



VALENCIA NUTRITION LTD

Regd. Office: D. No. 134, 6th Main , 1st Block, Banashankari 3rd Stage, Bengaluru – 560085
Corporate Office: #11, 7th Block, 33rd Main, Banagirinagar, Banashankari 3rd stage,
Bengaluru – 560 085

Ph: +91 80 26799552 | www.valencianutrition.com | info@valencianutrition.com
CIN: U51909KA2013PLC068380

NOTICE OF POSTAL BALLOT

To,
The Members of the
VALENCIA NUTRITION LIMITED

Notice is hereby given, pursuant to Section 108 and Section 110 of the Companies Act, 2013 (the 'Act') read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the 'Rules') (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the relaxations and clarifications issued by Ministry of Corporate Affairs ('MCA') vide General Circular No. 14/2020 dated 08th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 ('MCA Circulars'), in relation to passing of ordinary and special resolutions by Companies under the Companies Act, 2013 through electronic voting (remote e-voting).

The proposed Special Resolution and explanatory statement pertaining to the aforesaid resolution setting out the material facts concerning each item and the reasons thereof are annexed hereto for your consideration.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars and due to pandemic of COVID-19 (Corona-virus), the Company has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting are appended to this Notice.

The Board of Directors of the Company, at its meeting held on Tuesday August 25, 2020 has appointed M/s. VB & Associates represented by its proprietor Mr. Vighneshwar Bhat, (Membership No. 10557 and Certificate of Practice No. 10012), Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner. In the event the resolution as set out in the notice is assented by the requisite majority by means of remote e-voting, they shall be deemed to have been passed as Special Business at an Extra Ordinary General Meeting. The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed remote e-voting process.

You are requested to carefully read the instructions in this Notice and record your assent (FOR) or dissent (AGAINST) through the remote e-voting process not later than 5.00 p.m. on Monday, September 28, 2020. The assent or dissent received after such date and time shall be treated as if reply from the Member has not been received.

The Scrutinizer after completion of the scrutiny will submit his report to the Chairman of the Company. Thereafter the results of the voting conducted through the remote e-voting process would be announced by the Chairman or Company Secretary of the Company on the website of the Company (www.valencianutrition.com) and communicated to the stock exchange on or before Tuesday, September 29, 2020. The aforesaid result would be displayed on the Stock Exchange (www.bseindia.com) where the shares of the Company are listed and displayed along with the scrutinizer's report on the company's website.

Special Business requiring consent of shareholders:

Item No. 1:

Variation in the terms of "Objects of the Issue" mentioned in the Company's Prospectus dated 13th December, 2019

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 27 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the relevant Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), Regulation 59 read with Schedule XX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations, guidelines and statutory provisions for the time being in force and such other approvals, permissions and sanctions, if any, as may be necessary, the approval of the Members of the Company be and is hereby accorded to vary and/ or revise the terms of Objects of the Issue referred to in the Prospectus dated 13th December, 2019 (the 'Prospectus') in relation to utilization of the Proceeds received from the Initial Public Offering (the 'IPO') of Equity Shares made in pursuance of the Prospectus and utilize the unutilized proceeds to fund working capital & other operational requirements of the Company during the Financial Year 2020-21, as mentioned in the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the 'Board' including duly constituted Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to their end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate from time to time, all or any of the powers conferred herein to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company to give effect to this resolution."

By order of Board of Directors,
For **VALENCIA NUTRITION LIMITED**

Place: Bengaluru
Date: 25.08.2020

Sd/-
Deepthi Anand
Managing Director
DIN: 05246641

Registered Office:

D. No. 134, 6th Main, 1st Block,
Banashankari 3rd Stage,
Bangalore - 560085

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with the Rules made thereunder, setting out material facts in respect of the proposed Special Resolution set out at Item No. 1 of the Notice is annexed hereto.
2. This Notice is being sent by electronic mode (via e-mail) to those members, whose name appears in the register of members/list of beneficial owners maintained by National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") as on cut-off date Friday, August 21, 2020 provided by Bigshare Services Private Limited (RTA). Members may note that this Notice is also available on Company's website viz. www.valencianutrition.com. A person who is not a Member on the cut-off date should accordingly treat the Notice as for information purposes only.
3. This Notice is being sent electronically (via e-mail) to all Members whose e-mail addresses are registered with Company's Registrar and Share Transfer Agents ('RTA') or the Depositories.
4. Members whose e-mail addresses are not registered with RTA and the Depositories, are required to provide their email IDs and other necessary details as per below format to the Company or RTA, on or before 5:00 p.m. on Saturday, August 29, 2020 pursuant to which, any Member may receive on the e-mail ID provided by the Member this Notice and the procedure for remote e-voting:

Name of First Shareholder	
Name of Second Shareholder <i>(In case joint shareholder)</i>	
Permanent Account No. (PAN)	
Beneficiary Id/Client Id	
No. Share held	
Email Id	

Mobile No	
Address	

Note: Kindly provide aforesaid details through email at compliance@valencianutrition.com/Vinayak@bigshareonline.com.

5. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and as per MCA circulars the Company is pleased to provide voting by electronic means (“E-Voting”) only to its Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL to provide e-voting facility to its Members. Voting rights will be reckoned on the paid-up value of share registered in the names of members on Friday, August 21, 2020.
6. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on www.Evoting.nsd.com to reset the password.
7. The Communication of the assent / dissent to the Special Resolution proposed in the Notice would take place only through remote e-voting.
8. The voting period will commence on Sunday, August 30, 2020, 9:00 AM and will end on Monday, September 28, 2020 5:00 PM for the Members exercising their vote through electronic voting. The remote e-voting module shall be disabled by National Securities Depository Limited (‘NSDL’) for voting thereafter.
9. The results of the remote e-voting will be declared on Tuesday, September 29, 2020 at the registered office of the Company in case normalcy is attained. In case of lockdown, the remote e-voting results and report of the Scrutinizer will be furnished to the BSE Limited and will also be uploaded on the Company’s website www.valencianutrition.com.

The instructions for shareholders voting electronically are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhatvighnesh@gmail.com with a copy marked to evoting@nsdl.co.in.
1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1:

Variation in the terms of “Objects of the Issue” mentioned in the Company’s Prospectus dated 13th December, 2019

1. The total money raised

Pursuant to the approval of the Board and the Members of the Company received in 2019, the Company had made an Initial Public Offer (IPO) during the Financial Year 2019-20 for an aggregate of 15,72,000 equity shares of Rs. 10 each at a price of Rs. 46 per share, comprising of 13,05,000 fresh equity shares (“**Fresh Issue**”) by the Company and 2,67,000 equity shares offered for sale (“**Offer for Sale**”) by Mr. Rajkumar Elango, Mr. Venugopal Nambiar and Mrs. Rachel Kattukaran. Out of the total fresh IPO proceeds of Rs. 600.30 Lakhs, the Net fresh Issue proceeds available to the Company were Rs. 526.81 Lakhs (excluding issue related expenses).

2. The original purpose or objects of the Issue (the ‘Objects’)

The Company had stated in its Prospectus that the Net Fresh Issue Proceeds of the issue would be utilized for funding of the following Objects:

The requirements of funds and schedule of utilization of Net Proceeds of the Issue as stated in the Prospectus for funding its Objects is given below:

(Rs. in lakhs)

Sl. No.	Particulars	Amt. to be funded from the Net Proceeds	Amt. to be utilized in FY 2019 - 20	Amt. to be utilized in FY 2020 - 21
1.	Construction of New Corporate Office and Research Development & Pre-Mix Laboratory Building called "Valencia House" at Anjanapura, Bengaluru.	200.00	70.00	130.00
2.	Purchase of Key Lab Equipments for expanding R&D facilities	51.82	-	51.82
3.	Sales, Marketing and Distribution Expenses for increasing our brand value and improved geographical reach	184.65	139.87	44.78
4.	General Corporate Purposes	90.34	90.34	-
TOTAL		526.81	300.21	226.60

As on March 31, 2020, the Company has utilized Rs. 243.63 lakhs out of the Net proceeds of Rs. 526.81 lakhs & will utilize Rs. 52.13 lakhs as per the term of the Prospectus. Whilst the Company has made best efforts to utilise the balance IPO Proceeds of Rs. 231.05 lakhs as per the terms of the Issue, however due to COVID 19 pandemic, the Company does not foresee deployment of Rs. 231.05 lakhs in future for funding the Objects as stated in the said Prospectus. Hence, it is proposed to utilize Rs. 231.05 lakhs to meet the working capital & other operational requirements of the Company during the current Financial Year 2020-21 subject to receipt of necessary approvals.

In view of the proposed requirements of the Company, approval of the Members is being sought by way of a Special Resolution through Postal Ballot for variation in the terms of the Objects of the Issue pursuant to the provisions of Section 27 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the relevant Rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), and subject to compliance of Regulation 59 read with Schedule XX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and such other requisite approvals as may be required.

The relevant and material information as required in compliance of the provisions of Section 27 of the Companies Act, 2013 read with Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is set out herein below:

3. Details of utilization of the Net Proceeds towards the Objects of the Issue and extent of achievement

(Rs. in lakhs)

Sl. No.	Objects of the Issue as mentioned in the Prospectus	Amount to be financed from Net Proceeds as mentioned	Actual amount financed / to be finance from Net Proceeds	Balance amount of Net Proceed	Percentage of utilized / to be utilize from the Net Proceeds	Deviation, if any
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		in Prospectus				
		(i)	(ii)			
1.	Construction of New Corporate Office and Research Development & Pre Mix Laboratory Building called "Valencia House" at Anjanapura, Bengaluru	200.00	2.86	197.14	1.43	197.14
2.	Purchase of Key Lab Equipments for expanding R&D facilities	51.82	17.91	33.91	34.56	33.91
3.	Sales, Marketing and Distribution Expenses for increasing our brand value and improved geographical reach	184.65	184.65*	-	100.00*	-
4.	General Corporate Purposes	90.34	90.34*	-	100.00*	-
TOTAL		526.81	295.76	231.05	56.14	231.05

* Out of Rs. 184.65 lakhs & Rs. 90.34 lakhs, the Company had utilized Rs. 134.51 lakhs & Rs. 88.35 lakhs respectively & balance amounts aggregating to Rs. 52.13 lakhs is pending as on March 31, 2020. However, there are no changes / deviations in the aforesaid objects.

4. Particulars of the proposed variation, time limit, schedule of implementation and interim use

The Company proposes to utilize the deviated amount of Rs. 231.05 Lakhs out of the Net fresh Issue Proceeds to fund Working Capital and Other Operating Needs of the Company during the current Financial Year 2020-21. The proposed deployment of deviated amount as mentioned above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company's business.

The Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the amount allocated as mentioned above. The Company confirms that it shall not use the said amount for buying, trading or otherwise dealing in equity shares of any other listed company.

5. Reason and justification for seeking variation

The global economy has been adversely affected by COVID-19, with many global businesses having to cease or slow down their operations. Following the outbreak of COVID-19, the global GDP projection is further expected to weaken to an estimated -3.0% in 2020. In the past, major epidemics have

significantly reshaped growth trajectories globally, with severe disruptions taking place especially in poor countries. While the Severe Acute Respiratory Syndrome (SARS) virus of 2003 only reduced global growth by around 0.1% (nearly USD 50 billion), the spread of avian influenza during the same period cost close to 0.6% of the world GDP.

The operation of the Company had also adversely affected. Hence the management of the Company had decided to cancelled the Construction of New Corporate Office and Research Development & Pre Mix Laboratory Building called “Valencia House” at Anjanapura, Bengaluru and to cancelled the purchasing of Lab Equipments for expanding R&D facilities. Further the management of the Company had decided to utilize the funds for Working Capital and Other Operating Needs of the Company.

6. The proposed time limit within which the proposed varied objects would be achieved: During the Financial Year 2020-21.

7. Major risk factors pertaining to the proposed utilization of Net Proceeds for the new objects as mentioned in Point No. 4

The Company is of the opinion that there is no specific risk envisaged to the proposed utilization of Net Proceeds of IPO to fund the activities as mentioned in the point no. 4 above.

However, the following general risks associated with the business, individually or together, but not limited to, could adversely affect our business, financial conditions, results of operations or prospects etc:

- i. Changes in government policies, regulatory actions and technological changes etc. that apply to or affect our business including developments affecting the Indian economy;
- ii. Projects included in our order book may not ultimately be confirmed, may be modified or cancelled, or there may be delays in execution; and
- iii. Our operations are dependent on the timely supply of quality raw materials and components at commercially acceptable prices and we are dependent on a limited number of suppliers for key raw materials and components.

8. Estimated financial impact of the proposed alteration on the earnings, cash flow and on the financial position of the Company

The Company will be able to reduce finance cost by infusing this amount in the newly proposed object and hence the interest cost saved on Rs. 231.05 lakhs would be the positive impact on the Statement of Profit & Loss. The cash flows of the Company would be improved by aforesaid interest saving amount.

A copy of the Postal Ballot Notice is available on the website of the Company, www.valencianutrition.com and BSE Limited, www.bseindia.com.

Accordingly, the approval of the Members is being sought to vary the terms of Objects of the Issue referred to in the Prospectus. The Board recommends passing of Resolutions as stated at Item No.1 of the Notice for approval of the Members as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is/are concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their shareholding, if any, in the Company.

By order of Board of Directors
For **VALENCIA NUTRITION LIMITED**

Place: Bengaluru

Date: August 25, 2020

Sd/-

Deepthi Anand
Managing Director

DIN: 05246641

Registered Office:

D. No. 134, 6th Main, 1st Block,
Banashankari 3rd Stage,
Bangalore - 560085