



PRABHAT DAIRY LIMITED

CIN: L15203PN1998PLC013068

Registered Office: 121/2A At Post Ranjankhol Rahata, Shrirampur Ahmednagar, MH-413720

Email: investor@prabhatdairy.in; Website: www.prabhatdairy.in

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NOTICE OF EXTRA ORDINARY GENERAL MEETING OF EQUITY SHAREHOLDERS OF PRABHAT DAIRY LIMITED

Day	:	Tuesday
Date	:	26 th March, 2019
Time	:	12.00 noon
Venue	:	121/2A At Post Ranjankhol, Taluka, Rahata, Shrirampur, Ahmednagar, Maharashtra-413720

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NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra Ordinary General Meeting (EGM) of the Members of Prabhat Dairy Limited will be held on **Tuesday, the 26th day of March, 2019 at 12:00 noon** at the registered office of the Company at 121/2A, At post Ranjankhol, Taluka Rahata, Shrirampur, Dist. Ahmednagar – 413720 Maharashtra to transact the following special business(es):-

Item No. 1

To consider and, if thought fit, approve with or without modification(s), the following Special resolution under Section 110, 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“LODR”) for the sale of entire investments (equity and preference) in its subsidiary, Sunfresh Agro Industries Private Limited to Tirumala Milk Products Private Limited and sale of dairy business undertaking of the Company to Sunfresh Agro Industries Private Limited and Tirumala Milk Products Private Limited:

“**RESOLVED THAT** pursuant to the provisions of Section 110, 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“LODR”) and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”) for the following:

1. to sell or transfer or otherwise dispose of the Company’s (including its wholly-owned subsidiary Cheese Land Agro (India) Private Limited’s (“CLAIPL”)) entire investment (equity and preference) in the Company’s subsidiary, Sunfresh Agro Industries Private Limited (“SAIPL”) which is a subsidiary of CLAIPL, and a material wholly owned step-down subsidiary of the Company, for Rs.12,27,18,75,376/- (Indian Rupees One Thousand Two Hundred and Twenty Seven Crores Eighteen Lakhs Seventy Five Thousand Three Hundred and Seventy Six only), to Tirumala Milk Products Private Limited (“Buyer”) (CIN: U15209TN1998PTC102741), in accordance with the terms and conditions of the Share Purchase Agreement dated 21st January, 2019 (“SPA”) entered between the Company, CLAIPL, SAIPL, Nirmal Family Trust, Sarangdhar R. Nirmal, Vivek S. Nirmal and Buyer and subject to such customary price adjustments on account of differences between estimations and actual figures on closing;
2. to sell or transfer or otherwise dispose of as a going concern by way of slump sale (as defined in Section 2(42C) of Income Tax Act, 1961) the “dairy business” undertaking of the Company together with all assets and liabilities including employees, contracts, licences, permits, rights, obligations, consents and approvals relating to the said undertaking (“Business Undertaking”) (post transfer of shares of SAIPL to Buyer) to Sunfresh Agro Industries Private Limited and Tirumala Milk Products Private Limited (collectively referred as “Purchaser”) at a lump sum consideration of Rs. 4,72,81,24,624/- (Indian Rupees Four Hundred and Seventy-Two Crores Eighty One Lakh Twenty Four Thousand Six Hundred and Twenty Four only), in accordance with the terms and conditions of the Business Transfer Agreement dated 21st January, 2019 (“BTA”) entered between the Company, Purchaser, Nirmal Family Trust, Sarangdhar R. Nirmal and Vivek S. Nirmal subject to such customary price adjustments on account of differences between estimations and actual figures on closing.

RESOLVED FURTHER THAT any of Mr. Sarangdhar Nirmal, Chairman and Managing Director and Mr. Vivek Nirmal Joint Managing Director of the Company be and are hereby severally authorised to negotiate, finalise

and execute all the required documents including share purchase agreement, business transfer agreement, documents, memorandum, deeds, instruction slips and other incidental transactional documents with such modifications as may be required from time to time, make applications to regulatory and government authorities for the purposes of obtaining all approvals, consents, permissions and sanctions required by the Company and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in his discretion for completion of the transactions as aforesaid.”

Item No. 2

To consider and, if thought fit, approve with or without modification(s), the following resolution with requisite majority under Section 230 read with Section 233 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013, and the provisions of the Memorandum and Articles of Association of the Company for approval of the proposed Scheme of Amalgamation and Arrangement between Cheeseland Agro (India) Private Limited (Transferor Company) and Prabhat Dairy Limited (Transferee Company):

“**RESOLVED THAT** pursuant to the provisions of Section 230 read with Section 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of the Companies Act, 2013 and the provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Central Government, through the Regional Director, Mumbai, and subject to other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed by the Central Government through the Regional Director, Mumbai or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”/”**Board of Directors**”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorized by it to exercise its powers including the powers conferred by this resolution), the amalgamation embodied in the Scheme of Amalgamation and Arrangement of Cheese Land Agro (India) Pvt. Ltd. with Prabhat Dairy Limited and their respective Shareholders and Creditors, be and is hereby approved.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme of Amalgamation and Arrangement and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Central Government while sanctioning the arrangement embodied in the Scheme of Amalgamation and Arrangement or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme of Amalgamation, as the Board may deem fit and proper.”

**By order of the Board of Directors
Prabhat Dairy Limited**

**Sd/-
Dipti Todkar
Company Secretary
(Membership No. ACS 21676)**

Date: February 13, 2019

Place: Navi Mumbai

Registered office: 121/2A, At Post Ranjankhol, Rahata, Dist. Ahmednagar – 413720, Maharashtra.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA-ORDINARY GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE / CORPORATE OFFICE OF THE COMPANY, NOT LATER THAN 48 (FOURTY- EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING Fifty (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER SHAREHOLDER.

2. Corporate Members intending to send their authorised representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) read with Section 230(3) of the Companies Act, 2013, Declaration of Solvency in pursuance of Section 233(1)(c) of the Companies Act, 2013 and the Scheme of Amalgamation and Arrangement are enclosed herewith.
4. Members holding shares in electronic form are requested to intimate any change in their address, E-mail Id and signature to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agent of the Company.
5. Members / Proxies / Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
6. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of members in respect of such joint holding will be entitled to vote.
7. In terms of circular issued by SEBI, it is mandatory to quote Permanent Account Number ("PAN") for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agent (RTA) of the Company.

Shareholder having shares in physical shares: In terms of notification dated June 08, 2018 issued by Securities & Exchanges Board of India (SEBI) read with Press release vide PR no. 51/2018 dated December 3, 2018, request for transfer of shares in physical form shall not be processed by Company or Registrar after April 1, 2019. Therefore, if you want to transfer your share on or after April 1, 2019, please get your shares dematerialised.

8. All documents referred to in the Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days (Monday to Saturday) between 11:00 a.m. to 2:00 p.m. upto the date of the Extra Ordinary General Meeting and will also be available for inspection at the Meeting.
9. Extra Ordinary General Meeting notice of the Company circulated to the Members of the Company is also uploaded on the Company's website www.prabhatdairy.in in the 'Investor Desk' Section.
10. In accordance with the relevant provisions of Companies Act, 2013 read with the Rules made there under all communications are being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding)/the Company's Registrar and share transfer agent (in case of physical shareholding). We, therefore request and encourage you to register your email addresses in the records of your Depository Participant (in case of electronic shareholding)/the Company's Registrar and share transfer agent (in case of physical shareholding) mentioning your folio no./demat account details.

However, in case you wish to receive the above shareholder communication in paper form, you may write to the Company's Registrar and Share Transfer agent, Karvy Fintech Pvt. Limited, Unit: Prabhat Dairy Limited, Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda Serilingampally Mandal , Hyderabad - 500032 – India or email at suresh.d@karvy.com or to Prabhat Dairy Limited, Plot no. D37/4, TTC Industrial area, Turbhe, Navi Mumbai – 400 705 or email at investor@prabhatdairy.in

Members holding shares in demat mode are requested to register their E-mail address with their respective Depository Participants (DP). If there is any change in the E-mail address already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

11. The Notice of Extra Ordinary General Meeting along with Explanatory Statement is being sent by electronic mode to all the Members whose E-mail addresses are registered with the Company or Depository Participant(s), unless any Member has requested for a physical copy of the same. Physical copy of the Notice of Extra Ordinary General Meeting along with Explanatory Statement is being sent to those Members who have not registered their E-mail address with the Company or Depository Participant(s).
12. In terms of Section 72 of the Companies Act, 2013 and the Rules framed thereunder, a Member of the Company may nominate a person on whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/ Karvy Fintech Private Limited in case shares are held in Physical form, and to their respective Depository participant, if held in electronic form.

13. Instructions and other information relating to e-voting are as under

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Rules, 2015 and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company is providing e-voting facility through Karvy Fintech Private Limited ("Karvy") on all resolutions set forth in this EGM Notice.

A. In case a Member receives an email from Karvy [for Members whose email addresses are registered with the Company/Depository Participant (s)]

i. Visit the e-Voting website of Karvy. Open web browser by typing the following URL: <https://www.evoting.karvy.com> either on a Personal Computer or on a mobile.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., Prabhat Dairy Limited i.e. name of the Company.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email alpesh.panchal@kjbllp.com / chintan.goswami@kjbllp.com with a copy marked to evoting@karvy.com and suresh.d@karvy.com. The scanned image of the above mentioned documents should be in the name format "Corporate Name___ Event No___." The documents should reach the Scrutinizer on or before 17:00 pm on March 25, 2019.

B. In case of Members receiving physical copy of Notice [for Members whose email addresses are not registered with the Company/Depository Participants(s)]:

i. E -Voting Event Number – (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

iii. The Company has appointed Mr. Alpeshkumar J. Panchal, (ACS 49008; CP 20120) and/or in his absence Mr. Chintan J. Goswami, (ACS 33697; CP 12721), Practicing Company Secretaries and Partners of KJB & Co LLP, Company Secretaries, Mumbai, as the Scrutinizers for conducting the Remote e-voting process as well as voting to be conducted at general meeting through ballot/poll paper in a fair and transparent manner.

C. The scrutinizer shall immediately after the conclusion of voting at the EGM, count the votes cast at the EGM and thereafter unblock the votes in the presence of at least two witnesses not in employment of the Company. The Scrutinizer's shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within a period of not exceeding Two working days from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same.

D. The Chairperson or a person authorised by the Chairperson in writing shall declare the result of voting forthwith.

E. The results of the e-voting along with the scrutinizer's report shall be communicated immediately to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the company are listed and shall be placed on the Company's website (www.prabhatdairy.in) and on the website of Karvy (www.karvy.com) and it will be displayed at the notice board at the registered/corporate office of the Company for a period of at least 3 days immediately after the result is declared by the chairperson or any other person authorised by the chairperson.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Suresh Babu, (Unit: Prabhat Dairy Limited) of KarvyFintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or at evoting@karvy.com or phone No. 040 – 6716 1517 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

c. The remote e-voting period will be commenced on Saturday, March 23, 2019 (9:00 AM IST) and ends on Monday, March 25, 2019 (17:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. March 19, 2019, may cast their votes electronically. Any person who is not a Shareholder as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

d. The voting rights of Shareholder shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. March 19, 2019.

e. In case a person has become a Shareholder of the Company after dispatch of Notice of Extra Ordinary General Meeting but on or before the cut-off date for E-voting i.e., March 19, 2019, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

ii. Example for NSDL:

MYEPWD <SPACE > IN 12345612345678

Example for CDSL:

MYEPWD <SPACE > 1402345612345678

Example for Physical:

a. MYEPWD <SPACE > XXXX1234567890

iii. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iv. Member may call Karvy's toll free number 1800-3454-001.

v. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose email addresses is available.

EXPLANATORY STATEMENT UNDER SECTION 102 AND SECTION 230(3) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER:

Item No -1

As a part of the growth strategies seeking to maximise the shareholders' earnings, the Board of Directors at its meeting held on 21st January, 2019 has accorded its approval:

1. to sell or transfer or otherwise dispose of the Company's (along with its wholly-owned subsidiary Cheese Land Agro (India) Private Limited's ("CLAIPL")) entire investment (equity and preference) in the Company's subsidiary, Sunfresh Agro Industries Private Limited ("SAIPL") which is a subsidiary of CLAIPL, and a material wholly owned step-down subsidiary of the Company, for Rs.12,27,18,75,376/- (Indian Rupees One Thousand Two Hundred and Twenty Seven Crores Eighteen Lakhs Seventy Five Thousand Three Hundred and Seventy Six only), to Tirumala Milk Products Private Limited ("Buyer"), in accordance with the terms and conditions of the share purchase agreement dated 21st January, 2019 ("SPA") entered between the Company, CLAIPL, SAIPL, Nirmal Family Trust, Sarangdhar R. Nirmal, Vivek S. Nirmal and Buyer and subject to such customary price adjustments on account of differences between estimations and actual figures on closing.
2. to sell or transfer or otherwise dispose of as a going concern by way of slump sale (as defined in Section 2(42C) of Income Tax Act, 1961) the "dairy business" undertaking of the Company together with all assets and liabilities including employees, contracts, licences, permits, rights, obligations, consents and approvals relating to the said undertaking ("Business Undertaking") (post transfer of shares of SAIPL to the Buyer) to Sunfresh Agro Industries Private Limited and Tirumala Milk Products Private Limited (collectively referred as "Purchaser") at a lumpsum consideration of Rs. 4,72,81,24,624/- (Indian Rupees Four Hundred and Seventy-Two Crores Eighty One Lakh Twenty Four Thousand Six Hundred and Twenty Four only), in accordance with the terms and conditions of the business transfer agreement dated 21st January, 2019 entered between the Company, Nirmal Family Trust, Sarangdhar R. Nirmal, Vivek S. Nirmal and Purchaser and subject to such customary price adjustments on account of differences between estimations and actual figures on closing.

The Company is an integrated milk and dairy products company in India catering to institutional as well as retail customers. The Company produces fresh, dry, frozen, cultured and fermented dairy products at two manufacturing plants in Maharashtra with an aggregate milk processing capacity of 1.5 million litres per day. The Company also operates the 3rd largest cheese manufacturing capacity in India. It sells products under its retail consumer brands as well as ingredient products or as co-manufactured products to a number of marquee institutional and multinational companies.

The Company is also engaged in the business of cattle feed and animal nutrition. It has two wholly owned subsidiaries – Cheese Land (Agro) India Private Limited ("CLAIPL") and through, CLAIPL, Sunfresh Agro Industries Private Limited (SAIPL) of which SAIPL is a material subsidiary as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The aggregate revenue of SAIPL and the Business Undertaking for the year ended March 31, 2018 was Rs. 1,529.20 Crores i.e. 98.24% of total consolidated revenue of the Company and net worth of SAIPL as on March 31, 2018 was Rs. 374.31 Crores i.e. 51.22% of the consolidated net worth of the Company.

Tirumala Milk Products Private Limited (“Buyer”) is a company (U15209TN1998PTC102741) wholly owned by Lactalis Groupe headquartered in France which is one of the largest dairy and dairy products players in the world. Buyer is engaged, inter alia, in the business of procurement, production, processing, packaging of milk and milk products and wholesale of milk and dairy products through a procurement and distribution network.

The Company evaluated various strategic alternatives and concluded that the current transaction provides the most feasible strategic value proposition and attractive monetization to the Company and its shareholders, considering all factors.

Further, the transaction with the Buyer represents a meaningful opportunity for the business undertaking to pursue its long term growth objectives, strengthen its balance sheet, bring in global expertise in products and technology and offer global institutional relationships that can be leveraged to strengthen the existing business.

The above transactions are subject to customary conditions precedent, including, shareholders’ approval, Competition Commission of India (CCI) approval, secured lenders approval, business key customer’s approval.

Barring unforeseen circumstances, it is anticipated that the closing of transaction will take place in Q1 of Financial Year 2019-20.

The Company intends to share a substantial portion of the proceeds from the sale with the shareholders after meeting the tax and transaction costs. The proceeds being referred to herein, refers to all proceeds to be received as part of the transaction by the Company as well as its subsidiaries, including those receivable by Cheese Land Agro (India) Private Limited, which is a 100% (One Hundred Percent) subsidiary of the Company.

The Board of Directors at its meeting held on 13th February 2019 has considered and approved Scheme of the Amalgamation and Arrangement under Section 230 - 233 of the Companies Act, 2013 for the merger of Cheese Land Agro (India) Private Limited, wholly owned subsidiary of the Company, with the Company subject to such approvals as may be required.

A copy of the Share Purchase Agreement and Business Transfer Agreement are kept open for inspection at the Registered Office of the Company on all working days (Monday to Saturday) between 11.00 am to 2.00 pm till the date of the Extra Ordinary General Meeting.

As per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a Special Resolution in the General Meeting. Under the provisions of Section 180(1) (a) of the Companies Act, 2013, approval of members of the Company by way of a Special Resolution is required for sale or disposal of one or more undertakings of the Company.

The Board is of the opinion that the aforesaid resolution is in the best interest of the Company and its shareholders and hence recommends the above Special Resolution for your approval.

None of the Directors and KMP or their relatives is interested financially or otherwise in the above Special resolution except in their capacity as a shareholder of the Company.

Item No. 2:

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF AMALGAMATION AND ARRANGEMENT OF CHEESE LAND AGRO (INDIA) PVT. LTD. ("TRANSFEROR COMPANY") WITH PRABHAT DAIRY LIMITED ("TRANSFeree COMPANY")

AND

IN THE MATTER OF SECTION 230 READ WITH SECTION 233 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RELEVANT RULES THEREOF

PRABHAT DAIRY LIMITED THE TRANSFeree COMPANY / THE APPLICANT COMPANY

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 / EXPLANATORY STATEMENT UNDER SECTION 233 OF THE COMPANIES ACT, 2013 AND RULE 25 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016, READ WITH SECTION 102 OF THE COMPANIES ACT, 2013, TO THE SCHEME OF AMALGAMATION AND ARRANGEMENT OF CHEESE LAND AGRO (INDIA) PVT. LTD. WITH PRABHAT DAIRY LIMITED.

In this statement, Prabhat Dairy Limited is hereinafter referred to as "the Transferee Company" / "Applicant Company" / "Company" and Cheese Land Agro (India) Pvt. Ltd. is hereinafter referred to as "the Transferor Company". The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) and Section 233 of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 in pursuance of Rule 6 and Rule 25 of The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 sets forth the details of the proposed Scheme of Amalgamation and Arrangement, its effects and, in particular any material interests of the Directors in their capacity as members.

1. In accordance with the provisions of Section 233 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, a meeting of the Equity Shareholders of Prabhat Dairy Limited is being convened on **Tuesday, 26th March, 2019 at 12.00 noon at 121/2A At Post Ranjankhol, Taluka- Rahata, Shrirampur, Ahmednagar, Maharashtra-413720** for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation and Arrangement of Cheese Land Agro (India) Pvt. Ltd. with Prabhat Dairy Limited and their respective Shareholders and Creditors. Notice of the said meeting together with the copy of the Scheme of Amalgamation and Arrangement is sent herewith. This statement explaining the terms of the Scheme of Amalgamation and Arrangement is being furnished as required u/s 230(3) of the Companies Act, 2013.
2. The draft Scheme of Amalgamation and Arrangement was placed before the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings. The Board of Directors of the Transferor Company and the Transferee Company vide Board resolution dated February 13, 2019 respectively approved the said Scheme of Amalgamation and Arrangement.

3. Details of the Companies / Parties to the Scheme of Amalgamation and Arrangement

3.1. Cheese Land Agro (India) Pvt. Ltd. (“Transferor Company”):

- i. Cheese Land Agro (India) Pvt. Ltd. (**Company Registration No.:** 136135 and **CIN:** U15209PN2010PTC136135 and **PAN:** AADCC9985A) incorporated on April 22, 2010 as a Private Limited Company under the Companies Act, 1956 under the name and style of “Cheese Land Agro (India) Pvt. Ltd.” as per the Certificate of Incorporation issued by the Registrar of Companies, Pune, Maharashtra.
- ii. The registered office of the Transferor Company is at GAT No. 121/2A, At Ranjankhol, Shrirampur Ahmednagar – 413720.
- iii. The e-mail id for the Transferor Company is Dipti.todkar@prabhatdairy.in
- iv. The details of the Capital Structure of the Transferor Company as on March 31, 2018 was as under:

Particulars	Amount (Rs.)
Authorised Capital:	
32,50,000 Equity Shares of Rs. 10/- each	3,25,00,000/-
Total (Rupees Three Crores and Twenty-Five Lakhs only)	3,25,00,000/-
Issued, Subscribed and Paid up capital:	
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000/-
Total (Rupees Three Crores Only)	3,00,00,000/-

Subsequent to the above date there is no change in the issued, subscribed and paid up share capital of the Transferor Company.

As on the date of this notice, the entire issued, subscribed and paid-up share capital of the Transferor Company is beneficially held by the Transferee Company, Prabhat Dairy Limited. Thus, the Transferor Company is a wholly owned subsidiary company of the Transferee Company.

- v. The shares of the Transferor Company are not listed on any stock exchanges.
- vi. The main objects of the Transferor Company as set out in its Memorandum of Association are as under:

To Carry on in India or elsewhere the business to manufacture, produce, process, cultivate, make, convert, grow, indent, move, trade, prepare, disinfect, compound, purify, prepare, refine, stock, consign, mix, clean, collect, store, concentrate, segregate, pack, repack, grade, preserve, extract, buy, sell, resell, import, export, distribute, market, supply and to act as agent, broker, stockist, liasioner, or otherwise to deal in all types, descriptions, tests, uses and packs of dairy products, fats, dairy farming and their by-products, ingredients, derivatives, residues including milk, condensed milk, powdered milk, skimmed milk, pasteurized milk, flavoured milk, whole milk, powder, cheese, yogurt, butter, margarine, milk products like cheese and cheese related products, cheese crumbs, cream, paneer, mattha, ghee, curd, & all other items whether natural, artificial, or synthetic, of a character, similar or analogous and medicinal preparations from milk and dairy products

vii. Details of Promoters and Directors of the Transferor Company are as follows:

Sr. No.	Name of the Promoter / Director	Address
A. Promoters/Shareholders		
1.	Prabhat Dairy Limited	121/2A at Post Ranjankhol Rahata, Shrirampur, Ahmednagar - 413720
2.	Mr. Vivek Sarangdhar Nirmal on behalf of and as a nominee of Prabhat Dairy Limited	At Post Ranjankhol Rahata, Shrirampur, Ahmednagar - 413720
B. Directors		
1.	Sarangdhar Ramchandra Nirmal	Nirmal nagar At Post Ranjankhol Taluka Shrirampur, Dist Ahmednagar Ahmednagar 413720
2.	Vivek Sarangdhar Nirmal	At Post Ranjankhol Rahata, Shrirampur, Ahmednagar - 413720
3.	Ashok Sinha	13, Yayati ,Sec 58 A, Palm Beach Road Nerul West, Navi Mumbai Navi Mumbai 400706
4.	Rajesh Kumar Srivastava	S-376, Ground Floor, Panchshila Park,, New Delhi, 110017, Delhi, India
5.	Seemantinee Khot	1104 Wooland Avenue, S. No. 36,, Part Kothrud,, Pune, 411038
6.	Anoop Krishna	C/10, Kinellan Tower, 100 A Nepean Sea Road, Mumbai -400 006

viii. The amount of Unsecured Creditors excluding the amount of provisions if any, of the Transferor Company as on February 20, 2019 is **Rs. 114,64,96,628.**

3.2. Prabhat Dairy Limited (“Transferee Company”):

- i. Prabhat Dairy Limited (**Company Registration No.:** 013068 and **CIN:** L15203PN1998PLC013068 and **PAN:** AACCP8872E), Transferee Company was incorporated on November 25, 1998 as a Private Limited Company under the provisions of the Companies Act, 1956 under the name and style of “Prabhat Dairy Private Limited”. Vide fresh certificate of Incorporation dated March 19, 2015 the Company was converted into Public Limited Company from Private Limited Company and consequently the name of the Company was changed from “Prabhat Dairy Private Limited” to “Prabhat Dairy Limited”
- ii. The registered office of the Transferee Company is situated at 121/2A at Post Ranjankhol Rahata Shrirampur , Ahmednagar, Maharashtra - 413720.
- iii. The e-mail id for the Transferee Company is dipti.todkar@prabhatdairy.in

iv. The details of the Capital Structure of the Transferee Company as on March 31, 2018 was as under:

Particulars	Amount (Rs.)
Authorised Capital:	
10,00,00,000 Equity Shares of Rs. 10/- each	100,00,00,000/-
Total (Rupees Hundred Crores only/-)	100,00,00,000/-
Issued, Subscribed and Paid up capital:	
9,76,76,131 Equity Shares of Rs. 10/- each (Ten Crore Only)	97,67,61,310/-
Total (Rupees Ninety-Seven Crores Sixty-Seven Lakhs Sixty-One Thousand Three Hundred and Ten only)	97,67,61,310/-

Subsequent to the above date, there is no change in the issued, subscribed and paid up share capital of the Transferee Company.

v. The Equity Shares of the Transferee Company are listed on National Stock Exchange and Bombay Stock Exchange.

vi. The main objects of the Transferee Company as set out in its Memorandum of Association are as under:

1. *To trade, buy, sell, distribute, indent, manufacture, cultivate, grow, produce, collect, store, make, convert, pack, move, preserve, stock, consign, treat, process, prepare, refine, purify, import, export and generally to deal whether as wholesalers, retailers, stockiest, agent, subagent, indenters, merchants, distributors, consignors, jobbers in and to carry on the business of dairy, dairy products, dairy farming, dairymen, milk contractors, milk collection centers, dairy farmers, millers, surveyors and vendors of milk, milk products like condenses milk, powdered milk, pasteurized milk, flavoured milk, whole milk powder, skimmed milk powder, fats, cream, cheese, butter, yogurt, margarine, panner, ghee, and all kind of things and products from milk like sweets, toffees, chocolates, ice creams, and all articles and things made wholly or partly from milk or milk products and/or wherein milk and/or milk products are constituent part and/ or products involving use of milk and/or milk products, and medicinal preparations from milk and dairy products.*
2. *To create infrastructures and common facilities centre and to establish, run, manage Food Park and Food processing Zone and to acquire, establish, let out, lease, license, exchange, furnish, occupy, possess and to construct, own, conduct, manage, hire, rent out and also to carry on business of establishing and / or running food park which will assist, support in establishment of small or medium scale industries engaged in manufacturing, processing, preserving, freezing, drying, canning, packing, refining, bottling, buying, selling and dealing whether as wholesalers or retailers or as exporters or imports or as principals or agents, in milk and milk products, agricultural products and services, horticultural products of every description, processed fruits and vegetables, bottled and tinned, processed and packaged foods, chutneys, pickles, pastes, spices, condiments, ketchups, sauces, salad dressings, ready to eat foods, health and instant foods including baby and diet foods, cereals, beverages, cordials, tonics, restorative and extruded food stuff, snacks, jams, jelly, squashes, pickles, sausages, concentrates, extracts, essences, flavours, syrups, sarbats, aerated drinks, liquids, drinks, beverages, juices, flavoured drinks, health and diet drinks, packed drinking water, extruded foods, frozen foods, dehydrated foods, pre cooked foods, canned foods, preserved foods, health foods, fast foods, cream, cheese, butter, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, protein foods, dietic products, strained, baby foods, instant foods, cereal products, table delicacies and all other items whether natural,*

artificial or synthetic of charter and consumable provisions of every description for human and /or animal consumption

3. *To carry on the business of acquisition of land and other immovable properties whether cultivating for agricultural purposes and oriented projects all over India and undertake forestry horticulture and other allied activities and to carry on the business of agriculturists, horticulturist, floriculturists, planters, Seri culturists, cultivators, farmers, dealers of produce of soil of water and specially to plant, grow, cultivate, import, export, buy, sell, process, manufacturer, blend, refrigerate, store, package, any other way deal in tea, coffee, tobacco, cinchona, cardamom, rubber, cocoa, jojoba, cereals, food grain, spices, mushrooms, fungai, food stuff potato product, oil and other seeds, all varieties of fruits and vegetables, flowers, coconuts, groundnuts, cashewnuts, almonds and other varieties of edible and in-edibles nuts and all kind of trees whether ornamental or commercial and whether hard and soft wood, soil, or water and all products and by product thereof and to prepare, manufacture and render marketable any such produce to sell, dispose off purchase and deal in such produce either when it is prepared, manufactured and roasted and either by wholesale, retail or other commercial method.*

vii. Details of Share Holders and Directors of the Transferee Company are as follows:

Sr. No.	Share Holder	Address
A. Promoters/Shareholders		
1.	Nirmal Family Trust – Trustee Mr. Sarangdhar R. Nirmal	Gat No. 122, Post Ranjankhol, Taluka Rahata, Dist Ahmednagar, 413720
2.	Sarangdhar Ramchandra Nirmal	Nirmalnagar At Post Ranjankhol, Taluka Shrirampur, Dist Ahmednagar, Ahmednagar, 413720, Maharashtra
3.	Vivek Sarangdhar Nirmal	At Post Ranjankhol, Tal Rahata, Ahmednagar, 413720, Maharashtra
4.	Kishor Ramchandra Nirmal	At Post Ranjankhol Taluka Rahata, Ranjankhol, Tilaknagar Ahmednagar - 413720
5.	Public	---
B. Directors		
1.	Sarangdhar Ramchandra Nirmal	Nirmalnagar At Post Ranjankhol, Taluka Shrirampur, Dist Ahmednagar, Ahmednagar, 413720, Maharashtra
2.	Soundararajan Bangarusamy	No.7 , Rain Tree Shire, Parsnesesh Nestle Apartments Nanjundapuram road, Coimbatore - 641 036
3.	Ashok Sinha	13, Yayati ,Sec 58 A,Palm Beach Road Nerul West, Navi Mumbai Navi Mumbai 400706
4.	Rajesh Kumar Srivastava	S-376,Ground Floor, Panchshila Park,, New Delhi, 110017, Delhi, India
5.	Vivek Sarangdhar Nirmal	At Post Ranjankhol, Tal Rahata, Ahmednagar, 413720, Maharashtra, India

6.	Seemantinee Khot	1104 Wooland Avenue, S. No. 36,, Part Kothrud,, Pune, 411038, Maharashtra, India
7.	Anoop Krishna	C/10, Kinellan Tower, 100 A Nepean Sea Road, Mumbai -400 006

viii. The amount of Secured Creditors of the Transferee Company as on February 20, 2019 is **Rs. 3,61,50,64,681.**

ix. The amount of Unsecured Creditors excluding the amount of Provisions of the Transferee Company as on February 20, 2019 is **Rs. 1,62,39,80,757.**

4. Relation subsisting between the Companies who are parties to the Scheme of Amalgamation and Arrangement:

The entire issued, subscribed and paid-up share capital of the Transferor Company is beneficially held by the Transferee Company. Thus, the Transferor Company is the wholly-owned subsidiary company of the Transferee Company.

5. Board Approval

The Scheme of Amalgamation and Arrangement was unanimously approved by the Board of Directors of the Transferor Company and the Transferee Company at its respective Board Meetings dated February 13, 2019 respectively.

Name of the directors who attended and voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

i. Transferor Company

Sr. No	Name of Directors who had attended the meeting held on 13 th February, 2019	Voted in Favour/ Against/ Abstained from voting
1.	Vivek Sarangdhar Nirmal	Favour
2.	Sarangdhar R. Nirmal	Favour

ii. Transferee Company

Sr. No	Name of Directors who had attended the meeting held on 13 th February, 2019	Voted in Favour/ Against/ Abstained from voting
1.	Sarangdhar R. Nirmal	Favour
2.	Vivek Sarangdhar Nirmal	Favour
3.	Ashok Sinha	Favour
4.	Rajesh Srivastava	Favour
5.	Seemantinee Khot	Favour
6.	Anoop Krishna	Favour

6. Rationale and Benefits of the Scheme of Amalgamation and Arrangement:

The Transferor Company is a wholly-owned subsidiary company of the Transferee Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor Company be amalgamated with Transferee Company. The amalgamation of Transferor Company with Transferee Company would inter alia have the following benefits:

- (a) The amalgamation will provide synergetic benefits to the cattle field business of the Transferor Company by consolidating operations of the Transferor Company into a single entity and thereby streamlining the corporate structure and activities and maximizing stakeholders value creation.
- (b) The amalgamation will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;
- (c) The amalgamation will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will fuel the growth of the business and help effectively address the ever growing competition;
- (d) The amalgamation will result in economy of scales, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs;
- (e) The amalgamation will result in a reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company; and
- (f) The amalgamation would motivate employees of the Transferor Company by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide impetus to better corporate performance ultimately enhancing overall shareholder value.

In view of the aforesaid objectives, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Undertaking of the Transferor Company (as defined hereunder) and business of the Transferor Company with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

7. **Description and Salient features of the Scheme of Amalgamation and Arrangement:**

The details/salient features of the Scheme of Amalgamation and Arrangement are set out as below:

- i. The Scheme of Amalgamation and Arrangement provides for amalgamation of Cheese Land Agro (India) Pvt. Ltd. ("**Transferor Company**") with Prabhat Dairy Limited ("**Transferee Company**") and their Shareholders and Creditors pursuant to Sections 230 to 233 and other relevant provisions of the Companies Act, 2013 and the relevant rules thereof. The entire Equity Share Capital of the Transferor Company is beneficially held by the Transferee Company, Prabhat Dairy Limited. In other words, the Transferor Company is a wholly-owned subsidiary company of the Transferee Company. The Scheme is intended to generate greater efficiency in overall business including economies of scales, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business.
- ii. The "**Appointed Date**" for the Scheme of Amalgamation and Arrangement is October 1, 2018 or such other date as may be mutually agreed by the Board of Directors of the Transferor Company and the Transferee Company or such other date as may be fixed or directed by the Central Government or any other Governmental Authority, as the case may be, and which is acceptable to the Board of Directors of the Transferor Company and the Transferee Company, and is the date with effect from which the Scheme shall upon receipt of requisite approvals, be deemed to be operative.
- iii. The Effective Date for the Scheme of Amalgamation and Arrangement means the last of the dates on which the sanctions/approvals or orders as specified in clause no. 22 of this Scheme of Amalgamation and Arrangement have been obtained and/or filed.
- iv. The entire equity share capital of the Transferor Company is beneficially held by the Transferee Company. In other words, the Transferor Company is a wholly-owned subsidiary company of the Transferee Company. Accordingly, pursuant to this Scheme, no shares of the Transferee Company shall be issued and allotted to the Transferor Company and/ or the shareholders of the Transferor Company pursuant to the said Scheme of Amalgamation and Arrangement. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished without any further act, deed or instrument as an integral part of this Scheme.

The features set out above being only the salient features of the Scheme of Amalgamation and Arrangement as are statutorily required to be included in this explanatory statement, the members are requested to read the entire text of the Scheme of Amalgamation and Arrangement (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Amalgamation and Arrangement.

8. **Applicability of Valuation Report and Fairness Opinion on Valuation Report**

The entire equity share capital of the Transferor Company is beneficially held by the Transferee Company. In other words, the Transferor Company is the wholly-owned subsidiary company of the Transferee Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders thus, no valuation report and Fairness Opinion on Valuation Report is obtained for the same.

9. **No Objections / Suggestions from the Registrar of Companies and/or the Official Liquidator or Persons affected by the Scheme**

Pursuant to Section 233(1) of the Companies Act, 2013 and Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Transferor Company and the Transferee Company has served notices to the Registrar of Companies (ROC), Pune, the Official Liquidator and persons affected by the Scheme on February 22, 2019 inviting suggestions/objections/approvals within 30 days, if any. The period of 30 days for inviting, objections/suggestions to scheme from ROC, Official Liquidator or persons affected by the scheme has not yet lapsed. However, the Transferor Company and the Transferee Company so far has not received any objections/suggestions to the Scheme as on the date.

Further, if any materials objections/suggestions are received prior to the date of the meeting then such observations/suggestions shall be placed before the meeting with necessary modifications in the resolution/scheme required if any.

Further the transferor and transferee Company have filed Declaration of Solvency in the prescribed form with Registrar of Companies, Official Liquidator and the Regional Director as specified under Section 233 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

10. **Effect of the Scheme of Amalgamation and Arrangement**

- i. **Directors and Key Managerial personnel (KMP) and their respective relatives:** The Directors and Key Managerial Personnel (KMP) and their respective relatives of the Applicant Company may be deemed to be concerned and/or interested in the Scheme of Amalgamation and Arrangement only to the extent the said Directors / KMP and their respective relatives are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the Transferor Company and/or Transferee Company. Save as aforesaid, none of the Directors / KMP of the Transferor Company and / or Transferee Company have any material interest in the Scheme of Amalgamation and Arrangement.
- ii. **Promoter and Non-Promoter Shareholders:** As the Transferor Company is presently a wholly owned subsidiary company of the Transferee Company, the Scheme of Amalgamation and Arrangement does not provide for issuance of Equity Shares by the Transferee Company to the Transferor Company or any of its shareholders. Accordingly, nil consideration shall be payable by the Transferee Company. Thus, the Pre and Post Scheme Equity shareholding pattern of the Transferee Company shall remain the same. Therefore, there will be no material change in the interest / shareholding of the promoters and non-promoter shareholders of the Applicant Company pursuant to the said scheme.
- iii. **Creditors:** The rights and interest of the Creditors of companies involved in the Scheme of Amalgamation and Arrangement will not be prejudicially affected by the Scheme, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner and post Scheme becoming effective, all the liabilities of the Transferor Company will get transferred to the

Transferee Company and the Transferor Company will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors.

- iv. **Employees:** The rights and interests of the employees involved in the Scheme will not be prejudicially affected by the Scheme as all the permanent employees of Transferor Company, if any, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of Transferee Company, respectively, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of Transferor Company shall be taken into account from the date of their appointment with the Applicant Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible.
- v. **Debenture Holders:** The rights and interest of the Debenture holders of transferee company, if any, involved in the Scheme of Amalgamation and Arrangement will not be prejudicially affected by the Scheme, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner and post Scheme becoming effective, all the liabilities of the Transferor Company will get transferred to the Transferee Company and the Transferee Company will discharge all such liabilities in the normal course of business without jeopardizing the rights of the Debenture holders.
11. No investigation proceedings have been instituted or are pending in relation to the Transferor Company and the Transferee Company under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956.
12. The Transferor Company and the Transferee Company are required to seek approvals/ sanctions/ no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Official Liquidator, Regional Director and will obtain the same at the relevant time.
13. The copy of draft Scheme of Amalgamation and Arrangement is filed with the Registrar of Companies -Pune, Official Liquidator, Regional Director and Stock Exchanges along with Form CAA-9.
14. The Transferee Company has pursuant to Regulation 37 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 filed a copy of scheme with the stock exchanges for the purpose of disclosure.
15. There is no winding up proceedings pending against the Transferor Company and/or Transferee Company as of date.
16. There is no capital / debt restructuring exercise proposed to be carried on by the said Scheme of Amalgamation and Arrangement.
17. The following documents will be open for inspection by the Shareholders as per Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 at the Registered Office of Applicant Company situated at Registered Office: 121/2A, At Post Ranjankhol Rahata, Shrirampur, Ahmednagar, Maharashtra - 413720 on all working days (Monday to Saturday) between 11.00 am to 2.00 pm up to the date of the ensuing extra ordinary general meeting.
 - i. Copies of the Memorandum of Association and Articles of Association of Cheese Land Agro (India) Pvt. Ltd. and Prabhat Dairy Limited;
 - ii. Copy of Audited Financial Statements of Cheese Land Agro (India) Pvt. Ltd. and Prabhat Dairy Limited for the year ended March 31, 2018;

- iii. Scheme of Amalgamation and Arrangement of Cheese Land Agro (India) Pvt. Ltd. with Prabhat Dairy Limited and their respective shareholders and creditors;
- iv. Copies of the resolutions passed by the respective Board of Directors of Cheese Land Agro (India) Pvt. Ltd. and Prabhat Dairy Limited approving the Scheme of Amalgamation and Arrangement;
- v. Notice to the Registrar of Companies, the Official Liquidator and other persons affected by the Scheme in Form CAA-9;
- vi. Declaration of Solvency in Form CAA-10 filed with the Registrar of Companies and Official Liquidator;
- vii. Contracts or agreements material to the amalgamation, if any;
- viii. Such other information or documents as the Board or management believes necessary and relevant for making decision for or against the Scheme of Amalgamation and Arrangement.

This statement may be treated as an Explanatory Statement under Section 102 of the Companies Act, 2013 read with Section 233 of the Companies Act, 2013.

The Board is of the opinion that the aforesaid resolution is in the best interest of the Company and its shareholders and hence recommends the above Resolution for your approval with requisite majority.

None of the Directors and KMP or their relatives is interested financially or otherwise in the above resolution except in their capacity as a shareholder of the Company.

**By order of the Board of Directors
Prabhat Dairy Limited**

Sd/-

**Dipti Todkar
Company Secretary
(Membership No. ACS 21676)**

Date: February 13, 2019

Place: Navi Mumbai

Registered office: 121/2A, At Post Ranjankhol, Rahata,
Shrirampur, Dist. Ahmednagar – 413720
Maharashtra.

Encl: As above

PRABHAT DAIRY LIMITED

CIN: L15203PN1998PLC013068

Registered Office: 121/2A at Post Ranjankhol Rahata Ahmednagar, Shrirampur MH-413720

Email: investor@prabhatdairy.in; Website: www.prabhatdairy.in

Tel.: +91-2422-265993, +91-22-41287700

PROXY FORM

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____ Folio No./Client ID: _____ DP ID: _____

I / We being the member(s) of _____ shares of Prabhat Dairy Limited, hereby appoint -

1) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

2) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

3) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

as my / our proxy and whose signature(s) are appended below to attend and vote (on Poll) for me/ us and on my/ our behalf at the Meeting of the Company to be held at **121/2A, At Post Ranjankhol Rahata, Ahmednagar, Shrirampur Maharashtra - 413720 on Tuesday, 26th March, 2019 at 12.00 noon** and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

Sr. No.	Particulars
1	Approve with or without modifications the sale of entire investments (equity and preference) in its subsidiary, Sunfresh Agro Industries Private Limited to Tirumala Milk Products Private Limited and sale of dairy business undertaking of the Company to Sunfresh Agro Industries Private Limited and Tirumala Milk Products Private Limited – Special Resolution
2.	Approval with or without modifications Scheme of Amalgamation and Arrangement of Cheese Land Agro (India) Pvt. Ltd. ("Transferor Company") with Prabhat Dairy Limited ("Transferee Company") and their respective Shareholders and Creditors – Resolution with Requisite majority

Signed this _____ day of _____ 2019

Affix Re. 1
Revenue
Stamp

(Signature of shareholder(s))

Signature of Proxy _____

NOTES:

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered / Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the Proxy Form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- * It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as He/ She thinks appropriate.
6. For the resolution and explanatory statement please refer to the Notice of the Extra Ordinary General Meeting.
7. The Proxy-holder shall prove his/ her identity at the time of attending the Extra Ordinary General Meeting.
8. Please complete all details including details of member(s) in above box before submission.
9. All alterations made in the form of proxy should be initialed.

PRABHAT DAIRY LIMITED

CIN: L15203PN1998PLC013068

Registered Office: 121/2A at Post Ranjankhol Rahata Ahmednagar, Shirampur MH-413720

Email: investor@prabhatdairy.in Website: www.prabhatdairy.in

Tel.: Tel.: +91-2422-265993, +91-22-41287700

ATTENDANCE SLIP

Folio No./ DP ID and Client ID:	
Name:	
Address	
No. of shares	

I/ We hereby record my/ our presence at the Extra Ordinary General Meeting of the Company on Tuesday, March 26, 2019 at 12.00 noon at 121/2A, At Post Ranjankhol, Rahata, Shirampur, Dist. Ahmednagar – 413720, Maharashtra.

First/ Sole holder/ Proxy _____

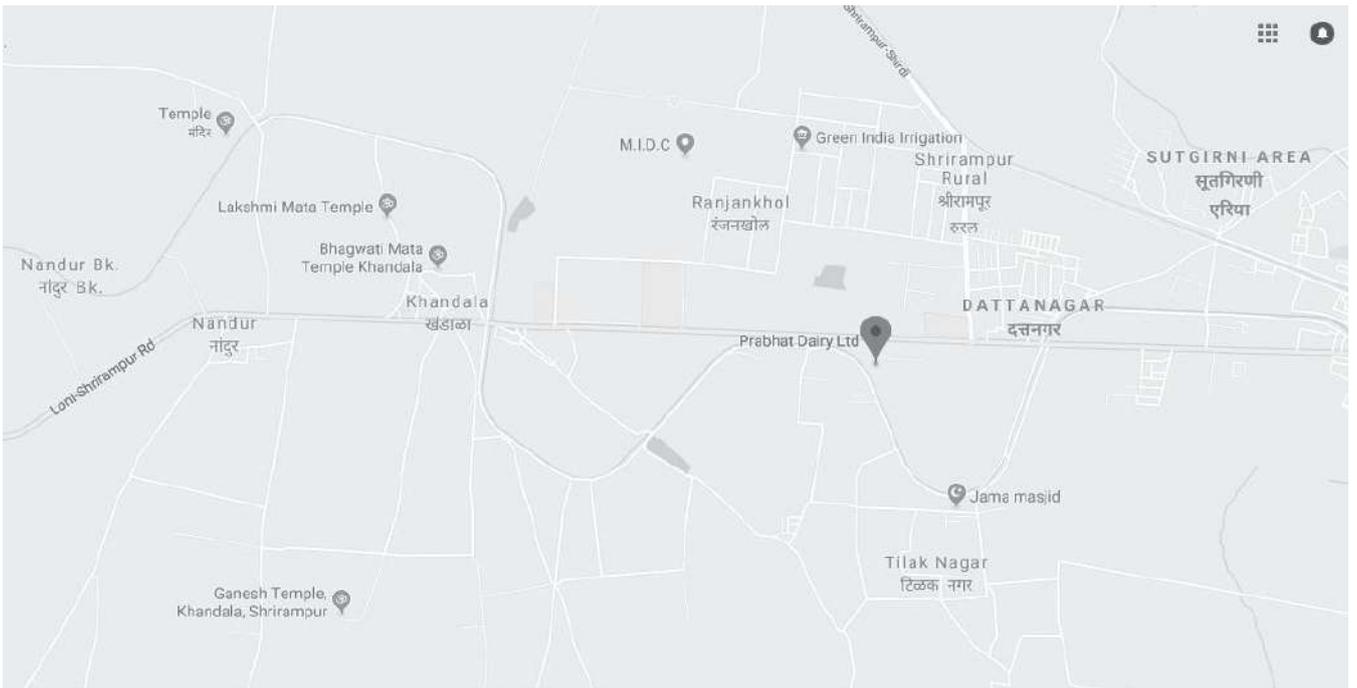
Second holder / Proxy _____

Third holder/ Proxy _____

NOTES:

- (1) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

Route Map



SCHEME OF AMALGAMATION AND ARRANGEMENT

OF

CHEESE LAND AGRO (INDIA) PVT LTD
("TRANSFEROR COMPANY")

WITH

PRABHAT DAIRY LIMITED
("TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 233 OF THE COMPANIES ACT, 2013 AND ANY OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 READ WITH APPLICABLE RULES MADE THEREUNDER

1. PREAMBLE

This Scheme of Amalgamation and Arrangement ("**Scheme**") provides for amalgamation of Cheese Land Agro (India) Pvt Ltd. (Company Registration No: 136135 and having CIN: U15209PN2010PTC136135) defined as "the Transferor Company" with Prabhat Dairy Limited (Company Registration No.: 013068 and having CIN: L15203PN1998PLC013068) defined as "the Transferee Company" pursuant to Sections 230 to 233 and other relevant provisions of the Companies Act, 2013.

2. DESCRIPTION OF COMPANIES

2.1 CHEESE LAND AGRO (INDIA) PVT LTD ("Transferor Company")

The Transferor Company was incorporated on April 22, 2010 as a Private Limited Company under the Companies Act, 1956 under the name and style of "Cheese land Agro (India) Pvt. Ltd." with Company Registration No.: 136135 and CIN: U15209PN2010PTC136135 as per the certificate of incorporation issued by the Registrar of Companies, Maharashtra, Pune.

The registered office of the Transferor Company is situated at GAT NO. 121/2A, At Ranjankhol, Shirampur Ahmednagar-413720

The main objects clause as set out in the Memorandum of Association is as under:

To Carry on in India or elsewhere the business to manufacture, produce, process, cultivate, make, convert, grow, indent, move, trade, prepare, disinfect, compound, purify, prepare, refine, stock, consign, mix, clean, collect, store, concentrate, segregate, pack, repack, grade, preserve, extract, buy, sell, resell, import, export, distribute, market, supply and to act as agent, broker, stockist, liasioner, or otherwise to deal in all types, descriptions, tests, uses and packs of dairy products, fats, dairy farming and their by-products, ingredients, derivatives, residues including milk, condensed milk, powdered milk, skimmed milk, pasteurized milk, flavoured milk, whole milk, powder, cheese, yogurt, butter, margarine, milk products like cheese and cheese related products, cheese crumbs, cream, paneer, mattha, ghee, curd, & all other items whether natural, artificial, or synthetic, of a character, similar or analogous and medicinal preparations from milk and dairy products.

The Company is primarily engaged in the business of cattle feed and manufacturing, trading and marketing all types of dairy products

The entire paid-up share capital of the Transferor Company is beneficially held by the Transferee Company and accordingly the Transferor Company is a wholly owned subsidiary of the Transferee Company

2.2 PRABHAT DAIRY LIMITED ("Transferee Company")

The Transferee Company was incorporated on November 25, 1998 as a Private Limited Company under the Companies Act, 1956 under the name and style of "Prabhat Dairy Private Limited" with Company Registration No.: 013068 and CIN: L15203PN1998PLC013068 as per the Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune.

Vide fresh certificate of Incorporation dated March 19, 2015 the Company was converted into Public Limited Company from Private Limited Company and consequently the name of the Company was changed from "Prabhat Dairy Private Limited" to "Prabhat Dairy Limited"

The registered office of the Company is situated at 121/2A at Post Ranjankhol Rahata Ahmednagar, Shirampur MH-413720.

The main objects clause as set out in the Memorandum of Association is as under:

1. To trade, buy, sell, distribute, indent, manufacture, cultivate, grow, produce, collect, store, make, convert, pack, move, preserve, stock, consign, treat, process, prepare, refine, purify, import, export and generally to deal whether as wholesalers, retailers, stockiest, agent, subagent, indenters, merchants, distributors, consignors, jobbers in and to carry on the business of dairy, dairy products, dairy farming, dairymen, milk contractors, milk collection centers, dairy farmers, millers, surveyors and vendors of milk, milk products like condenses milk, powdered milk, pasteurized milk, flavoured milk, whole milk powder, skimmed milk powder, fats, cream, cheese, butter, yogurt, margarine, panner, ghee, and all kind of things and products from milk like sweets, toffees, chocolates, ice creams, and all articles and things made wholly or partly from milk or milk products and/or wherein milk and/or milk products are constituent part and/ or products involving use of milk and/or milk products, and medicinal preparations from milk and dairy products.

2. To create infrastructures and common facilities centre and to establish, run, manage Food Park and Food processing Zone and to acquire, establish, let out, lease, license, exchange, furnish, occupy, possess and to construct, own, conduct, manage, hire, rent out and also to carry on business of establishing and / or running food park which will assist, support in establishment of small or medium scale industries engaged in manufacturing, processing, preserving, freezing, drying, canning, packing, refining, bottling, buying, selling and dealing whether as wholesalers or retailers or as exporters or imports or as principals or agents, in milk and milk products, agricultural products and services, horticultural products of every description, processed fruits and vegetables, bottled and tinned, processed and packaged foods, chutneys, pickles, pastes, spices, condiments, ketchups, sauces, salad dressings, ready to eat foods, health and instant foods including baby and diet foods, cereals, beverages, cordials, tonics, restorative and extruded food stuff, snacks, jams, jelly, squashes, pickles, sausages, concentrates, extracts, essences, flavours, syrups, sarbats, aerated drinks, liquids, drinks, beverages, juices, flavoured drinks, health and diet drinks, packed drinking water, extruded foods, frozen foods, dehydrated foods, pre cooked foods, canned foods, preserved foods, health foods, fast foods, cream, cheese, butter, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, protein foods, dietic products, strained, baby foods, instant foods, cereal products, table delicacies and all other items whether natural, artificial or synthetic of charter and consumable provisions of every description for human and /or animal consumption

3. To carry on the business of acquisition of land and other immovable properties whether cultivating for agricultural purposes and oriented projects all over India and undertake forestry horticulture and other allied activities and to carry on the business of agriculturists, horticulturist, floriculturists, planters, Seri culturists, cultivators, farmers, dealers of produce of soil of water and specially to plant, grow, cultivate, import, export, buy, sell, process, manufacturer, blend, refrigerate, store, package, any other way deal in tea, coffee, tobacco, cinchona, cardamom, rubber, cocoa, jojoba, cereals, food grain, spices, mushrooms, fungai, food stuff potato product, oil and other seeds, all varieties of fruits and vegetables, flowers, coconuts, groundnuts, cashewnuts, almonds and other varieties of edible and in-edibles nuts and all kind of trees whether ornamental or commercial and whether hard and soft wood, soil, or water and all products and by product thereof and to prepare, manufacture and render marketable any such produce to sell, dispose off purchase and deal in such produce either when it is prepared, manufactured and roasted and either by wholesale, retail or other commercial method.

The Company is primarily engaged in the business of cattle feed and manufacture, trade, market all types of dairy products

The shares of the Transferee Company are listed on “NSE” and “BSE” .

3. RATIONALE OF THE SCHEME

The Transferor Company is a wholly-owned subsidiary company of the Transferee Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor Company be amalgamated with Transferee Company. The amalgamation of Transferor Company with Transferee Company would inter alia have the following benefits:

- (a) The amalgamation will provide synergetic benefits to the cattle feed business of the Transferor Company by consolidating operations of the Transferor Company into a single entity and there by streamlining the corporate structure and activities and maximizing stakeholders value creation.
- (b) The amalgamation will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;
- (c) The amalgamation will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will fuel the growth of the business and help effectively address the ever growing competition;
- (d) The amalgamation will result in economy of scales, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs;
- (e) The amalgamation will result in a reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company; and
- (f) The amalgamation would motivate employees of the Transferor Company by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide impetus to better corporate performance ultimately enhancing overall shareholder value.

In view of the aforesaid objectives, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Undertaking of the Transferor Company (as defined hereunder) and business of the Transferor Company with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

4. PARTS OF THE SCHEME

This Scheme of Amalgamation and Arrangement is divided into the following parts:

Part A – Definitions and Share Capital;

Part B – dealing with the amalgamation of the Transferor Company with the Transferee Company and

Part C – dealing with the General Terms and Conditions and other matters consequential to and integrally connected with the Scheme of Amalgamation and Arrangement.

PART A – DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 5.1 **“Act”** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactments or amendments made thereto from time to time.
- 5.2 **“Applicable Laws”** shall mean any statute, notification, bye-laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.
- 5.3 **“Appointed Date”** means the October 01, 2018 or such other date as may be mutually agreed by the Board of Directors of the Transferor Company and the Transferee Company or such other date as may be fixed or directed by the Central Government or any other Governmental Authority, as the case may be, and which is acceptable to the Board of Directors of the Transferor Company and the Transferee Company, and is the date with effect from which the Scheme shall upon receipt of requisite approvals, be deemed to be operative.
- 5.4 **“BSE”** means Bombay Stock Exchange
- 5.5 **“Effective Date”** means the last of the dates on which the conditions referred to in Clause 22 of this Scheme have been fulfilled. All references in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme taking effect”** shall mean the Effective Date.
- 5.6 **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term “encumber” or “encumbered” shall be construed accordingly.
- 5.7 **“Board of Directors”** means the board of directors of the Transferor Company or Transferee Company as the case may be and shall include a duly constituted committee thereof.
- 5.8 **“Governmental Authority”** means any applicable Central, State or Local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Official Liquidators, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, courts and other government and regulatory authorities of India.
- 5.9 **“NCLT”** or means National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and the Transferee Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act.
- 5.10 **“NSE”** means National Stock Exchange of India
- 5.11 **“Scheme”** or **“Scheme of Amalgamation and Arrangement”** means this Scheme of Amalgamation and Arrangement in its present form including any modifications or amendments thereto, either approved by Board of Directors of Transferor Company and Transferee Company or imposed or directed by the Central Government or the NCLT, Mumbai Bench or any other Governmental Authority and which is accepted by Board of Directors of Transferor Company and Transferee Company.
- 5.12 **“Stock Exchanges”** means the NSE and/or the BSE.

- 5.13 **“The Transferor Company”** shall have the same meaning as ascribed to it in Clause 2.1 above.
- 5.14 **“The Transferee Company”** shall have the same meaning as ascribed to it in Clause 2.2 above.
- 5.15 **“Undertaking of the Transferor Company”** shall mean the entire business and whole of the undertaking of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:
- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Company, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Company employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad;
 - (b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company’s business activities and operations;
 - (c) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company;

- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;
- (e) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;
- (f) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;
- (g) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (h) All permanent and temporary employees engaged by the Transferor Company at various locations, if any.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under, in order of preference, the Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

6. SHARE CAPITAL

6.1 The Share Capital of the Transferor Company as on March 31, 2018 was as under:

Particulars	Amount (Rs.)
Authorised Capital:	
32,50,000 Equity Shares of Rs. 10/- each	3,25,00,000/-
Total (Rupees Three Crores and Twenty-Five Lakhs only)	3,25,00,000/-
Issued, Subscribed and Paid up capital:	
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000/-
Total (Rupees Three Crores Only)	3,00,00,000/-

Subsequent to March 31, 2018, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company.

As on the date of approval of the Scheme by the Board of Directors, the entire share capital of the Transferor Company is beneficially held by the Transferee Company. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

6.2 The Share Capital of the Transferee Company as on March 31, 2018 was as under:

Particulars	Amount (Rs.)
Authorised Capital:	
10,00,00,000 Equity Shares of Rs. 10/- each	100,00,00,000/-
Total (Rupees Hundred Crores only/-)	100,00,00,000/-
Issued, Subscribed and Paid up capital:	
9,76,76,131 Equity Shares of Rs. 10/- each (Ten Crore Only)	97,67,61,310/-
Total (Rupees Ninety-Seven Crores Sixty-Seven Lakhs Sixty-One Thousand Three Hundred and Ten only)	97,67,61,310/-

Subsequent to March 31, 2018, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

PART B – AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY

7. TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY

7.1 **General:** Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 230 to 233 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable. Notwithstanding anything contained in this Scheme, the provisions of this Scheme and all clauses hereunder shall be given effect to from the Appointed Date.

7.2 **Transfer of Assets:** Without prejudice to the generality of Clause 7.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

7.2.1 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 233 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 233 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.

7.2.2 In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 230 to 233 and other applicable provisions of the Act.

7.2.3 In respect of movables, other than those dealt with in Clause 7.2.2 above, of the Transferor Company including the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, without any further act, instrument or deed, on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole

discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

7.2.4 All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company including in relation to the Undertaking of the Transferor Company, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Section 230 to 233 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

7.3 **Transfer of Liabilities:** Without prejudice to the generality of Clause 7.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

7.3.1 All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertaking of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (**the "Liabilities"**) shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

7.3.2 Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), if any, shall pursuant to the provisions of Sections 230 to 233 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.

7.3.3 Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

7.3.4 All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking of the Transferor Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act, deed or instrument, be and stand transferred to and be deemed to be transferred to the

Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

- 7.3.5 The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- 7.3.6 The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the Scheme becoming effective, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
- 7.3.7 The transfer and vesting of the assets comprised in the Undertaking of the Transferor Company to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, deed or instrument, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance, if any, referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances, if any, shall not relate or attach to any of the other assets of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditor/s and subject to consents and approvals of the existing secured creditors of the Transferee Company, if any. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 7.3.8 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
- 7.3.9 It is expressly provided that no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 7.4 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 7 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.
- 7.5 Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.
- 7.6 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

7.7 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme.

7.8 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that if any assets (including estates, claims, rights, entitlements, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, permissions, authorisations, schemes, arrangements or other instruments of whatsoever nature which belongs to the Transferor Company or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets or be entitled to all the rights, powers or interests in such instruments in trust in the name of the Transferor Company for its benefit in terms of this Scheme, in so far as it is permissible so to do, till such time the formal transfer is effected.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

8.1 Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

8.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Laws or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above as which the Transferor Company are obliged or bound to carry out or perform.

8.3 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

9. LEGAL PROCEEDINGS

9.1 Upon the effectiveness of the Scheme, all suits, appeal, actions and other legal proceedings of whatsoever nature by or against the Transferor Company pending and / or arising on or before the Appointed Date shall not abate, be discontinued

or be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or of anything contained in this Scheme, but shall be transferred in the name of the Transferee Company and shall be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would be or might have been continued, prosecuted or enforced by or against the Transferor Company as if the same had been filed by, pending and / or arising against the Transferee Company.

9.2 The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 9.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

10. SAVING OF CONCLUDED TRANSACTIONS

10.1 The transfer of the Undertaking of the Transferor Company, the effectiveness of contracts, deeds and other instruments and the continuance of the legal proceedings shall not affect any transactions or proceedings already concluded by the Transferor Company, on or before the Effective Date or on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company, in respect thereto, as if done and executed on its behalf.

11. STAFF AND EMPLOYEES

Upon the Scheme becoming effective:

11.1 All employees who are in service of the Transferor Company on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service (including as to remuneration) not less favourable than those subsisting with the Transferor Company as on the Effective Date.

11.2 The existing provident fund, gratuity fund and pension and other benefits provided by the Transferor Company to its employees or any other special funds created or existing for the benefit of the employees of the Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and until such time shall be maintained separately. In the event that the Transferee Company does not have its own funds with respect to any such matters, the Transferee Company shall create its own fund(s) to which the contributions pertaining to the employees of Transferor Company shall be transferred.

11.3 The Transferee Company agrees that for the purpose of payment of any gratuity or other terminal benefits, the past services of such permanent and confirmed employees, if any, with the Transferor Company shall also be taken into account.

11.4 The liabilities of the employees / officers towards the Transferor Company shall stand transferred to the Transferee Company. Further, any prosecution or disciplinary action, initiated, pending or contemplated against any employee or officer by the Transferor Company as on the Effective Date shall be continued under the extant provisions of the Transferor Company and any penalty / penalties imposed in this regard on any officer or employee would continue to operate against the concerned employee or officer and shall be enforced fully and effectually by the Transferee Company.

11.5 Without prejudice to the generality of the aforesaid, the Transferee Company shall have the right to transfer the employees of the Transferor Company to any branch, office, region, establishment, division, profit / cost center or department of the Transferee Company or its subsidiaries or affiliate / associate companies, situated anywhere in India or overseas, if warranted and as may be deemed necessary from time to time.

- 11.6 Except with the prior approval of the Transferee Company, the Transferor Company shall not, between Appointed Date and Effective Date, vary the terms and conditions of the employment of the employees unless such variance in the terms and conditions of employment of the employees are in the ordinary course of business.
- 11.7 The Transferee Company shall be liable to pay and shall pay to each of the officers and employees such compensation in the event of the retrenchment of any of them as they may be entitled to receive according to any agreement between them and the Transferor Company or between them and the Transferee Company, as the case may be, or as may be required by any law for the time being in force, such compensation to be paid to each of them on the basis that their service has been continuous and has not been interrupted by virtue of the Undertaking of the Transferor Company having been taken over by the Transferee Company under this Scheme.

12. TAX TREATMENT

- 12.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including that resulting from a retrospective amendment of law or for any other reason whatsoever till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified, unless the Board of Directors decide otherwise, to the extent required to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 12.2 All taxes and duties including cess and surcharge if any (including but not limited to income tax, tax deducted at source, customs duty, excise duty, service tax, sales tax, value added tax, goods and services tax, professional tax, entry tax, local body tax etc.) paid or discharged by the Transferor Company in respect of the operations and/or the profits of the business of the Transferor Company before the Appointed Date whether by way of direct payment, deduction at source, advance tax or otherwise howsoever shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 12.3 All the profits or income, taxes (including advance tax, tax deducted at source and minimum alternate tax credit) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be accrued from the Appointed Date as the profits or income, taxes (including tax losses, minimum alternate tax credit), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 12.4 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, goods and services tax act, service tax laws, excise duty laws and all other applicable tax laws, and to claim refunds and or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 12.5 All tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date shall be continued and / or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by / or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 12.6 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 12.7 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies due to the Transferor Company consequent to the assessment made on the Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 12.8 The tax and duty payments including cess and surcharge if any (including without limitation income tax, service tax, excise duty, central sales tax, goods and services tax act, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / the Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 12.9 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 12.10 All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation, if any, in books of account of the Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and the Transferee Company shall be eligible for depreciation thereunder at the prescribed rates.
- 12.11 Without prejudice to the generality of the foregoing, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and services tax act, customs duty drawback etc.) to which the Transferor Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 12.12 Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after the Appointed Date shall be deemed to be made by the Transferee Company.

13. CONSIDERATION

- 13.1 The entire equity share capital of the Transferor Company is beneficially held by the Transferee Company. In other words, the Transferor Company is a wholly-owned subsidiary company of the Transferee Company. Accordingly, pursuant to this Scheme, no shares of the Transferee Company shall be issued and allotted in respect of shares held by it in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished without any further act, deed or instrument as an integral part of this Scheme.
- 13.2 The investments in the shares of the Transferor Company appearing in the books of account of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

- 14.1 Upon coming into effect of this scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the Indian Accounting Standard (IND AS-103) on “Business Combinations” prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of the Companies Act, 2013, as amended from time to time or as per the Accounting Standard 14 on “Accounting for Amalgamations” as prescribed under the Companies (Accounting Standards) Rules, 2006, as may be applicable.
- 14.2 All the assets, liabilities and reserves (whether capital or revenue or arising on revaluation) of the Transferor Company as on the Appointed Date shall stand transferred to in the, and the same shall be recorded by, the Transferee Company at their respective carrying amount and in the same form and manner as appearing in the books of account of the Transferor Company as on the Appointed Date.
- 14.3 The identity of the reserves standing in the books of account of the Transferor Company shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and at the same values at which they appeared in the financial statements of the Transferor Company. As a result of preserving the identity, reserves which prior to this Scheme becoming effective were available for distribution as dividend would also be available for distribution as dividend after the Scheme becoming effective.
- 14.4 As stated in Clause 13 above, no new shares will be issued or allotted by the Transferee Company pursuant to this Scheme. The investment in the equity shares of the Transferor Company appearing in the books of account of the Transferee Company (“Investment Amount”) shall stand cancelled and any difference between the Investment Amount and the paid-up share capital of the Transferor Company shall accordingly be adjusted against reserves of the Transferee Company.
- 14.5 In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 14.6 If there are any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Company and the Transferee Company, if any, shall, ipso facto, stand discharged and come to end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- 14.7 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

15. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

15.1 Aggregation of Authorised Share Capital

- 15.1.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, Mumbai, Maharashtra, by the authorised share capital of the Transferor Company amounting to Rs. 3,25,00,000/- (Rupees Three Crores and Twenty Five Lakh only) as stated in Clause 6.1 above and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to the

extent required, and the consent of the members to the Scheme shall be deemed to be sufficient for the purposes of effecting the amendment, and no further resolution(s) under Sections 13, 14, 61 and 232 and/or 233 of the Companies Act, 2013 as applicable would be required to be separately passed, as the case may be and for this purpose, the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased share capital of the Transferee Company and there would be no requirement for further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.

- 15.1.2 Upon this Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

Particulars	Amount (Rs.)
Authorised Capital:	
10,32,50,000 Equity Shares of Rs. 10/- each	103,25,00,000/-
Total (Rupees One Hundred Three Crores and Twenty-Five Lakhs Only/-)	103,25,00,000/-
Issued, Subscribed and Paid up capital:	
9,76,76,131 Equity Shares of Rs. 10/- each	97,67,61,310/-
Total (Ninety-Seven Crores Sixty-Seven Lakhs Sixty-One Thousand Three Hundred and Ten only/-)	97,67,61,310/-

- 15.1.3 It is hereby clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause V (a) of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

“V. The Authorised Share Capital of the Company is Rs. 103,25,00,000/- (Rupees One Hundred Three Crores and Twenty-Five Lakhs Only) divided into 10,32,50,000 (Ten Crore Thirty-Two Lakhs and Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each with power to increase or decrease the same.”

16. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

- 16.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
- 16.2 The Transferor Company shall be dissolved without winding up on the Scheme becoming effective.

PART C - GENERAL TERMS AND CONDITIONS

17. OPERATIVE DATE OF THE SCHEME

This Scheme though effective from the Appointed Date shall be operative / implemented from the Effective Date.

18. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date, and up to the Effective Date:

- 18.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall be deemed to have held and stand possessed of the Undertaking, on account of, and for the benefit of and in trust for the Transferee Company.
- 18.2 All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed

to be and accrued as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

- 18.3 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date, except with prior consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor Company and Transferee Company even if the same are prior to the Appointed Date.

- 18.4 The Transferor Company shall not, without prior consent of the Transferee Company, take any major policy decisions in respect of management of the Transferor Company and for business of the Transferor Company and shall not change its present Capital Structure.

- 18.5 The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Undertaking to the Transferee Company and directors of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

- 18.6 It is hereby agreed and clarified that whenever under this Scheme, the approval of the Transferor Company is required to be obtained, it shall be the approval of any one of the Director of the Transferor Company and whenever under this Scheme, the approval of the Transferee Company is required to be obtained, it shall be the approval of any one of the Director of the Transferee Company.

19. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

- 19.1 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company and the Transferor Company from declaring and paying dividends, whether interim or final, to its shareholders.

- 19.2 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

20. APPLICATION TO THE CENTRAL GOVERNMENT OR SUCH OTHER GOVERNMENTAL AUTHORITY

- 20.1 The Transferor Company and Transferee Company shall make all applications/petitions under applicable Sections 230 to 233 and other applicable provisions of the Act to the Central Government (through the office of Regional Directorate, Mumbai, Maharashtra) or such other Governmental Authority for sanctioning of this Scheme and for dissolution of Transferor Company without winding up under the provisions of Act and obtain all approvals as may be required under law.

- 20.2 Since the Transferee Company is a listed company, this Scheme shall be subject to the compliances of all the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all statutory directives of the Securities Exchange Board of India ("SEBI") insofar as they relate to sanction and approval of the scheme. However, SEBI vide notification no. SEBI/LAD/NRO/GN/2016-17/29 dated February 15, 2017 has amended the Listing regulations and relaxed the requirement of obtaining prior approval or no objection/observation letter of the SEBI and Stock Exchanges in the case of merger of wholly owned subsidiary company with its holding company. The draft schemes shall be filed with Stock Exchanges for disclosure purpose in compliance with the above notification.

20.3 Since this Scheme is entered between the Transferee Company and its wholly owned subsidiary company being the Transferor Company, the approval of Hon'ble NCLT will not be required as per provisions of section 233 of the Companies Act 2013. However, the Transferor Company and Transferee Company shall apply for all the approvals to the Hon'ble NCLT, if required, necessary and if directed by the Central Government or such other Governmental Authority.

21. MODIFICATIONS, AMENDMENTS TO THE SCHEME

21.1 The Transferor Company (by its Board of Directors) and Transferee Company (by its Board of Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the Central Government or any authorities under the Applicable Law may deem fit to approve of or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

21.2 For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of the Transferor Company and Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

22. SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS

This Scheme is specifically conditional upon and subject to:

22.1 The approval of, and agreement to the Scheme by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company under Sections 230 to 233 of the Companies Act, 2013, or as may be directed by the Central Government or such other Governmental Authority, and necessary resolutions being passed under the Act for the purpose.

22.2 The sanctions of the Central Government, Registrar of Companies and Official Liquidators or such other Governmental Authority being obtained under Sections 230 to 233 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.

22.3 Filing certified copies of the Central Government's order or order of such other Governmental Authority referred to in this Scheme being filed with the Registrar of Companies, Maharashtra.

23. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

23.1 In the event of any of the conditions referred in Clause 22 hereinabove are not satisfied or the said sanctions and approvals are not obtained and / or the said order or orders not passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors or any director authorized by the Board of Directors, the Scheme shall stand nullified, revoked, cancelled and shall become void and be of no effect and shall be deemed to have never have been in existence.

23.2 The Board of Directors of the Transferor Company and the Transferee Company are hereby authorized and empowered to agree to and extend the period as aforesaid determined from time to time without any limitations in exercise of their powers.

23.3 In the event of any subsequent change in law or regulations which does not require the Scheme to be approved by the Central Government or any other Governmental Authority as the case may be, the Transferor Company and the Transferee Company shall have the right to withdraw the Scheme as filed before the Central Government or any other Governmental Authority as the case may be.

23.4 In the event of revocation under Clause 23.3 above, no rights and liabilities whatsoever shall accrue to or be incurred to the Transferor Company and the Transferee Company or their respective members or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or

worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws, and in such case, the Transferor Company and the Transferee Company shall bear its own costs unless otherwise mutually agreed.

23.5 The Board of Directors or any director authorized by the Board of Directors of the Transferor Companies and / or the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

24. EFFECTIVE DATE OF THE SCHEME

This Scheme although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.

24.1 The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are hereinabove referred to have been obtained or passed; and

24.2 The date on which all necessary certified copies of the order under sections 230 to 233 of the Act are duly filed with the Registrar of Companies, Maharashtra and such date shall be referred to as Effective Date for the purpose of the Scheme.

25. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by the Central Government of any other Governmental Authority as the case may be, or unenforceable under present or future Applicable Laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and /or the Transferee Company, then in such case the Transferor Company and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part deleted.

26. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne by the Transferee Company only.

FORM NO. CAA.10

[Pursuant to section 233(1)(c) and rule 25(2)]

DECLARATION OF SOLVENCY

1. (a) Corporate identity number (CIN) of Company: U15209PN2010PTC136135

(b) Global location number (GLN) of Company: N.A.
2. (a) Name of the Company: **Cheese Land Agro (India) Pvt. Ltd.** (Transferor Company / Company)

(b) Address of the registered office of the company: GAT NO. 121/2A, At Ranjankhol, Shrirampur, Ahmednagar- 413720

(c) E-mail ID of the company: Dipti.todkar@prabhatdairy.in
3. (a) Whether the company is listed:
 Yes
 No

(b) If listed, please specify the name(s) of the stock exchange(s) where listed: N.A.
4. Date of Board of Directors' resolution approving the Scheme: February 13, 2019

Declaration of solvency

We, the directors of **Cheese Land Agro (India) Pvt. Ltd.** do solemnly affirm and declare that we have made a full enquiry into the affairs of the Company and have formed the opinion that the Company is capable of meeting its liabilities as and when they fall due and that the Company will not be rendered insolvent within a period of one year from the date of making this declaration.

We append an Audited Statement of Company's assets and liabilities as at March 31, 2018 being the latest date of making this declaration.

We further declare that the Company's audited annual accounts including the Balance Sheet have been filed up to date with the Registrar of Companies, Mumbai.

Signed for and behalf of the board of directors.

(1) Signature: Sd/-

Date: 27th February, 2019 Name: Sarangdhar Nirmal
Place: Navi Mumbai Director

(2) Signature: Sd/-

Name: Vivek Nirmal
Director

Verification

We solemnly declare that we have made a full enquiry into the affairs of the Company including the assets and liabilities of this Company and that having done so and having noted that the Scheme of Amalgamation and Arrangement between Cheese Land Agro (India) Pvt. Ltd. and Prabhat Dairy Limited is proposed to be placed before the shareholders and creditors of the Company for approval as per the provisions of sub-section (1) of section 233 of the Companies Act, 2013, we make this solemn declaration believing the same to be true.

Verified this day the 27th day of February 2019

(1) Signature: Sd/-
Name: Sarangdhar Nirmal
Director

(2) Signature: Sd/-
Name: Vivek Nirmal
Director

Solemnly affirmed and declared at Mumbai the 28th day of February 2019 before me.

Commissioner of Oaths and Notary Public

Attachments:

- a) Copy of board resolution
- b) Statement of assets and liabilities as at March 31, 2018
- c) Auditor's report for the year ending March 31, 2018

CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON 13TH FEBRUARY, 2019 AT PLOT NO. D-37/4, TTC INDUSTRIAL AREA, TURBHE, NAVI MUMBAI – 400705

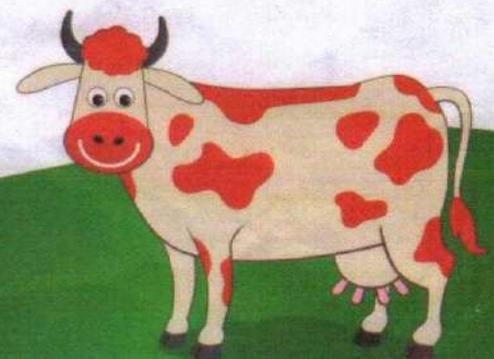
"RESOLVED THAT subject to obtaining of all requisite approvals and subject to the sanction by the Regional Director and/or other Governmental Authorities, the Company ("**Transferor Company**") be merged with Prabhat Dairy Limited ("**Transferee Company**") with effect from the Appointed Date, i.e. October 1, 2018 under the Scheme of Amalgamation and Arrangement as per the provisions of Section 230 to 233 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications, re-enactments or amendments thereof.

RESOLVED FURTHER THAT the entire equity share capital of the Company is beneficially held by the Transferee Company. In other words, the Transferor Company is a wholly-owned subsidiary company of the Transferee Company. Accordingly, pursuant to the Scheme, no shares of the Transferee Company shall be issued and allotted in respect of shares held by it in the Transferor Company. Hence, no consideration shall be payable by the Transferee Company under the Scheme.

RESOLVED FURTHER THAT the Equity Share Capital, if any existing and are held internally between the Company and Transferee Company will be cancelled / reduced as the case may be upon the Scheme of Amalgamation and Arrangement being sanctioned by the Regional Director and/or other Governmental Authorities.

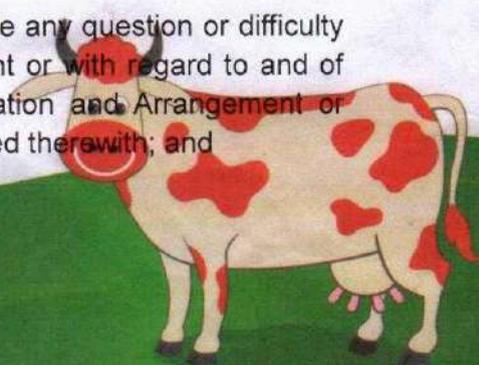
RESOLVED FURTHER THAT the draft Scheme of Amalgamation and Arrangement between the Company and Transferee Company, placed before the Meeting be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors do take further steps for obtaining requisite approvals of the shareholders and other persons (including creditors and regulatory authorities) whose consent is required under the law for the Scheme of Amalgamation and Arrangement and for that purpose to initiate all necessary action including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.



RESOLVED FURTHER THAT Mr. Sarangdhar Nirmal and/or Mr. Vivek Nirmal, Directors of the Company and/or Ms. Dipti Todkar, Authorised Signatory be and are hereby severally authorised in the name of and on behalf of the Company to:

- (a) finalize and settle the Scheme of Amalgamation and Arrangement, draft of the notices for convening the class meetings of members, creditors and the draft of the explanatory statement under Section 230 to 233 of the Companies Act, 2013 with such modifications as they may deem fit;
- (b) file appropriate forms required for inviting objections or suggestions with regard to the proposed Scheme of Amalgamation and Arrangement, with from the Registrar, Official Liquidator, Regional Director and/or other Governmental Authorities and any other documents, and to execute all such further deeds, documents and writings as may be necessary in that behalf;
- (c) affix the Common Seal of the Company on any documents in connection with the purpose of this Resolution as may be required, in accordance with the Articles of Association of the Company;
- (d) send the Common Seal of the Company to other places, if so required, to facilitate execution of documents, papers in connection with the Scheme of Amalgamation and Arrangement;
- (e) make applications to the relevant authorities or other persons for their approval to the Scheme of Amalgamation and Arrangement as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;
- (f) agree to and make such modifications, alterations and changes in the Scheme of Amalgamation and Arrangement as may be expedient or necessary;
- (g) give such directions as may be considered necessary to settle any question or difficulty arising under the Scheme of Amalgamation and Arrangement or with regard to and of the meaning or interpretation of the Scheme of Amalgamation and Arrangement or implementation hereof or in any manner whatsoever connected therewith; and



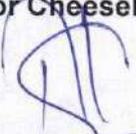
**Cheeseland Agro (India)
Pvt. Ltd.**

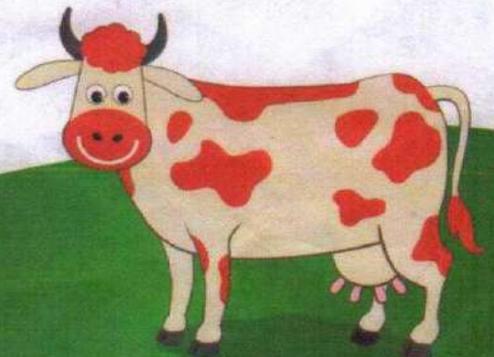
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(h) do all such other acts, deeds and things necessary, desirable or expedient in connection with or incidental to giving effect to the purpose of the above Resolution."

For Cheeseland Agro (India) Private Limited


Vivek S. Nirmal
Director
DIN: 00820923



Prabhat Group of Industries

CIN: U15209PN2010PTC136135

Regd. Office: At Ranjankhol, P.O. – Tilaknagar, Tal. Rahata, Dist. Ahmednagar – 413720,
Maharashtra, India, Tel. 02422-645500, 645901 to 09, Fax: 02422-265816, (M) 9921087777.

Pune Corporate Office: 2nd Floor, Kataria Chambers, Above Reliance Footprint, S. No. 128/4,
Plot No.6, Sanewadi, Aundh, Pune – 411007, Maharashtra, India. Telefax: 020-30269085.

www.prabhatfresh.com | info@prabhatfresh.com

ANNEXURE

Statement of assets and liabilities as at March 31, 2018

Name of the Company: Cheese Land Agro (India) Pvt. Ltd.

ASSETS

Sr. No.	Particulars	Book Value (Amount in Rupees)	Estimated Realizable Value (Amount in Rupees)
1.	Balance at Bank	41,000	41,000
2.	Cash in hand	1,000	1,000
3.	Marketable securities	-	-
4.	Bills receivables	-	-
5.	Trade debtors	1,27,53,000	1,27,53,000
6.	Loans & advances	-	-
7.	Unpaid calls	-	-
8.	Stock-in-trade	-	-
9.	Work in Progress	-	-
10.	Freehold Property	-	-
11.	Leasehold Property	-	-
12.	Plant and machinery	-	-
13.	Furniture, fittings, utensils, etc.	-	-
14.	Patent, trademarks etc. (Computer Software)	-	-
15.	Investments other than marketable securities	30,00,00,000	30,00,00,000
16.	Other Asset	21,75,000	21,75,000
17.	Total (A)	31,49,70,000	31,49,70,000

LIABILITIES

Estimated to rank for payment (to the nearest rupee)

Sr. No.	Particulars	Amount (In INR)
1.	Secured on specific assets	-
2.	Secured by floating charge(s)	-
3.	Estimated cost of liquidation and other expense including interest accruing until payment of debts in full.	-
4.	Unsecured creditors (amounts estimated to rank for payment)	
	(a) Trade accounts	1,28,72,000
	(b) Bills payable	-
	(c) Accrued expense	-
	(d) Other liabilities	5,04,000.00
	(e) Contingent liabilities	-
	Total (B)	1,33,76,000

Sr. No.	Particulars	Amount (In INR)
1.	Total estimated value of assets - from (A) above	31,49,70,000
2.	Total liabilities – from (B) above	1,33,76,000
3.	Estimated surplus after paying debts in full (A) – (B)	30,15,94,000

Remarks: Nil

(1) Signature: Sd/-

Name: Sarangdhar Nirmal
Director

(2) Signature: Sd/-

Name: Vivek Nirmal
Director

Place: Navi Mumbai

Date: 27th February, 2019

INDEPENDENT AUDITOR'S REPORT**To the Members of Cheese Land Agro (India) Private Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Cheese Land Agro (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017 were audited by another auditor whose report dated May 23, 2017 expressed an unmodified audit opinion.

Our opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Anup Vaidya

Partner

Membership No. 101739



Place : Navi Mumbai

Date : May 18, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHEESE LAND AGRO (INDIA) PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls over financial reporting of Cheese Land Agro (India) Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W



Amrish Anup Vaidya

Partner

Membership No. 101739

Place : Navi Mumbai

Date : May 18, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CHEESE LAND AGRO (INDIA) PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. As the company does not have fixed assets, accordingly, the provisions stated in paragraph 3(i) (a) to (c) of the Order are not applicable to the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company had granted unsecured loans amounting to Rs.11,553.98 lakhs to its subsidiary company, which is a party covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). As per the terms of repayment, the same was due on March 31, 2017. The subsidiary company has repaid the same by July 12, 2017 along with interest.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the subsidiary company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - (b) In case of the loans granted to the subsidiary company listed in the register maintained under section 189 of the Act, schedule of repayment of principal have been stipulated. The schedule for payment of interest has not been stipulated. The principal amount of loan was due on March 31, 2017. However, the subsidiary company has repaid the same by July 12, 2017 along with interest.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue	Interest overdue	Total overdue	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
1	56,24,07,978	N.A.	56,24,07,978	Same has been recovered by the Company by July 12, 2017.



- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
 - (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.



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- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Anup Vaidya
Partner

Membership No. 101739



Place : Navi Mumbai

Date : May 18, 2018

FORM NO. CAA.10

[Pursuant to section 233(1)(c) and rule 25(2)]

DECLARATION OF SOLVENCY

1. (a) Corporate identity number (CIN) of Company: L15203PN1998PLC013068

(b) Global location number (GLN) of Company: N.A.

2. (a) Name of the Company: **Prabhat Dairy Limited** (Transferee Company / Company)

(b) Address of the registered office of the company: 121/2A, At Post Ranjankhol, Shrirampur,
Ahmednagar- 413720

(c) E-mail ID of the company: Dipti.todkar@prabhatdairy.in

3. (a) Whether the company is listed:

Yes

No

(b) If listed, please specify the name(s) of the stock exchange(s) where listed:

(i) Bombay Stock Exchange

(ii) National Stock Exchange

4. Date of Board of Directors' resolution approving the Scheme: February 13, 2019

Declaration of solvency

We, the directors of **Prabhat Dairy Limited** do solemnly affirm and declare that we have made a full enquiry into the affairs of the Company and have formed the opinion that the Company is capable of meeting its liabilities as and when they fall due and that the Company will not be rendered insolvent within a period of one year from the date of making this declaration.

We append an Audited Statement of Company's assets and liabilities as at March 31, 2018 being the latest date of making this declaration.

We further declare that the Company's audited annual accounts including the Balance Sheet have been filed up to date with the Registrar of Companies, Mumbai

Signed for and behalf of the board of directors.

(1) Signature: Sd/-

Date: 27th February, 2019 Name: Sarangdhar Nirmal

Place: Navi Mumbai Director

(2) Signature: Sd/-

Name: Vivek Nirmal

Director

Verification

We solemnly declare that we have made a full enquiry into the affairs of the Company including the assets and liabilities of this Company and that having done so and having noted that the Scheme of Amalgamation and Arrangement between Cheese Land Agro (India) Pvt. Ltd. and Prabhat Dairy Limited is proposed to be placed before the shareholders and creditors of the Company for approval as per the provisions of sub-section of (1) of section 233 of the Companies Act, 2013, we make this solemn declaration believing the same to be true.

Verified this day the 27th day of February 2019

(1) Signature: Sd/-

Name: Sarangdhar Nirmal
Director

(2) Signature: Sd/-

Name: Vivek Nirmal
Director

Solemnly affirmed and declared at Mumbai the 28th day of February 2019 before me.

Commissioner of Oaths and Notary Public

Attachments:

- a) Copy of board resolution
- b) Statement of assets and liabilities as at March 31, 2018
- c) Auditor's report for the year ending March 31, 2018

Prabhat Dairy Limited



Where Goodness Begins

CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON 13TH FEBRUARY, 2019 AT PLOT NO. D-37/4, TTC INDUSTRIAL AREA, TURBHE, NAVI MUMBAI - 400705

"RESOLVED THAT subject to obtaining of all requisite approvals and subject to the sanction by the Regional Director and/or other Governmental Authorities, Cheese Land Agro (India) Private Limited ("Transferor Company") be merged with the Company ("Transferee Company") with effect from the Appointed Date, i.e. October 1, 2018 under the Scheme of Amalgamation and Arrangement as per the provisions of Section 230 to 233 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications, re-enactments or amendments thereof;

RESOLVED FURTHER THAT the entire equity share capital of the Transferor Company is beneficially held by the Transferee Company. In other words, the Transferor Company is a wholly-owned subsidiary company of the Transferee Company. Accordingly, pursuant to the Scheme, no shares of the Transferee Company shall be issued and allotted in respect of shares held by it in the Transferor Company. Hence, no consideration shall be payable by the Transferee Company under the Scheme.

RESOLVED FURTHER THAT the Equity Share Capital, if any existing and are held internally between the Company and Transferee Company will be cancelled / reduced as the case may be upon the Scheme of Amalgamation and Arrangement being sanctioned by the Regional Director and/or other Governmental Authorities.

RESOLVED FURTHER THAT the draft Scheme of Amalgamation and Arrangement between the Transferor Company and Transferee Company, placed before the Meeting be and is hereby approved;

RESOLVED FURTHER THAT the Board of Directors do take further steps for obtaining requisite approvals of the shareholders and other persons (including creditors and regulatory authorities) whose consent is required under the law for the Scheme of Amalgamation and Arrangement and for that purpose to initiate all necessary action including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection;



Regd. Office

Gut No. 121/2 To 121/4 At: Ranjankhol, Po: Tilaknagar,
Tal. Rahata, Dist: Ahmednagar, Pin: 413720,
State: Maharashtra, Country: India.
T: 02422-665550 To 99 F: 02422-265816

Corporate Office:

Plot No. D-37/4, TTC Industrial Area, MIDC, Turbhe,
Navi Mumbai - 400705, Maharashtra, India.
T: 022-41287700
W: www.prabhatdairy.in

Pune Office:

2nd floor, Kataria Chambers, Sanewadi, Aundh,
Pune - 411007, Above Reliance Footprint
T: 020 - 25885043
W: www.prabhatdairy.in

Prabhat Dairy Limited



Where Goodness Begins

RESOLVED FURTHER THAT Mr. Sarangdhar Nirmal and/or Mr. Vivek Nirmal Directors of the Company and/or Ms. Dipti Todkar, Company Secretary be and are hereby severally authorised in the name of and on behalf of the Company to:

- (a) finalize and settle the Scheme of Amalgamation and Arrangement, draft of the notices for convening the class meetings of members, creditors and the draft of the explanatory statement under Section 230 to 233 of the Companies Act, 2013 with such modifications as they may deem fit;
- (b) file appropriate forms required for inviting objections or suggestions with regard to the proposed Scheme of Amalgamation and Arrangement, with from the Registrar, Official Liquidator, Regional Director and/or other Governmental Authorities and any other documents, and to execute all such further deeds, documents and writings as may be necessary in that behalf;
- (c) affix the Common Seal of the Company on any documents in connection with the purpose of this Resolution as may be required, in accordance with the Articles of Association of the Company;
- (d) send the Common Seal of the Company to other places, if so required, to facilitate execution of documents, papers in connection with the Scheme of Amalgamation and Arrangement;
- (e) make applications to the relevant authorities or other persons for their approval to the Scheme of Amalgamation and Arrangement as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;
- (f) agree to and make such modifications, alterations and changes in the Scheme of Amalgamation and Arrangement as may be expedient or necessary;



Prabhat Dairy Limited



Where Goodness Begins

- (g) give such directions as may be considered necessary to settle any question or difficulty arising under the Scheme of Amalgamation and Arrangement or with regard to and of the meaning or interpretation of the Scheme of Amalgamation and Arrangement or implementation hereof or in any manner whatsoever connected therewith; and
- (h) do all such other acts, deeds and things necessary, desirable or expedient in connection with or incidental to giving effect to the purpose of the above Resolution."

FOR PRABHAT DAIRY LIMITED

DIPTI TODKAR
COMPANY SECRETARY



Regd. Office:

Gut No. 121/2 To 121/4 At: Ranjankhol, Po: Tilaknagar,
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State: Maharashtra, Country: India.
T: 02422-665550 To 99 F: 02422-285818

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ANNEXURE

Statement of assets and liabilities as at March 31, 2018

Name of the Company: Prabhat Dairy Limited

ASSETS

Sr. No.	Particulars	Book Value (Amount in Rs.)	Estimated Realizable Value (Amount in Rs.)
1.	Balance at Bank	96,27,18,000	96,27,18,000
2.	Cash in hand	62,53,000	62,53,000
3.	Marketable securities		
4.	Bills receivables	-	-
5.	Trade debtors	92,57,46,000	92,57,46,000
6.	Loans & advances	31,07,000	31,07,000
7.	Unpaid calls	-	-
8.	Stock-in-trade	48,09,12,000	48,09,12,000
9.	Capital Work in progress	1,68,95,000	1,68,95,000
10.	Freehold property	4,31,50,000	4,31,50,000
11.	Leasehold property	41,80,42,000	41,80,42,000
12.	Plant and machinery	79,75,58,000	79,75,58,000
13.	Furniture, fittings, utensils, etc.	2,48,52,000	2,48,52,000
14.	Patents, trademarks, etc.	33,41,000	33,41,000
15.	Investments other than marketable securities	327,12,66,000	327,12,66,000
16.	Other Property	105,96,30,000	105,96,30,000
	Total (A)	801,34,70,000	801,34,70,000

LIABILITIES

Estimated to rank for payment (to the nearest rupee)

Sr. No.	Particulars	Amount in Rs.
1.	Secured on specific assets	127,14,58,000
2.	Secured by floating charge(s)	
3.	Estimated cost of liquidation and other expense including interest accruing until payment of debts in full.	
4.	Unsecured creditors (amounts estimated to rank for payment)	
	(a) Trade accounts	52,24,64,000
	(b) Bills Payables	-
	(c) Accrued Expenses	-
	(d) Other liabilities	50,36,26,000

	(e) Contingent liabilities and commitments	3,18,31,000
	Total (B)	232,93,79,000

Sr. No.	Particulars	Amount in Rs.
1.	Total estimated value of assets - from (A) above	801,34,70,000
2.	Total liabilities – from (B) above	232,93,79,000
3.	Estimated surplus after paying debts in full (A) – (B)	568,40,91,000

Remarks: Nil

(1) Signature: Sd/-

Name: Sarangdhar Nirmal
Director

(2) Signature: Sd/-

Name: Vivek Nirmal
Director

Place: Navi Mumbai

Date: 27th February, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Prabhat Dairy Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Prabhat Dairy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017 were audited by another auditor whose report dated May 23, 2017 expressed an unmodified audit opinion.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 40 to the standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W



Amrish Anup Vaidya

Partner

Membership No.101739



Place : Navi Mumbai

Date : May 18, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls over financial reporting of Prabhat Dairy Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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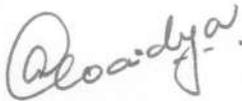
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W



Amrish Anup Vaidya

Partner

Membership No.101739



Place : Navi Mumbai

Date : May 18, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory (excluding Goods in transit and stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company had granted unsecured loans amounting to Rs.14,545.07 lakhs to its subsidiary company, which is a party covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). As per the modified terms of repayment, Rs.11,551.56 lakhs were due on March 31, 2019 along with interest there on and balance loan amounting to Rs.2,993.51 lakhs was repayable on demand along with interest thereon. The subsidiary company has repaid the entire loan amount by August 14, 2017 along with interest.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the subsidiary company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the subsidiary company listed in the register maintained under Section 189 of the Act, there were no loans along with interest thereon which were due for repayment during the year as stipulated.
 - (c) There are no amounts overdue for more than ninety days in respect of the loan granted to subsidiary company listed in the register maintained under section 189 of the Act.



- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans and investments made. The Company has not issued any guarantees or provided any security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
The Income tax act 1961	Income tax	16,09,413	A.Y 2007-08	Commissioner of Income Tax (Appeals), Pune
The Income tax act 1961	Income tax	28,25,447	A.Y 2009-10	Commissioner of Income Tax (Appeals), Pune
The Income tax act 1961	Income tax	16,95,240	A.Y 2011-12	Deputy Commissioner of Income tax, Ahmednagar
The Income tax act 1961	Income tax	2,57,02,172	A.Y 2012-13	Commissioner of Income Tax (Appeals), Pune

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks. The Company did not have any loan or borrowings from financial institution, government or any debentures outstanding during the year.
- ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.



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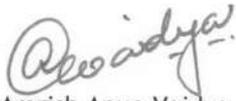
Chartered Accountants

- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W



Amrish Anup Vaidya

Partner

Membership No. 101739



Place : Navi Mumbai

Date : May 18, 2018