

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.

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.

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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