Hence the company has written back the interest accrued portion of MFPI.

Packing Credit and Bill discounting are secured loans - Details are as below -
f. First charge on the raw materials, work in progress, finished goods and receivables.
g. First charge on the fixed assets of the company, (pending modification of the charge to be effected by KSIIDC).
h. Personal guarantee of the directors.

**15. Provisions**

| | Non - Current | | Current | |
|---|---|---|---|---|
| | **31-Mar-19** | **31-Mar-18** | **31-Mar-19** | **31-Mar-18** |
| **Provision for employee benefits** | | | | |
| - Provision for gratuity* | 7.37 | 22.06 | - | - |
| - Provision for leave benefits | 38.84 | 29.40 | - | 1.10 |
| - Provision for bonus | - | - | 48.85 | 60.31 |
| | **46.21** | **51.46** | **48.85** | **61.41** |

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

**16. Trade payables**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Trade Payable (MSMED Vendors) | 1.53 | 1.20 |
| Trade Payable Others | 329.56 | 266.40 |
| | **331.09** | **267.60** |

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

**17. Other Financial Liabilites**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Interest accrued and due on borrowings | - | - |
| Interest accrued but not due on borrowings * | - | 998.90 |
| | **-** | **998.90** |

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

**18. Other current liabilities**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Advance from customers | 0.34 | 70.79 |
| Statutory Liabilities | 10.26 | 10.33 |
| Other liabilities | 91.39 | 99.49 |
| Deferred revenue | 0.24 | 0.53 |
| Payable to related parties | - | 0.33 |
| | **102.22** | **181.47** |

| 19. Revenue from operations | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Sale of products (Including Excise Duty)* | 9,729.81 | 8,360.18 |
| | **9,729.81** | **8,360.18** |
| * Pursuant to the new GST Law, Excise duty was applicable upto 30th June 2017 | | |
| **Details of products sold** | | |
| **Finished goods sold** | | |
| Egg-Powder | 9,327.88 | 8,228.48 |
| Egg-Liquid | 399.66 | 107.19 |
| Others | 2.27 | 6.33 |
| | **9,729.81** | **8,342.00** |

Revenue is recognised when customer obtains effective control. In case of export sales, it is observed that effective control is transferred when goods reach at their destined port. However, there is no change in revenue recognition of domestic sales.

Ind AS 115 came in effect as on 1st April, 2019 and company has adopted the same under modified retrospective approach, i.e., no comparatives figures are reinstated as 31st March,2019. Following is the impact of applying this standard:

| Particulars | Ind AS 115 | Ind AS 18 |
|---|---|---|
| Revenue from operation | 9,729.81 | 10,340.91 |
| Cost of goods sold | 7,943.16 | 8,471.82 |
| Closing Stock | 1,063.66 | 535.01 |
| Operating Profit | 1,476.69 | 1,869.09 |
| Profit before tax for the year | 840.61 | 964.63 |
| Profit after tax for the year | 565.03 | 651.77 |

| 20. Other Income | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Liabilities no longer required written back - Refer Note below | 855.07 | 1,041.08 |
| Interest Income on: | | |
| Bank Deposits | 43.79 | 34.99 |
| Gain on account of foreign exchange fluctuations (net) | 35.13 | 133.32 |
| Dividend on Long term investment | 0.10 | 0.10 |
| Other non - operating income * | 547.61 | 427.75 |
| (Net of expenses directly attributable to such income) | | |
| * Includes sale of export licenses Rs. 536 lakhs (March 2018: Rs. 393 lakhs) | | |
| * Includes duty drawback Rs. 11 lakhs (March 2018: Rs. 34 lakhs) | | |
| | **1,481.70** | **1,637.25** |

**Note -**

During previous year, company obtained No Due Certificated from KSIIDC with respect to loan outstanding and interest accrued. During current year the MFPI has given the No Due certificate with respect to the loan outstanding and interest accrued. Hence the company has written back the interest accrued portion of MFPI in current year and of KSSIDC in previous year.

**21. Cost of Raw Materials Consumed**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Inventory at the beginning of the year | 17.06 | 21.89 |
| Add: Purchases & Direct Expenses | 8,094.52 | 6,830.16 |
| Less: Inventory at the end of the year | 13.44 | 17.06 |
| **Total Cost of Raw Material Consumed** | **8,098.14** | **6,834.99** |

| | | |
|---|---|---|
| **Details of Raw materials and components** | | |
| Eggs | 8,071.92 | 6,833.67 |
| Dirty Eggs | 17.60 | - |
| Pullet Eggs | 7.99 | - |
| Pigments, Yeast and Enzymes | 0.62 | 1.32 |
| | **8,098.14** | **6,834.99** |
| **Details of Inventories** | | |
| **Raw Materials and components** | | |
| Eggs | 8.18 | 11.56 |
| Pigments, Yeast and Enzymes | 5.26 | 5.51 |
| | **13.44** | **17.06** |

**22. (Increase) or Decrease in Finished Goods & Stock in Transit**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| **Inventories at the end of the year** | | |
| Finished Goods & Stock in transit | 1,026.98 | 872.01 |
| | **1,026.98** | **872.01** |
| **Inventories at the beginning of the year** | | |
| Finished Goods & Stock in transit | 872.01 | 1,223.24 |
| | **872.01** | **1,223.24** |
| | | |
| (Increase) or Decrease in Stock in Trade | **-154.98** | **351.23** |

**23. Excise duty**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Excise duty on goods | - | 18.18 |
| | **-** | **18.18** |

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

| **24. Employee Benefit Expenses** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Salaries, Wages and other employee benefits | 647.58 | 565.00 |
| Gratuity | 11.04 | 19.67 |
| Leave Encashment | 9.04 | 5.35 |
| Contribution to Provident Fund | 24.91 | 24.95 |
| Staff Welfare Expenses | 46.63 | 46.68 |
| | **739.20** | **661.64** |

| **25. Finance costs** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Interest on Term Loan | - | 2.65 |
| Interest on Bill Discounting | 39.30 | 42.40 |
| Interest on Packing Credit | 22.17 | 23.74 |
| Interest - Others | 1.54 | 5.78 |
| Bank Charges | 24.39 | 18.39 |
| | **87.39** | **92.96** |

| **26. Depreciation and amortisation expense** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Depreciation of tangible assets | 98.25 | 126.50 |
| Amortization of intangible assets | - | - |
| | **98.25** | **126.50** |

| **27. Other Expenses** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Electricity Charges | 312.45 | 254.73 |
| Brokerage and discounts | 255.13 | 216.75 |
| Spares and Consumables | 195.09 | 127.05 |
| Freight Charges | 177.06 | 137.85 |
| Power & fuel Consumption | 158.55 | 173.67 |
| Miscellaneous Expenses | 94.09 | 85.31 |
| Office Maintenance expenses | 69.15 | 74.59 |
| Insurance | 59.29 | 52.60 |
| Travelling and Conveyance | 51.00 | 66.59 |
| Repairs & Maintenance | 35.66 | 85.84 |
| Legal and professional fees | 46.02 | 36.90 |
| Rates & taxes | 25.29 | 16.06 |
| Business Promotion | 6.70 | 12.77 |
| Payment to auditors (Refer details below) | 6.79 | 5.50 |
| Rent | 4.17 | 4.16 |
| Donation and CSR Expenses | 3.85 | 12.85 |
| Communication costs | 2.60 | 1.93 |
| Inspection Charges | - | 19.71 |
| | **1,502.88** | **1,384.85** |

| Payment to auditor * | | |
|---|---|---|
| ***As Auditor*** | | |
| Statutory Audit Fee | 4.00 | 4.00 |
| Tax Audit Fee | 1.00 | 1.00 |
| ***In other capacity:*** | | |
| For Limited Review | 1.00 | 0.50 |
| For out of pocket expense | 0.79 | - |
| | **6.79** | **5.50** |

** Excluding Goods and Services Tax*

**28. Earnings per share (EPS)**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| The following reflects the profit and share data used in the basic and diluted EPS computation | | |
| **Basic & Diluted EPS** | | |
| Net Profit / (Loss) After tax | 565.22 | 452.88 |
| Less : Dividend on convertible preference shares & tax thereon | - | - |
| **Net profit / (loss) for calculation of EPS** | **565.22** | **452.88** |
| **Weighted Average No. of Equity Shares (Face Value of Rs.10/- Each)** | 1,05,00,800 | 1,05,00,800 |
| **Earning per share** | **5.38** | **4.31** |

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

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

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

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

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Current service cost | 10.56 | 9.85 |
| Past Service cost | - | 0.85 |
| Net interest cost / (Income) on Net Defined Benefit Liability / (Asset) | 0.47 | -0.28 |
| **Expense recognised in the Statement of Profit & Loss** | **11.04** | **10.41** |

| **Benefit Asset / Liability** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Present Value of obligation | 189.44 | 161.21 |
| Fair Value of plan assets | -182.07 | -155.14 |
| Net Asset / (Liability) | **7.37** | **6.06** |

**Changes in the present value of obligation**

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Opening defined benefit obligation | 161.21 | 142.10 |
| Interest cost | 12.57 | 10.51 |
| Current service cost | 10.56 | 9.85 |
| Benefits paid | -2.26 | -0.96 |
| Actuarial (gains)/losses on obligation | 7.37 | -1.14 |
| Past Service Cost | - | 0.85 |
| **Closing defined benefit obligation** | **189.44** | **161.21** |

**Investment details of plan assets**

Not externally funded

| **Particulars** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| **The principal assumptions used in determining gratuity obligation** | | |
| Discount rate | 7.70% | 7.80% |
| Increase in compensation cost (Slab-wise) | 7.00% | 7.00% |

**Notes:**

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

| | 31-Mar-19 | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 |
|---|---|---|---|---|---|
| **Amounts for the current year and previous years are as follows:** | | | | | |
| **Experience adjustment** | | | | | |
| Defined Benefit obligation | 189.44 | 161.21 | 142.10 | 117.78 | 62.89 |
| Experience Adjustments on Plan Liabilities | 182.07 | 155.14 | 145.89 | 128.68 | - |

**Sensitivity Analysis**

| **Particulars** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Defined Benefit Obligation (Base) | **1,61,20,564** | **1,42,09,905** |

| **Particulars** | **31-Mar-19** | | **31-Mar-18** | |
|---|---|---|---|---|
| | **Decrease** | **Increase** | **Decrease** | **Increase** |
| Discount Rate (-/+ 1%) | 214.07 | 168.22 | 183.42 | 142.20 |
| (% change compared to base due to sensitivity) | 13.00% | -11.20% | 13.80% | -11.80% |
| Salary Growth (-/+ 1%) | 167.90 | 213.99 | 141.91 | 183.37 |
| (% change compared to base due to sensitivity) | -11.40% | 13.00% | -12.00% | 13.80% |
| Attrition Rate (-/+ 50% of attrition rates) | 188.87 | 189.98 | 160.53 | 161.84 |
| (% change compared to base due to sensitivity) | -0.30% | 0.30% | -0.40% | 0.40% |
| Morality rate (-/+ 10% of morality rates) | 189.40 | 189.49 | 161.15 | 161.26 |
| (% change compared to base due to sensitivity) | 0.00% | 0.00% | 0.00% | 0.00% |

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

| **Particulars** | **Amount** |
|---|---|
| 1 year | 6.82 |
| 2 to 5 years | 15.48 |
| 6 to 10 years | 61.99 |
| More than 10 years | 447.85 |
| | **532.13** |

**30. Related Party Disclosure**

**Names of Related Parties and Related Party Transactions**

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

**Transactions with related parties during the year:**

**a. Reimbursement of Expenses**

| | **Amount** | |
|---|---|---|
| | **31-Mar-19** | **31-Mar-18** |
| Induss Food Products & Equipments Limited | - | 3.17 |
| | **-** | **3.17** |

| **b. Loans and Advances** | **Year ended** | **Opening Balance** | **Loan Given** | **Received / adjustments** | **Closing Balance** |
|---|---|---|---|---|---|
| Mr. Shanti Swarup Aggarwal | 31-Mar-19 | -0.33 | 4.28 | 3.95 | - |
| | 31-Mar-18 | 40.57 | 1.25 | 42.14 | -0.33 |
| Mr. Sudhir Kulkarni | 31-Mar-19 | 0.13 | 6.58 | 6.44 | - |
| | 31-Mar-18 | 2.00 | 4.64 | 6.50 | 0.13 |

**c. Remuneration to Key Management personnel**

| | **Amount** | |
|---|---|---|
| | **31-Mar-19** | **31-Mar-18** |
| **Mr. Shanti Swarup Aggarwal, Managing Director** | | |
| Salaries, Perquisites ,Contribution to PF | 84.00 | 84.00 |
| **Mr. Sudhir Kulkarni, Chief Financial Officer** | | |
| Salaries, Perquisites ,Contribution to PF | 18.56 | 18.00 |
| **Ms. Ritu Singh, Company Secretary** | | |
| Salaries, Perquisites ,Contribution to PF | 2.19 | 2.05 |

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

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

As per the information available with the Company and as certified by the management, the dues outstanding including interest as on 31st March 2019 to Small and Micro enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 stand as below:

| **Particulars** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| The principal and interest due thereon remaining unpaid to any supplier/service provider as at the end of each accounting year | | |
| Principal amount due to Micro, Small and Medium Enterprises | 1.53 | 1.20 |
| Amount of interest accrued and remaining unpaid at the end of accounting year | - | - |
| | **1.53** | **1.20** |

**32. Value of imports calculated on CIF basis**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Egg Powder | 20.62 | - |
| Components and spare parts | 19.24 | 2.22 |
| | **39.86** | **2.22** |

**33. Expenditure in foreign currency (Accrual Basis)**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Sales Commission | 255.13 | 214.43 |
| Travelling overseas | 10.49 | 22.22 |
| Membership & subscription | - | 0.20 |
| Professional Charges | 1.08 | - |
| Foreign Testing charges | 0.15 | 2.73 |
| | **266.86** | **239.58** |

**34. Earnings in foreign currency (Accrual Basis)**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Exports | 8,377.11 | 7,491.98 |
| | **8,377.11** | **7,491.98** |

**35. Segment Reporting - Sales**

| | **31-Mar-19** | **31-Mar-18** |
|---|---|---|
| Asia | 8,377.11 | 8,270.29 |
| Europe | - | 89.89 |
| | **8,377.11** | **8,360.18** |

**36. Unhedged Currency Exposure**
The Company has outstanding foreign currency exposure amounting as below -

| **Particulars** | **Currency** | **31-Mar-19** | **31-Mar-18** |
|---|---|---|---|
| Trade receivable | USD | 3.82 | 16.46 |
| Trade payable | USD | 0.38 | 1.32 |

**37. Contingent Liabilities**

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

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| (a) Pending C-forms | | 18.84 |
| | | **18.84** |

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

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

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

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

**A. Financial instruments by category**

| Particulars | March 31, 2019 | | | March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Loans | - | - | 676.35 | - | - | 780.58 |
| Trade receivable | - | - | 697.78 | - | - | 1,197.71 |
| Cash and cash equivalents | - | - | 57.46 | - | - | 6.51 |
| Deposit account - Maturity within 12 months | - | - | 734.32 | - | - | 642.27 |
| Investment in equity instruments (quoted) | - | 3.90 | - | - | 5.68 | - |
| **Total assets** | **-** | **3.90** | **2,165.90** | **-** | **5.68** | **2,627.07** |
| **Financial liabilities** | | | | | | |
| Borrowings | | | - | | | 41.50 |
| Trade payables | | | 331.09 | | | 267.60 |
| Provisions | | | 95.06 | | | 92.75 |
| Other financial liabilities | | | - | | | 998.90 |
| **Total liabilities** | **-** | **-** | **426.15** | **-** | **-** | **1,400.76** |

**B. Fair value of financial assets and liabilities measured at amortised cost**

| Particulars | Level | 31-Mar-19 | | 31-Mar-18 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair Value | Carrying amount | Fair Value |
| **Financial assets** | | | | | |
| Loans | 3 | 676.35 | 676.35 | - | - |
| **Total assets** | | **676.35** | **676.35** | **-** | **-** |

The carrying amount of short term trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities are considered to be same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

**C. Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2019 and March 31, 2018

**Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2019:**

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **FVTOCI financial investments** | | | | | |
| Investment in equity instruments (unquoted) | 31 March 2019 | 3.90 | 3.90 | - | - |
| There have been no transfers among Level 1, Level 2 and Level 3 during the period. | | | | | |

**Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018:**

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **FVTOCI financial investments** | | | | | |
| Investment in equity instruments (unquoted) | 31 March 2018 | 5.68 | 5.68 | - | - |
| There have been no transfers among Level 1, Level 2 and Level 3 during the period. | | | | | |

**Reconciliation of Level 3 fair values**

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

**FVTOCI Equity investments**

| | |
|---|---|
| **Balance as at 1 April 2017** | 4.50 |
| *Add:* | |
| Investment in trade | - |
| *Add:* Unrealised gain on measuremnt | 1.18 |
| *Less:* | |
| Unrealised loss on measurement / dimunition in value | - |
| **Balance as at 1st April 2018** | **5.68** |
| *Add:* | |
| Investment in trade | - |
| *Less:* | - |
| Unrealised loss on measurement / dimunition in value | 1.78 |
| **Balance as at 31 March 2019** | **3.90** |

**40. Financial risk management objectives and policies**

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

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

**a. Credit risk**

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

**Financial Instrument and Cash Deposit**

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

**b. Liquidity risk**

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

| | On demand | < 1 year | 1 to 2 years | 2 - 3 years | > 3 years | Total |
|---|---|---|---|---|---|---|
| **Year ended** | | | | | | |
| **31-Mar-19** | | | | | | |
| Borrowing | 1,161.84 | - | - | - | - | 1,194.64 |
| Trade and other payables | - | 331.09 | - | - | - | 267.60 |
| Provisions | 48.85 | 46.21 | - | - | - | 112.87 |
| Other financial liabilities | - | - | - | - | - | 998.90 |
| Other liabilities | 102.22 | - | - | - | - | 181.47 |

| | On demand | < 1 year | 1 to 2 years | 2 - 3 years | > 3 years | Total |
|---|---|---|---|---|---|---|
| **Year ended** | | | | | | |
| **31-Mar-18** | | | | | | |
| Borrowing | 1,153.14 | 41.50 | - | - | - | 1,194.64 |
| Trade and other payables | - | 267.60 | - | - | - | 267.60 |
| Provisions | 61.41 | 51.46 | - | - | - | 112.87 |
| Other financial liabilities | 998.90 | - | - | - | - | 998.90 |
| Other liabilities | 181.46 | - | - | - | - | 181.46 |

**41. Capital management**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the net debt equivalent to net worth. Hence, there will not be any effective capital gearing. The Company includes within net debt, borrowings, and other payables, less cash and cash equivalents.

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Borrowings | 1,161.84 | 1,194.64 |
| Trade Payables | 331.09 | 267.60 |
| Other Financial Liabilities | - | 998.90 |
| Other Payables | 215.09 | 294.33 |
| Less : Cash & Cash Equivalents | 57.46 | 6.51 |
| **Net Debt** | **1,650.57** | **2,748.96** |
| Equity | 2,028.80 | 1,461.43 |
| | **2,028.80** | **1,461.43** |
| **Capital & Net Debt** | **3,679.37** | **4,210.39** |
| **Gearing Ratio** | **44.86%** | **65.29%** |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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

During the year 2014-15, the Company had, pursuant to the directions of BIFR, entered into a scheme of settlement of the dues of MFPI and KSIIDC, as well as the buy back of 10 lakhs equity shares subscribed by them, in terms of their sanction letters dated 02 February 2015, duly depositing the settlement amounts Rs. 824 lakhs, pending approval from BIFR. Further, during the previou year, following to the repealment of SICA, KSIIDC had accepted the said scheme of settlement and have issued no due certificate and also released the equity shares to the company. A similar approval and issue of no due certificate has been received from MFPI as well. Consequently, the Company has written back its excess provisions towards accrued interest to KSIIDC and MFPI amounting to Rs. 1,041 lakhs and Rs. 785.01 lakhs and has approached CBDT/ SEBI seeking extension of the reliefs/ waivers as envisaged in the Rehabilitation Scheme. The Company will take appropriate steps upon receipt of the decisions from CBDT/SEBI respectively.

**43. One Time Settlement status**

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

| | **Amount** |
|---|---|
| Interest portion for KSIIDC Loan lying in books | 1,423.68 |
| Less :- Interest portion out of equity assistance liability for KSIIDC portion | -147.84 |
| Less :- Repayment of Interest portion through OTS payment | -234.76 |
| **Liability written back in books** | **1,041.08** |

During the current year the company has received 'No due certificate' from MFPI for their One time settlement portio and Equity assistance. Pursuant to receiving No due Certificate from KSIIDC, the Co. has adjusted the loan and interest liability as follows:-

| | **Amount** |
|---|---|
| Interest portion for MFPI Loan lying in books | 1,040.40 |
| Less :- Interest portion out of equity assistance liability for MFPI portion | -46.00 |
| Less :- Repayment of Interest portion through OTS payment | -209.39 |
| **Liability written back in books** | **785.01** |

**44. Capital and other commmitments**

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

**45. Employee Stock Option**

There were no stock option plan as on Balance sheet date

**46. Previous Year Figures**

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

Summary of significant accounting policies **1B**

The accompanying notes are an integral part of the financial statements

**As per our report of even date**
**For Nara Hari & Raghvendra**
Chartered Accountants
**Firm Registration No. 014509S**

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

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

Shanti Swarup Aggarwal
Managing Director
DIN: 00322011
Place : Kolkata
Date : 30 May 2019

Swapan Kumar Majumder
Director
DIN: 03178122
Place : Kolkata
Date : 30 May 2019

Sudhir Kulkarni
Chief Financial officer
Place : Bangalore
Date : 30 May 2019

Ritu Singh
Company Secretary
Place : Bangalore
Date : 30 May 2019

Place : Bangalore
Date : 31 May 2019






Rayeesha Enterprieses 98451 94286