



OVOBEL
FOODS LIMITED

CIN : L85110KA1993PLC013875

46, Old No. 32/1, Ground Floor, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bengaluru - 560 042, INDIA.

Tel : 91-80-25594145 / 25594146, Fax : 91-80-25594147

E-mail : info@ovobelfoods.com, URL : <http://www.ovobelfoods.com>



POSTAL BALLOT NOTICE

(pursuant to section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

NOTICE is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), and any other applicable laws and regulations, to transact the below mentioned proposed special business by the members of the Ovobel Foods Limited ("the Company") by passing resolutions through postal ballot ("Postal Ballot") only through remote e-voting.

In view of the current extraordinary circumstances due to COVID-19 pandemic situation requiring social distancing, Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the MCA Circulars and its guidelines, has advised the companies to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot/e-voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. MCA has clarified that for companies that are required to provide e-voting facility under the Act, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice by email to all its members who have registered their email addresses with the Company or depository/depository participants and for the members who have not registered their e-mail addresses with the Company can now register through the link at <http://mdpl.in/forms/email-update.html> which is provided by the RTA, and the communication of assent/dissent of the members will only take place through the remote e-voting system.

Hence, in view of current pandemic situation of COVID-19 and in compliance with the requirements of the MCA guidelines, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot and members are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company now propose to obtain the consent of the members by way of Postal Ballot for the matters as considered in the Resolutions appended below. The proposed resolution and explanatory statement and annexures to the explanatory statement pertaining to the said resolution, pursuant to Section 102(1) of the Companies Act, 2013, setting out the information and material facts, is appended herewith for your consideration along with a 'Postal Ballot Form.

You are requested to peruse the proposed Resolutions along with their respective Explanatory Statement and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

RESOLUTION

AGENDA ITEM NO.01:

APPROVAL FOR REDUCTION OF PAID-UP CAPITAL OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 66 of the Companies Act 2013 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, subject to approval of stock Exchanges where the shares of the company are listed and subject to the confirmation of the Hon’ble National Company Law Tribunal (NCLT) and such others approvals as may be required and subject to the terms and conditions and modifications, if any, as may be prescribed by the NCLT and any other appropriate authority while granting approval or confirmation, and which may be agreed to by the Board of Directors of the Company, the approval of the members be and hereby accorded for the reduction of Equity share capital of the Company **from** Rs.10,50,08,000/- divided into 1,05,00,800 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up **to** Rs. 9,50,08,000/- divided into 95,00,800 Equity Shares of Rs. 10/- (Rupees Ten only) each and that such reduction be affected by cancelling of 10,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 1,00,00,000/- by adjusting advances paid to KSIIDC and MFPI towards OTS accounts.”

“RESOLVED FURTHER THAT the reduction of Company’s paid up equity share capital as indicated above is subject to following terms and conditions:

a) After the Hon’ble National Company Law Tribunal confirms the reduction, the company shall reduce its Equity share capital by adjusting the amount outstanding against the advance paid as part of One Time Settlement (“OTS”) between the Company and Karnataka State Industrial and Infrastructure Development Corporation Limited (“KSIIDC”) and Ministry of Food Processing Industry (‘MFPI’).

b) On extinguishments of the paid-up share capital as provided in (a) above, the Paid-up equity share capital shall stand reduced to Rs. 9,50,08,000/-.”

“RESOLVED FURTHER THAT upon such reduction of Equity Share Capital as confirmed by the Hon’ble NCLT and reduction becoming effective, the Board of Directors of the company, be and is hereby authorized to reduce the share capital of the company adjusting the amount shown as advance paid OTS in the Schedule of Loans & Advances in the Balance sheet of Ovobel Foods Limited for the year ended 31st March, 2018.”

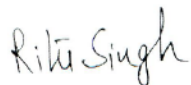
“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee formed by them) be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties or doubts that may arise with regard to utilization/adjustment of the Equity share capital in the books of account as considered necessary to give effect to the above Resolutions or to carry out such modifications/directions as may be ordered by the Hon’ble National Company Law Tribunal and any other appropriate statutory or regulatory authority to implement the aforesaid Resolution.”

“RESOLVED FURTHER THAT for all the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper or desirable and to settle any question, difficulty or doubt whatsoever may arise in this regard.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers which may be so delegated by law, to any director or committee of directors of the Company to give effect to aforesaid Resolutions.”

On Behalf of the Board

For Ovobel Foods Limited



Ritu Singh

Company Secretary and Compliance Officer

Membership No: A24934

Date: 14.07.2020

Place: Bangalore

NOTES:

1. The Postal Ballot Notice is being sent by email to all the Members, whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as on 17th July 2020 (the 'cut-off date') and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited ("RTA").
2. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up share capital of the Company as on the cut-off date. Any recipient of the Postal Ballot Notice who was not a Member of the Company as on the cut-off date should treat this Postal Ballot Notice for information purpose only.
3. The business set out in the postal ballot notice will be transacted through E-voting system through CDSL. Complete details of the instructions for E-voting are enclosed to this Notice as Enclosure 1.
4. Pursuant to the applicable provisions of the Act and Rules framed thereunder and the SEBI Listing Regulations, the Company can serve notices, annual reports and other communication through electronic mode to those Members who have registered their e-mail addresses either with the Depository Participant(s) or the Company. Members who have not registered their e-mail addresses with the Company can now register through the link at <http://mdpl.in/forms/email-update.html> which is provided by the RTA.
5. Resolutions, if passed by the Members through postal ballot are deemed to have been duly passed on the last date specified for the e-voting i.e. 21st August 2020 in terms of Secretarial Standard – 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India .
6. A member cannot exercise his vote by proxy on Postal Ballot.
7. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and the SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one regional daily newspaper circulating in Karnataka (in vernacular language, i.e. Kannada).
8. The Board has appointed in its board meeting dated 14th July 2020, Mr. Rafeeulla Shariff, Practicing Company Secretary (Membership No. FCS 9367) as the Scrutinizer to conduct the Postal Ballot and remote e-voting process in a fair and

transparent manner. After completion of scrutiny of the votes, the Scrutinizer will submit his Report to the Chairman, Managing Director or Company Secretary of the Company. The results of the voting conducted through postal ballot (through the remote e-voting process) will be announced by the Chairman/Company Secretary on or before 23rd August 2020.

9. The results of the postal ballot will be placed on the Company's website at www.ovobelfoods.com and on the website of CDSL at www.evotingindia.com and will also be intimated to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited, in accordance with the provisions of SEBI Listing Regulations. In the event that the lockdown on account of COVID-19 situation is eased off and the Company's offices are open for business, the Company will also display the results of the postal ballot at its registered office.
10. In case of any query/grievance in connection with the Postal Ballot including e voting,
11. Members may contact CDSL by e-mail at www.evotingindia.com or the Company Secretary at the contact details given hereinabove or at www.evotingindia.com.
12. The Postal Ballot Notice is also placed on the website of the Company www.ovobelfoods.com and website of CDSL www.evotingindia.com.
13. The last date specified by the Company for remote e-voting shall be the date on which the Resolution shall be deemed to have been passed, if approved by the requisite majority.
14. A statement pursuant to section 102(1) of the Companies Act 2013 relating to the Special Business to be transacted is annexed hereto to along with the annexures stipulated in Securities and Exchange Board of India (SEBI) circular number CFD/DIL3/CIR/2017/21 dated 10th March, 2017 namely ;
 - a. Scheme of Arrangement/Scheme of Reduction of Share Capital. (*Enclosed as Annexure A*)
 - b. Observation letter No. DCS/AMAL/BA/R37/1670/2109-20 dated 18th March 2020 issued by the BSE Ltd ('BSE'). (*Enclosed as Annexure B*)
 - c. Fairness Opinion Report issued by Resurgent India Limited. (*Enclosed as Annexure C*)
 - d. Complaint Report filed with the BSE. (*Enclosed as Annexure D*)

On Behalf of the Board

For Ovobel Foods Limited



Ritu Singh

Company Secretary and Compliance Officer

Membership No: A24934

Date: 14.07.2020

Place: Bangalore

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Agenda No. 01 of the accompanying postal ballot notice dated 14th July 2020.

AGENDA ITEM 01:

APPROVAL FOR REDUCTION OF PAID-UP CAPITAL OF THE COMPANY:

Background: -

The proposed reduction of the equity share capital of Ovobel Foods Limited ("the Company") is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the "Act") subject to approval of stock Exchanges where the shares of the company are listed the and specifically the Hon'ble National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Reduction Rules"), which confirms the Company to undertake a reduction of its share capital.

Kindly note the below points regarding the same,

1. The Company had availed the financial assistance from Karnataka State Industrial and Infrastructure Development Corporation Limited ("KSIIDC") in the form of Term Loan and Corporate Loan of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) and Rs. 75.00 Lakhs (Rupees Seventy-Five Lakhs Only) respectively in terms of the Agreement dated 31st May 1993.
2. The Company had also availed a financial assistance in the form of Soft Loan from Ministry of Food Processing Industries (MFPI) Government of India through KSIIDC and guaranteed by the later on its repayment obligations in terms of Tripartite Agreement dated 15th March, 1995.
3. In addition to the above, the Company had entered into an Agreement on 31st May 1993 with KSIIDC, whereby KSIIDC had agreed to subscribe to the Equity Share Capital of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) or such amount as may be agreed by the KSIIDC on the terms and conditions stipulated in the said agreement. Accordingly, KSIIDC had invested a sum of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) by subscribing to 5,00,000 (Five lakhs Only) Equity Shares of Rs. 10/- each aggregating to Rs. 50,00,000/- (Rupees Fifty Lakhs Only).
4. Further, in the year 1995 the Ministry of Food Processing Industries, Government of India. ("MFPI") had advanced a sum of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) to KSIIDC to subscribe 5,00,000 (Five lakhs Only) Equity Shares of Rs. 10/- each aggregating

to Rs. 50,00,000/- (Rupees Fifty Lakhs Only) in the Equity share Capital of the Company through KSIIDC vide Tripartite agreement dated 15th March 1995.

5. Because of the various factors including lack of working capital, high interest burden, rejection of stock, low egg prices in Europe and North America in the year 1997 to 2001 the company had suffered heavy losses and based on the audited accounts for the year ended 31st March, 2001, the company made a reference to the Board for Industrial and Financial Reconstruction ('BIFR') and registered before BIFR vide registration No.282/2001 dated 12th July, 2001. Thereafter, OFL was declared as a Sick Industrial undertaking under Sick Industrial Companies Act ('SICA') by the Hon'ble BIFR in the year 2003.

6. However, after the repeal of Sick Industrial Companies Act the Company had approached to KSIIDC and MFPI directly for One Time Settlement of loan dues payable to KSIIDC and MFPI including purchase of equity shares of OFL held by them.

7. Thereafter, the Karnataka State Industrial and Infrastructure Development Corporation Limited vide their letter 2nd February, 2015 and Ministry of Food Processing Industry vide their letter dated 14th November, 2014 have agreed for One Time Settlement of loan dues and Sale of equity shares of OFL held by them on the terms and conditions stipulated in their respective letters.

8. The Company had settled the dues of KSIIDC and MFPI and obtained the No Dues Certificates from them and received the physical delivery of the Share Certificates consisting of 5,00,000 (Five Lakhs Only) Equity Shares of Rs. 10/- each on 6th February 2018 and balance 5,00,000 (Five Lakhs Only) Equity Shares of Rs. 10/- each on 20th February 2019 from KSIIDC along with the share transfer deeds duly signed in favor of OFL.

9. As per Section 67 of the Act, no Company Limited by Shares have power to buy its own shares unless the consequent of reduction of capital is effected under the Act and therefore the Company proposes to cancel the said 10,00,000 Equity Shares of the Company by reducing the share capital of the company by adjusting the amount shown as advance paid against OTS in the Schedule of Loans & Advances in the Balance Sheet of OFL for the year ended 31st March, 2019, subject to the approval of BSE Ltd, all the statutory authorities and confirmation from Hon'ble National Company Law Tribunal pursuant to section 66 or any other provision of the Companies Act, 2013 and the rules of National Company Law Tribunal (Procedure for reduction of share Capital of Company) Rules, 2016.

Consideration: -

The Paid-up Equity Share Capital of Company is Rs. INR.10,50,08,000/- consisting of 1,05,00,800 Equity shares of Rs. 10/- each. It is proposed to reduce the Paid-up Share Capital of your Company from Rs. 10,50,08,000/- (consisting of 1,05,00,800 Equity shares of Rs. 10/- each) to Rs. 9,50,08,000/- (consisting of 95,00,800 issued, subscribed

and paid-up Equity shares of Rs. 10/- each). As per the applicable provisions of the Companies Act, 2013, the Company is required to obtain approval from the Members for reduction of the Paid-up Share Capital of the Company. None of the Directors of your Company is, in any way, concerned or interested in the resolution. The Board of Directors accordingly recommends the resolution for your approval.

The pre and post Capital Structure and Shareholding pattern of the Company upon the approval of the arrangement shall be in the following manner: -

CAPITAL STRUCTURE PRE AND POST SCHEME OF ARRANGEMENT

Particulars	Pre-scheme Capital structure		Post-scheme capital structure	
	No. of shares	Amount in INR	No. of shares	Amount in INR
Issued and subscribed Capital	1,05,00,800	10,50,08,000	95,00,800	9,50,08,000
Paid up Share Capital	1,05,00,800	10,50,08,000	95,00,800	9,50,08,000

SHAREHOLDING PATTERN PRE AND POST SCHEME OF ARRANGEMENT

Particulars	Shareholding prior to the Scheme of reduction	Percentage to the total share Capital	Shareholding post Scheme of Reduction	Percentage to the total share Capital
Promoters	54,74,800	52.14	54,74,800	57.63
Public	50,26,000	47.86	40,26,000	42.37
Total	1,05,00,800	100.00	95,00,800	100.00

Pursuant to the submission of draft scheme of reduction of share capital of the Company (Enclosed as **Annexure A**) with SEBI/BSE for approval, the Company had received observation letter regarding the same with the comments on the Scheme submitted, from BSE as on 18.03.2020, (Enclosed in **Annexure B**) for your perusal. The members are requested to take note on the same.


As per Section 66(1) of the Companies Act, 2013, read with The National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016, a Company proposing to reduce its paid up share capital is required to obtain the prior approval of the Shareholders by way of a special resolution.

None of the Directors or Manager or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

Approval of the Shareholders is being sought as required in terms of Section 66(1) of the Companies Act, 2013, by way of ***special resolution***.

On Behalf of the Board

For Ovobel Foods Limited



Ritu Singh

Company Secretary and Compliance Officer

Membership No: A24934

Date: 14.07.2020

Place: Bangalore

ENCLOSURE 1

The Instructions for Shareholders voting electronically are as under:

In compliance with provisions of Sections 108, 110 and other applicable provisions of the Act read with Rules framed thereunder, Regulation 44 of the SEBI Listing Regulations and SS-2, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their vote electronically instead of dispatching the physical Postal Ballot form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its members.

The instruction for e-voting are as under:

- i) The voting period begins on 23rd July 2020 at 10.00 AM to 21st August 2020 at 05.00 PM. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name

	in CAPITAL letters. E.g. 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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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.

OVOBEL FOODS LIMITED

CIN: L85110KA1993PLC013875

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

Tel: 91-80-2559 4145 / 25594146, Fax: 91-80-25594147

Email: info@ovobelfoods.com, | Website: www.ovobelfoods.com**POSTAL BALLOT FORM***Pursuant to section 110 of the Companies Act 2013 and Rule 20 and 22 of Companies (Management & Administration) Rules, 2014*

[To be returned to scrutinizer]

Postal Ballot No. _____

SL No.	Particulars	Details of member[s]
1	Name[s] of member[s] [in block letters]	
2	Registered Address of Sole/ first named Member [in block letters]	
3	Joint holder[s] Name	
4	Registered Folio No./ DP ID & Client ID	
5	No. of shares held	

I/ We hereby exercise my/ our vote in respect of the special resolution to be passed through Postal ballot for the business stated in Notice of Postal ballot dated 14th July 2020 of the Company by sending my/ our assent or dissent to the said Special Resolutions by placing the tick [✓] mark at the appropriate box below:

Item No.	Particulars of resolution (Special Business)	No. of shares for which votes cast	I/ We assent [agree] to the Resolution [FOR]	I/ We dissent [disagree] to the Resolution [AGAINST]
1.	Approval for reduction of Paid-up Share Capital of the Company			

Electronic Voting Particulars

The e-voting facility is available at the link <http://www.evotingindia.com>. The electronic voting particulars are set out as follows:

EVS [E-Voting Sequence Number]	USER ID	PASSWORD/ PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Thursday, 23rd July 2020 at 10:00 AM.	Friday, 21st August 2020 at 05:00 PM.

Notes:

1. Please refer to the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
2. The last date for casting the vote through e-voting system is 21st August 2020.

Place:

Date:

Signature of Member

Annexure A

**SCHEME OF ARRANGEMENT
FOR
REDUCTION OF CAPITAL
BETWEEN
OVOBEL FOODS LIMITED AND
IT'S
SHAREHOLDERS & CREDITORS**

This Scheme of Arrangement of Reduction of Capital is presented under Sections 66 and other applicable provisions, if any, of the Companies Act, 2013 for undertaking financial restructuring of OVOBEL FOODS LIMITED ("The Company" or "OFL") whereby OFL would create Capital Restructuring Account by reducing the Equity share capital of the Company by adjusting the amount outstanding against the advance paid as part of One Time Settlement ("OTS") between the Company and Karnataka State Industrial and Infrastructure Development Corporation Limited ("KSIIDC") and Ministry of Food Processing Industry ("MFPI"), as detailed in the Scheme here under.

PART I - PREAMBLE

1. Back ground

OVOBEL FOODS LIMITED was incorporated on 11th January, 1993 as a Public Limited Company registered under the Companies Act, 1956 having its registered office at #46, Old No. 321/1 Ground Floor, 3rd cross, Aga Abbas Ali Road, Ulsoor, Bengaluru-560042, Karnataka. OFL is engaged in the business of manufacturing and selling Egg products such as egg powder and frozen egg liquid.

The main objects of the Company as per clause III of the Memorandum of Association are as under;

1. To manufacture, produce, buy, sell, import, export, prepare for market and trade in, and with all kinds of foods and in particular white egg powder, yolk powder, whole farinaceous foods, breads, fish, fish products and sea-food, all kinds of meat, vegetables, root of fruits any preparation whatsoever, pasta products, cereal products, texturized snacks.
2. To prepare, manufacture, process, improve, buy, sell, import, export, trade in and deal in and with poultry and stock of any description, milk cream, butter, cheese,



egg bacon, porkpie, sausage, potted and preserved meats, delicatessen, protein and health foods and processed foods of any kinds.

3. To set-up and run mixed farms, dairy farm, poultry farm, sheep farm, fish farm, prawn farms, young stock farm, piggeries, carcass utilization plant, seed processors, artificial insemination centers and services.
4. To develop, buy, sell, import, export, prepare design know-how technology, expertise, by whatsoever nomenclature referred to as that are required to manufacture produce, buy, sell, import, export, prepare for market and trade in, deal in and with all kinds of foods, ice creams, cakes, breads, fish products and sea-food, all kinds of meat, vegetables, root or fruits and any preparation whatsoever, pasta products, cereal products, Texturized snacks.

The share capital structure of the Company as on 31st March, 2019 is as follows:

Authorised Share Capital:	Amt. in Rupees
1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000
Issued, subscribed and paid up Share Capital	
1,05,00,800 Equity Shares of Rs. 10/- each	10,50,08,000
Total	10,50,08,000

A Summarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2019 are as under:

Rupees in Lakhs

PARTICULARS	31.03.2019
Paid up Capital	1050.08
Other Equity	978.72
TOTAL	2028.80
REPRESENTED BY	
NON CURRENT ASSETS	
Property, Plant Equipment	351.50
Investment	3.90
Loans & Advances	30.98
Current Tax Assets (Net)	20.22
Deferred Tax Assets	80.31
Inventories	1063.66



FINANCIAL ASSETS	
Trade Receivable	697.78
Cash & Bank balances	791.78
Loans & Advances	645.36
Other Current Assets	33.53
TOTAL ASSETS	3719.01
LESS - LIABILITIES	
NON CURRENT LIABILITIES	
Borrowings	0.00
Provisions	46.21
CURRENT LIABILITIES	
Financial Liabilities	1541.78
Other Current Liabilities	102.22
TOTAL LIABILITIES	1690.21
EXCESS OF ASSETS OVER LIABILITIES	2028.80

As per the last published audited Financial Statements as at 31st March, 2018, the Company has stated in Note No. 12 i.e. **Equity Share Capital** in the Balance Sheet of the Company that during the year, the KSIIDC have transferred 5,00,000 Equity Shares in favour of the Company in terms of Buy back of share approved by KSIIDC vide approval dated 02nd February 2015. However, the shares held on behalf of Ministry of Food Processing Industries [MFPI] (shareholding less than 5%) are still under the possession of KSIIDC due to pending No Due Certificate from MFPI. The company is in the process of obtaining the SEBI approval for the accounting treatment of the Share capital redeemed from KSIIDC, once the MFPI No due certificate is received.

The Company has received the approval and delivery of 5,00,000 Equity Shares of Rs. 10/- each along with the duly signed Share Transfer form, held by KSIIDC from the financial assistance received from Ministry of Food Processing Industry and therefore the Board of Directors of the Company proposes to reduce the equity share capital in accordance with Sections 66 of the Companies Act, 2013 to pass the necessary entries in the books of accounts by cancelling those shares as detailed in this Scheme.



Part II-DEFINITIONS

2. Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- A "**Act**" means the Companies Act, 2013, as applicable, and the rules and regulations made there under and will include any statutory modifications, re-enactments and/ or amendments thereof from time to time.
- B "**Appointed Date**" means 1st April, 2019 or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal, Bengaluru Bench, Bengaluru.
- C "**Board**" means Board of Directors of the Company, as the case may be.
- D "**BSE**" means BSE Limited.
- E "**Company**" means "OVOBEL FOODS LIMITED"
- F "**Effective Date**" means the last of the dates on which all the conditions and matters referred to in Clause 11 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date.
- G "**Equity Shares**" means fully paid equity shares of Rs.10/- each issued by the Company till the effective date and post effective date, number of fully paid up Equity shares will be reduced.
- H "**Financial Statements**" would include standalone annual accounts of the Company (including balance sheet, cash flow statements and profit and loss account) and other financials published along with annual accounts, and public reported financial statements of the Company.
- I "**Record Date**" (for reduction of capital) means the date(s) to be decided by the Board of Directors or a committee for the purpose of cancelling the



shares of the Company, upon giving effect to the order of the Hon'ble National Company Law Tribunal sanctioning the Scheme.

J **"This Scheme or The Scheme or Scheme"** means this Scheme of Arrangement for restructuring of capital as provided herein its present form or with such alterations/modifications as may be approved or imposed or directed by the any of the Regulatory Authorities and may be approved by Hon'ble National Company Law Tribunal, Bengaluru Bench, Bengaluru.

K **"Shareholder"** means a person holding Equity Shares, who is registered as a member in the Register of Members of the Company.

L **"Stock Exchange"** means BSE Limited the stock exchanges on which the shares of the Company are listed.

M **"SEBI"** means the Securities and Exchange Board of India.

N **"National Company Law Tribunal"** means National Company Law Tribunal, Bengaluru Bench, Bengaluru.

All terms and words not defined in the scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, SEBI(LODR) Regulations, 2015 and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

PART III - RATIONALE AND PURPOSE OF THE SCHEME

3. Broadly, the rationale for the Capital Restructuring is as under:

1. The Company had availed the financial assistance from Karnataka State Industrial and Infrastructure Development Corporation Limited ("KSIIDC") in the form of Term Loan and Corporate Loan of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) and Rs. 75.00 Lakhs (Rupees Seventy Five Lakhs Only) respectively in terms of the Agreement dated 31st May, 1993.



2. The Company had also availed a financial assistance in the form of Soft Loan from Ministry of Food Processing Industries (MFPI) Government of India through KSIIDC and guaranteed by the later on its repayment obligations in terms of Tripartite Agreement dated 15th March, 1995.
3. In addition to the above, the Company had entered into an Agreement on 31st May, 1993 with KSIIDC, whereby KSIIDC had agreed to subscribe to the Equity Share Capital of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) or such amount as may be agreed by the KSIIDC on the terms and conditions stipulated in the said agreement. Accordingly KSIIDC had invested a sum of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) by subscribing to 5,00,000 (Five lakhs Only) Equity Shares of Rs. 10/- each aggregating to Rs. 50,00,000/- (Rupees Fifty Lakhs Only).
4. Further, in the year 1995 the Ministry of Food Processing Industries, Government of India. ("MFPI") had advanced a sum of Rs. 50.00 Lakhs (Rupees Fifty Lakhs Only) to KSIIDC to subscribe 5,00,000 (Five lakhs Only) Equity Shares of Rs. 10/- each aggregating to Rs. 50,00,000/- (Rupees Fifty Lakhs Only) in the Equity share Capital of the Company through KSIIDC vide Tripartite agreement dated 15th March, 1995.
5. Because of the various factors including lack of working capital, high interest burden, rejection of stock, low egg prices in Europe and North America in the year 1997 to 2001 the company had suffered heavy losses and based on the audited accounts for the year ended 31st March, 2001, the company made a reference to the Board for Industrial and Financial Reconstruction ('BIFR') and registered before BIFR vide registration No.282/2001 dated 12th July, 2001. Thereafter, OFL was declared as a Sick Industrial undertaking under Sick Industrial Companies Act ('SICA) by the Hon'ble BIFR in the year 2003.
6. However, after the repeal of Sick Industrial Companies Act the Company had approached to KSIIDC and MFPI directly for One Time Settlement of loan dues payable to KSIIDC and MFPI including purchase of equity shares of OFL held by them.
7. Thereafter, the Karnataka State Industrial and Infrastructure Development Corporation Limited vide their letter 2nd February, 2015 and Ministry of Food Processing Industry vide their letter dated 14th November, 2014 have agreed for



One Time Settlement of loan dues and Sale of equity shares of OFL held by them on the terms and conditions stipulated in their respective letters.

8. The Company had settled the dues of KSIIDC and MFPI and obtained the No Dues Certificates from them and received the physical delivery of the Share Certificates consisting of 5,00,000 (Five Lakhs Only) Equity Shares of Rs. 10/- each on 6th February 2018 and balance 5,00,000 (Five Lakhs Only) Equity Shares of Rs. 10/- each on 20th February, 2019 from KSIIDC along with the share transfer deeds duly signed in favor of OFL.
9. As per Section 67 of the Act, no Company Limited by Shares have power to buy its own shares unless the consequent of reduction of capital is effected under the Act and therefore the Company proposes to cancel the said 10,00,000 Equity Shares of the Company by reducing the share capital of the company by adjusting the amount shown as advance paid against OTS in the Schedule of Loans & Advances in the Balance Sheet of OFL for the year ended 31st March, 2019, subject to the approval of BSE Ltd, all the statutory authorities and confirmation from Hon'ble National Company Law Tribunal pursuant to section 66 or any other provision of the Companies Act, 2013 and the rules of National Company Law Tribunal (Procedure for reduction of share Capital of Company) Rules, 2016.
10. The reduction of share capital would cause the Balance Sheet to bring in true and fair representation of the Company by the available assets of the Company and reflect the real financial position of the Company.
11. The financial restructuring will help the Company to reflect the true shareholder value which would place the company in a position to pay dividend or raise capital in future.
12. The restructuring will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction in Share Capital does not involve any further payment to the creditor and only the book entry is required to be passed in the books of accounts of the Company. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.



13. Accordingly, the Board of Directors of the Company at their meeting held on 14th August, 2019 have considered necessary to carry out restructuring of share capital, so as to show a true and fair view of the Balance sheet by passing the necessary entries in the books of accounts of the Company.

PART IV - APPLICABILITY OF THE SCHEME

4. Applicability of the Scheme of Arrangement:

- (i) The existing issued, subscribed and paid up Equity share capital of the Company shall be reduced **from** Rs.10,50,08,000/- (Rupees Ten Crore Fifty Lakhs Eight Thousand Only) divided into 1,05,00,800 (One Crore Five Lakhs Eight Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up **to** Rs. 9,50,08,000/- (Rupees Nine Crore Fifty Lakhs Eight Thousand Only) divided 95,00,800 (Ninety Five Lakhs Eight Hundred Only) Equity Shares of Rs. 10/- (Rupees Ten only) each and that such reduction be effected by cancelling of 10,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 1,00,00,000/- by adjusting the advances paid to KSIIDC and MFPI towards OTS account.
- (ii) Consequent upon Reduction, the Equity Share Capital of the company will be Rs. 9,50,08,000/- (Rupees Nine Crore Fifty Lakhs Eight Thousand Only) divided 95,00,800 (Ninety-Five Lakhs Eight Hundred Only) Equity Shares of Rs. 10/- (Rupees Ten only) each.
- (iii) The Pre and Post reduction of capital structure of the Company is as under.

Particulars	Pre Reduction (Rs.)	Particulars	Post Reduction (Rs.)
Authorised 1,10,00,000 Equity shares of Rs.10/- each	11,00,00,000	Authorised 1,10,00,000 Equity shares of Rs.10/- each	11,00,00,000
Issued, Subscribed and Paid up Capital 1,05,00,800 Equity Shares of Rs.10/- each	10,50,08,000	Issued, Subscribed and Paid up Capital 95,00,800 Equity shares of Rs.10/- each	9,50,08,000



The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Category of Equity Shareholders	Pre Reduction As on 14 th August, 2019 face Value Rs. 10/- each		Post Reduction (Expected) Face Value Rs. 10/- each	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoter and Promoter Group	54,74,800	52.14	54,74,800	57.63
Public:				
Institutions	10,00,600	9.53	600	0.01
Individuals	33,75,000	32.14	33,75,000	35.52
Bodies Corporate	4,18,800	3.99	4,18,800	4.40
Non Resident Indians	2,30,400	2.19	2,30,400	2.43
Clearing member	1,200	0.01	1,200	0.01
Total	1,05,00,800	100.00	95,00,800	100.00

- (iv) Upon the coming into effect this Scheme of Arrangement for Reduction of Capital of the OFL any increase in percentage of shareholding of the Promoters of the Company shall be exempted from the obligation to make an open offer pursuant to regulation 3 and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("Takeover Regulations") in terms of Regulation 10(1)(d)(ii) of the said Takeover Regulations.
- (v) No new shares are being issued under this Scheme of Arrangement for Reduction of Capital and therefore no fraction shares will be issued to any of the shareholders of the Company
- (vi) The Scheme set out herein in its present form or with such modification(s) as may be approved by the Tribunal or made pursuant to Clause 12(*Modifications/ Amendments to the Scheme*) of the Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

PART V- FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

5. CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to the Scheme of Reduction of capital, the treatment in the books of accounts of the Company will be as follows:



On the Effective Date

- i. A sum of Rs. 1,00,00,000/- (Rupees One Crore Only) upon reduction **from** existing Equity Capital of Rs. 10,50,08,000/- (Rupees Ten Crore Fifty Lakhs Eight Thousand Only) divided into 1,05,00,800/- (One Crore Five Lakhs Eight Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each fully paid up to Rs. 9,50,08,000/- (Rupees Nine Crore Fifty Lakhs Eight Thousand Only) divided into 95,00,800 (Ninety Five Lakhs Eight Hundred Only) Equity Shares of Rs.10/- (Rupees Ten Only) each be transferred to the Capital Restructuring account and will be adjusted against the Advance against OTS Account.
- ii. As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, will be Rs. 9,50,08,000/- (Rupees Nine Crore Fifty Lakhs Eight Thousand Only) divided into 95,00,800 (Ninety-Five Lakhs Eight Hundred Only) Equity Shares of Re.10/- (Rupees Ten Only) each.
- iii. The debit/credit balance of Capital Restructuring Account of OFL will be adjusted against the Reserve Account.
- iv. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- v. Notwithstanding the reduction as mentioned above, the Company shall not be required to add "and reduced" as suffix to its name and the Company shall continue with its existing name.
- vi. The form of the minute proposed to be registered under Section 66 of the Companies Act, 2013 is as follows

The Capital of Ovobel Foods Limited is henceforth Rs. 9,50,08,000/- (Rupees Nine Crore Fifty Lakhs Eight Thousand Only) divided into 95,00,800 (Ninety-Five Lakhs Eight Hundred Only) Equity Shares of Rs.10/- each fully paid up reduced from Rs. 10,50,08,000/- (Rupees Ten Crores Fifty Lakhs Eight Thousand only) divided into 1,05,00,800 (One Crore Five Lakhs Eight Hundred) Equity Shares of Rs.10/- each effected by cancelling 10,00,000 (Ten Lakhs Only) Equity Shares of Rs. 10/- each amounting to Rs. 1,00,00,00/- (Rupees One Crore Only).

At the date of the Registration of this 95,00,800 shares numbered 1 to 4895375 , 5395376 to 6700700 and 7200701 to 1,05,00,800 have been issued and are deemed to be fully paid.



6. CONDUCT OF BUSINESS

- 6.1 Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.
- 6.2 Further, nothing contained in the Scheme shall affect the existing rights of the creditors, workers and employees of the Company.

PART VI - GENERAL TERMS AND CONDITIONS

7. In term of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company, being a listed Company, will file application to the SEBI through stock exchange for obtaining No-Objection / Observation Letter for reduction of share capital.
8. The Company needs to obtain Shareholders Approval by way of a Special Resolution, as per the provisions of Section 66 of the Companies Act, 2013 and the same will be complied with once the company gets observation letter from BSE Limited under Regulation 37 of the SEBI (LODR), Regulations, 2015.
9. The scheme is only for reduction of capital of the Company and it does not envisage transfer or vesting of any properties and/ or liabilities to or in favour of the Company.
10. The Scheme does not involve any conveyance or transfer of any property or issue of new shares and consequently the order of the Hon'ble National Company Law Tribunal approving the Scheme will not attract any stamp duty, under the Indian Stamp Act/Karnataka Stamp Act in this regard.

11. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

The Companies shall, make and file all applications and petitions to the Tribunal for sanctioning this Scheme under Sections 66 of the Act and other applicable provisions for carrying this Scheme of Reduction of Share Capital into effect and shall apply for such approvals as may be required under Applicable Law(s).

12. MODIFICATION OR AMENDMENTS TO THE SCHEME



- 12.1 The Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Tribunal and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- 12.2 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the National Company Law Tribunal (NCLT).
- 12.3 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
- 12.4 The Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

13. CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

- 13.1 The Company obtaining the observation letter from the Designated Stock Exchange i.e. BSE Limited for implementation of the Scheme.
- 13.2 The Scheme being agreed to by the respective requisite majorities of the various classes of members, if any and creditors of the Company as required under the Act and the requisite order of the Hon'ble National company Law Tribunal, Bengaluru Bench being obtained;
- 13.3 Such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- 13.4 The Certified copies of the Hon'ble National company Law Tribunal order referred to in this Scheme being filed with the Registrar of Companies, Karnataka, Bengaluru.



13.5 All other sanction and approvals as may be required by law in respect of this Scheme being obtained.

14. BINDING EFFECT:

Upon the Scheme becoming, effective the same shall be binding on the Company, shareholders, creditors and all concerned parties without any further act, deed manner or thing.

15. EFFECT OF NON-RECEIPT OF APPROVALS:

15.1 In case the Scheme is not sanctioned by the Hon'ble National Company Law Tribunal, Bengaluru Bench or such other Competent Authority or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

15.2 The Board of Directors may withdraw the Scheme at any time should they consider appropriate to do so.

16. SEVERABILITY

If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the Board that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme. The Board of Directors of the Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Board of Directors is of view that the coming into effect of the Scheme could have adverse implications on the Company.

17. CANCELLATION OF SHARES

Upon this Scheme becoming finally effective, the share certificates of OFL in relation to the shares held by its concerned equity shareholders on the record date for effecting the reduction of share capital shall, without any further



application , act, instrument or deed , be deemed to have been automatically cancelled pursuant to restructuring of share Capital of the Company.

18. COSTS, CHARGES & EXPENSES:

Upon the sanction of this Scheme by the Hon'ble National company Law Tribunal, Bengaluru Bench all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Reduction of Capital shall be borne by the Company.



DCS/AMAL/BA/R37/1670/2019-20

March 18, 2020

The Company Secretary,
OVOBEL FOODS LTD.
 6-3-1109/1, Nava Bharat Chambers,
 Rajbhavan Road, Hyderabad, Telangana, 500082

Sir,

Sub: Observation letter regarding the Draft Scheme of Capital Reduction of Ovobel Foods Ltd. and its Shareholders and Creditors.

We are in receipt of Draft Scheme of Capital Reduction of Ovobel Foods Ltd. and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 17, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circular."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for

any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

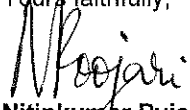
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Nitinkumar Pujari
Senior Manager



To

7th December, 2019

The Board of Directors

Ovobel Foods Limited
Ground Floor, No. 46
Old No. 32/1, 3rd Cross,
Aga Abbas Ali Road, Ulsoor
Bangalore: 560 042, India

Subject: Fairness Opinion on Valuation of equity shares of Ovobel Foods Limited done by Guru and Jana Chartered Accountants as on 29th November 2019.

Dear Sir/Ma'am,

We have been appointed by Ovobel Foods limited (hereinafter referred to as the Company) to give fairness opinion on the Valuation report of Guru and Jana Chartered Accountants dated 29th November 2019.

The fairness opinion is addressed to the Board of Directors of the Company. This fairness opinion is subject to the scope, assumptions, exclusions, scope limitations and declarations detailed hereinafter. As such the fairness opinion is to be read in totality not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular No. CFC/DIL3/CIR/2018/2 dated January 03, 2018, applicable.

The fairness opinion has been issued only for the purpose of capital reduction to the extent of such Equity Shares held by Karnataka State Industrial and Infrastructure Development Corporation Limited ("KSIIDC Shares").

We understand that KSIIDC had provided financial assistance of INR 1,00,00,000 to Ovobel Foods Limited (The Company) by way of subscription to 10,00,000 KSIIDC Shares of INR 10/-, in the years 1995 and 1996 (5,00,000 KSIIDC Shares in each of the years). In addition, the Company has also received financial assistance of INR 1,27,75,000/- from KSIIDC in the form of Loan.

We further understand that, as per the agreement between KSIIDC and the Company, the Company had to remit the agreed return of 15% on financial assistance received from KSIIDC. The Company has remitted such agreed return to KSIIDC in the form acceptable to KSIIDC, as per the terms of settlement agreed upon between KSIIDC and the Company. Further as a part of the settlement, KSIIDC has agreed for a consideration of INR 1,00,00,000/- for capital reduction of 10,00,000 KSIIDC Shares by the Company and approved that such consideration would settle the claims that KSIIDC has in the Company on account of holding of KSIIDC Shares.

Resurgent India Limited, 903-906, 9th floor, Tower-C, Business Zone, Nirvana Country, Sector-50, Gurgaon, Haryana

Tel 91-124-4754550, Fax 91-124-4754584, email info@resurgentindia.com | www.resurgentindia.com

CIN - U74140WB2005PLC106619



We are also given to understand as part of overall settlement of financial assistance, KSIIDC has agreed to price of INR 10/- per equity share. The equity shares of the Company are listed on Bombay Stock Exchange (BSE) and are infrequently traded.

The Valuer has calculated volume weighted average price as below:

Particulars	Amount
Average of 26 weeks High-Low of the VWAP (A)	15.41
Average of 2 weeks High-Low of the VWAP (B)	12.84
Higher of A and B	15.41

The Valuer has provided following reasons for adopting methodology for valuing equity shares of Ovobel Foods Limited.

- Income Approach – Discounted Cash Flow methodology: This method has not been adopted since the Management was not in a position to provide the projections with sufficient certainty.
- Market Approach – Market Price methodology: The value under this method has been derived, however, this method has not been adopted as the shares are traded in the market infrequently.
- Asset Approach – Net Asset Value methodology: The value under this method has been derived, however, this method has not been adopted since the book value of the assets does not represent the value of the assets.
- Considering the fact, as above, that the other methods are not suitable in the present scenario and further that there is an agreement between the Company and KSIIDC, Valuer has adopted the face value of the instrument as the value which is also the agreed value between the parties for the capital reduction.

Keeping in mind the purpose of the report and agreement between the party the negotiated price of INR 10 per equity share as derived by the Valuer is fair.

Disclaimer:

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on the fairness or accuracy of any financial information referred to in this report. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this opinion as per our engagement with Ovobel Foods Limited. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. We do not express any opinion as to the price at which shares of the resulting company may trade at any time, including subsequent to the date of this opinion.

Respectfully Submitted,



Monoj Verma
Associate Vice President
Date: 7th December 2019
Place: Gurgaon



**OVOBEL
FOODS LIMITED**

CIN : L85110KA1993PLC013875

46, Old No. 32/1, Ground Floor, 3rd Cross, Aga Abbas Ali Road, Ulsoor, Bengaluru - 560 042. INDIA.
Tel : 91-80-25594145 / 25594146, Fax : 91-80-25594147
E-mail : info@ovobelfoods.com, URL : http://www.ovobelfoods.com



Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1. NA	NA	NA	NA
2. NA	NA	NA	NA
3. NA	NA	NA	NA

For Ovobel Foods Limited

Narendra Datta Haldawar
Director
DIN: 01633735



Place: Bangalore
Date: 18.01.2020

Factory : Plot # 30, K.I.A.D.B. Industrial Area, Malur - 563 160, Kolar Dist. Tel : 08151-234605