

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH AT HYDERABAD**

CA. (CAA) No. 38/230/HDB/2017

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation

And

In the matter of Section 230 read with Section 232 of the Companies Act,
2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of M/s. Sai Aditya Foods and Retail Private Limited ('Transferor
Company')

With

In the matter of M/s. Anjani Foods Limited ('Transferee Company')

And

Their respective Shareholders and Creditors

M/s. Anjani Foods Limited
Having Registered office at
Vishnupur, Durgapur, Garagaparru Road,
Bhimavaram – 534 202, West Godavari,
Andhra Pradesh Represented by its
Whole time Director Sri. R.Ravichandran

.... Applicant/Transferee Company

NOTICE TO REGIONAL DIRECTOR, REGULATORY AUTHORITIES

To
The Regional Director
The Registrar of Companies
The Income-Tax Authorities,
The Securities Exchange Board of India
The Bombay Stock Exchange Limited

Notice is hereby given in pursuance of sub-section (5) of Section 230 of the Companies Act, 2013, that as directed by an order dated the 9th day of May, 2017 by the Hon'ble National Company law tribunal, Hyderabad Bench at Hyderabad under sub-section (1) of Section 230 of the Companies Act, 2013, a meeting of the Shareholders of M/s Anjani Foods Limited shall be held on 22nd July, 2017 at 11.00 AM to consider the Scheme of Amalgamation of M/s. Sai Aditya Foods and Retail Private Limited (Transferor Company) with M/s. Anjani Foods Limited (Transferee Company) and their respective Shareholders and Creditors.

A copy of the notice and Scheme are enclosed herewith.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Hon'ble National Company Law Tribunal, Hyderabad Bench, within thirty days from the date of receipt of this notice. Copy of the representation may simultaneously be sent to the concerned companies.

In case no representation is received within the stated period of thirty days, it shall be presumed that you have no representation to make on the proposed Scheme.

R.K. Iyer
Company Secretary



Dated this 19th day of June, 2017 at Hyderabad

Enclosures:

1. Copy of notice with statement as required under Section 230(3) of the Companies Act, 2013; and
2. Copy of Scheme

**NOTICE OF TRIBUNAL CONVENED MEETING OF
THE EQUITY SHAREHOLDERS OF
ANJANI FOODS LIMITED**

Tribunal Convened Meeting

On Saturday 22nd July, 2017 at 11.00 a.m.



ANJANI FOODS LIMITED

CIN -L65910AP1983PLC004005

Registered Office: Vishnupur, B.V.Raju Marg, Bhimavaram - 534 202, West Godavari, A.P.

Tel:+91 - 40 - 40334829 **Fax:** +91 - 40 - 23355048

E-mail: info@anjanifoods.in

Website: www.anjanifoods.in

NOTICE OF POSTAL BALLOT AND E-VOTING

(NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 FURTHER READ WITH REGULATION 44 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“SEBI LODR REGULATIONS”) AND SEBI CIRCULAR NO. CIR/CFD/CMD/16/2015 DATED 30TH NOVEMBER, 2015 (“SEBI CIRCULARS”))

To,
The Equity Shareholder(s) of Anjani Foods Limited
 (“the Transferee Company” or “Applicant Company”)

Notice is hereby given to the equity shareholders of M/s Anjani Foods Limited (“the Transferee Company”) pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014 (“the Rules”) (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 44 of the SEBI LODR Regulations, to consider, and if thought fit, to pass, with or without modification(s) the Resolution set out below through Postal Ballot and e-voting.

“**RESOLVED THAT** pursuant to the provisions of Section 230 and 232 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and enabling provisions in the Company’s Memorandum of Association and Articles of Association and subject to the sanction of the Hon’ble National Company Law Tribunal, Hyderabad Bench at Hyderabad or such other competent authority as may be applicable, the proposed Scheme of Amalgamation of M/s Sai Aditya Foods and Retail Private Limited with M/s Anjani Foods Limited and their respective shareholders and creditors (‘the Scheme’), as per the terms and conditions mentioned in the Scheme placed before the meeting and initiated by the Chairman of the meeting for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Ravichandran Rajagopal, Whole time Director, and/or Ms. Pooja Raja Kakarlapudi, Company Secretary, or such other person as may be authorized by the Board of Directors, be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble National Company Law Tribunal, Hyderabad Bench at Hyderabad while sanctioning the Amalgamation embodied in the Scheme 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.”

The Board of Directors of the Transferee Company at their meeting held on 14th November, 2016, have approved the Scheme, subject to approval by the requisite majority of the equity shareholders of the Transferee Company, as may be required, and subject to the sanction of the Hon’ble National Company Law Tribunal, Hyderabad Bench at Hyderabad and of such other authorities as may be necessary.”

In terms of the SEBI Circulars, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the votes cast by the public shareholders against the proposal.

If an equity shareholder has opted for E-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case equity shareholders cast their vote both via Postal Ballot and E-voting, then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid, notwithstanding whichever is cast first.

It is clarified that votes may be cast by equity shareholders either by Postal Ballot or E-voting and casting of votes by Postal Ballot or e-voting does not disentitle them from attending at the Tribunal Convened Meeting.

The Board of Directors of the Company (“the Board”), in compliance with Rule 20(ix) and 22 (5) of the Rules, has appointed Mr. D.Hanumanta Raju (Membership No. F4044 and CP No. 1709), or Mr. Mohit Kumar Goyal (Membership No.A32655 and CP No.12751), Partners, D. Hanumanta Raju & Co, Practising Company Secretaries as scrutinizer, for conducting the said Postal Ballot and E-Voting process in a fair and transparent manner.

By order of the Board of Directors
For Anjani Foods Limited

Place: Hyderabad
Date: 16th June, 2017

Sd/-
RAVICHANDRAN RAJAGOPAL
Whole time Director
DIN: 00110930

Notes for Postal Ballot and E-Voting:

A. Notes for Postal Ballot:

1. A copy of the said Scheme of Amalgamation and Explanatory Statement under Section 230(3) of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, are being sent to you for your consideration.
2. The accompanying Postal Ballot Notice is being sent to equity shareholders whose names appear in the register of members/list of beneficial Owners as received from the National Securities Depository Ltd and Central Depository Services (India) Ltd as on the close of business hours on 16th June, 2017. The equity shareholders whose names appear in the register of members/list of beneficial owners as on 16th June, 2017 (“cut-off date”) will be reckoned for the purpose of voting.
3. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of equity shareholders as on 16th June, 2017.
4. In case of equity shares held by companies, institutional shareholders (FPIs/Foreign Institutional Investors/trust/mutual funds/banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/Other Authority together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
5. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the equity shareholders through electronic transmission. Equity shareholders who have registered their e-mail IDs with depositories or with the Transferee Company for this purpose are being sent Postal Ballot Notice by e-mail and equity shareholders who have not registered their e-mail IDs will receive Postal Ballot Notice along with Postal Ballot Form through Registered/Speed Post/Courier. Equity shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from website of the Company www.anjanifoods.in
6. An equity shareholder cannot exercise his/her vote through proxy on postal ballot.
7. If Postal Ballot Form is sent using the business reply envelope, the postage will be borne by the Transferee Company. However, envelopes containing postal ballots, if sent by courier or registered/speed post at the expense of the equity shareholders will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope.
8. The duly completed Postal Ballot Form(s) should reach the scrutinizer not later than 5.00 p.m. (IST) on 21st July, 2017 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the equity shareholder.
9. The Postal Ballot Notice will be uploaded on the Transferee Company’s website viz., www.anjanifoods.in and on the website of “Karvy” viz. <https://evoting@karvy.com>
10. All the relevant documents referred to in the Explanatory Statement are open for inspection at the registered office of the Transferee Company between 11.00 A.M. and 2.00 P.M. on all days excluding Saturdays, Sundays and Public Holidays, till 21st July, 2017.
11. Upon completion of the scrutiny of the Postal Ballot Forms and E-voting, the scrutinizer will submit his report to the chairperson. The result of the Postal Ballot and E-voting will be announced by the scrutinizer within 48 hours of the conclusion of Tribunal Convened Meeting and shall be placed, along with the scrutinizer’s report, on the website of the Transferee Company (www.anjanifoods.in) for information of equity shareholders, besides being communicated to Stock Exchanges on which equity shares of the Transferee Company are listed and also submit the same to the chairperson.
12. In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, (including any statutory modification or enactment thereof for the time being in force) and Regulation 44 of the SEBI LODR Regulations, the Transferee Company is pleased to offer E-voting facility as an alternative, to all its equity shareholders to enable them to cast their votes electronically apart from despatching the Postal Ballot Forms.
13. **Equity Shareholder(s) can opt only for one mode of voting.** If an equity shareholder has opted for E-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case equity shareholders cast their vote both via Postal Ballot and E-voting, then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid, notwithstanding whichever is cast first.
14. **It is clarified that votes may be cast by equity shareholders either by Postal Ballot or E-voting and casting of votes by Postal Ballot or e-voting does not disentitle them from attending at the Tribunal Convened Meeting.**

B. Instructions for Postal Ballot

1. An equity shareholder desiring to exercise vote by Postal Ballot may complete Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the appointed scrutinizer in the enclosed self-addressed postage prepaid envelope. Postage will be borne and paid by the Transferee Company. However, Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the equity shareholder will also be accepted.
2. Postal Ballot Form should be completed and signed by the equity shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named equity shareholder and in his absence, by the next named equity shareholder.
3. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (√) in the appropriate column.
4. Equity shareholders desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed on the Form. Duly completed Postal Ballot Form should reach the scrutinizer on or before 5:00 p.m. on July, 21, 2017. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such equity shareholder has not been received.
5. There will be only one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint equity shareholder(s).
6. An equity shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. on or before 5:00 p.m. on July, 21, 2017.
7. Equity shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the scrutinizer and any extraneous paper found would be destroyed by the scrutinizer.
8. The scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
9. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
10. Equity shareholder cannot appoint proxy to exercise their voting power through Postal Ballot.
11. A Postal Ballot Form shall be considered invalid if: a) A form other than one issued by the Transferee Company has been used; (b) It has not been signed by or on behalf of the equity shareholder; (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Transferee Company; (d) It is not possible to determine without any doubt the assent or dissent of the equity shareholder; (e) Neither assent nor dissent is mentioned; (f) Any competent authority has given directions in writing to the Transferee Company to freeze the Voting Rights of the equity shareholder; (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e. July, 21, 2017; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority; (i) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (j) Equity shareholder has made any amendment to the Resolution or imposed any condition while exercising his vote.

C. Notes for E-voting:

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, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the equity shareholder are provided with the facility to cast their vote electronically, through the e-voting services provided by "Karvy" on resolution set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

Remote e-voting:

- (A) In case equity shareholder receives an email from "Karvy" [for Equity shareholder whose email IDs are registered with the Company/Depository Participants (s):
- i. Launch internet browser by typing the URL: <https://evoting@karvy.com>.
 - 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) xxxx 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 ID 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 "EVENT" 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 Equity shareholder 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. Equity shareholder 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, Equity shareholder can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Equity shareholder (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: dhr300@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."
- (B) In case of Equity shareholder receiving physical copy of Notice [for Equity shareholder whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. e-Voting Event Number - XXXX (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.

Voting at venue: The Equity shareholders, who have not cast their vote through Remote e-voting, can exercise their voting rights at the venue of the meeting. The Company will make necessary arrangements in this regard at the Venue. The facility for voting through ballot shall be made available at the Meeting.

OTHER INSTRUCTIONS:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Equity shareholder 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. Mohammed Shanoor (Unit: Anjani Foods Limited) of Karvy at the details provided in corporate information section or at evoting@karvy.com 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 id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Thursday, June, 22, 2017 (9.00 AM IST) and ends on Friday, July, 21, 2017 (05.00 PM IST). During this period, Equity shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th June, 2017 may cast their votes electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution(s) is cast by the equity shareholder, the equity shareholder shall not be allowed to change it subsequently.
- d. The voting rights of Equity 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. 16th June, 2017.
- e. In case a person has become an equity shareholder of the Company after despatch of Notice but on or before the cut-off date for E-voting i.e., 16th June, 2017, he/she may obtain the User ID and Password in the manner as mentioned below :
 - i. If e-mail address or mobile number of the equity shareholder is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting@karvy.com>, the equity shareholder may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - ii. Equity shareholder may call Karvy's toll free number 1800-3454-001.
 - iii. Equity shareholder may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new equity shareholders whose mail ID's are available.

NOTICE OF TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF ANJANI FOODS LIMITED

Tribunal Convened Meeting		
Day	:	Saturday
Date	:	July 22, 2017
Time	:	11.00 a.m.
Venue	:	Administrative Building, Dr. B.V.Raju Foundation, Vishnupur, Durgapur, Garagaparru Road, Bhimavaram - 534 202, West Godavari District, India

Postal Ballot and E-voting	
Commencing on	9:00 a.m. 22 th June, 2017
Ending on	5:00 p.m. 21 st July, 2017

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH
AT HYDERABAD**

C A (CAA) No. 38/230/HDB/2017

In the matter of the Companies Act, 2013

And

In the matter of Section 232 and Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of M/s. Anjani Foods Limited ('Transferee Company')

And

In the matter of M/s. Sai Aditya Foods and Retail Private Limited ('Transferor Company')

And

Their respective Shareholders and Creditors

M/s. Anjani Foods Limited
Having Registered Office at
Vishnupur, Durgapur, Garagaparru Road,
Bhimavaram - 534 202, West Godavari District,
Andhra Pradesh Represented by its
Whole time Director Sri. R.Ravichandran

.... Applicant/Transferee Company

NOTICE OF TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS

To
The Equity Shareholders of
M/s. Anjani Foods Limited

Take Notice that by an order dated the 9th day of May, 2017, of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has directed a meeting of Equity Shareholders of M/s. Anjani Foods Limited be held at the registered office Administrative Building; Dr. B.V.Raju Foundation, Vishnupur, Durgapur, Garagaparru Road, Bhimavaram - 534 202, West Godavari District, India, on 22 July, 2017 at 11.00 A.M. for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation proposed to be made between M/s. Anjani Foods Limited and M/s. Sai Aditya Foods and Retail Private Limited and their respective shareholders and creditors.

Take further notice that in pursuance of the said order a meeting of the Shareholders of M/s. Anjani Foods Limited will be held at Administrative Building, Dr. B.V.Raju Foundation, Vishnupur, Durgapur, Garagaparru Road, Bhimavaram - 534 202, West Godavari District, India, on Saturday the 22nd day of July, 2017 at 11.00 A.M. at which place, day and time you are requested to attend and approve the Scheme of Amalgamation by passing the following resolutions.

"RESOLVED THAT pursuant to the provisions of Section 230 and 232 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and enabling provisions in the Company's Memorandum of Association and Articles of Association and subject to the sanction of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad or such other competent authority as may be applicable, the proposed Scheme of Amalgamation of M/s Sai Aditya Foods and Retail Private Limited with M/s Anjani Foods Limited and their respective shareholders and creditors ('the Scheme'), as per the terms and conditions mentioned in the Scheme placed before the meeting and initiated by the Chairman of the meeting for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Ravichandran Rajagopal, Whole time Director, and/or Ms. Pooja Raja Kakarlapudi, Company Secretary, or such other person as may be authorized by the Board of Directors, be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad while sanctioning the Amalgamation embodied in the Scheme 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."

The Board of Directors of the Transferee Company at their meeting held on 14th November, 2016, have approved the Scheme, subject to approval by the requisite majority of the equity shareholders of the Transferee Company, as may be required, and subject to the sanction of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad and of such other authorities as may be necessary."

Take further notice that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form duly signed by you is deposited at the registered office of the company at Vishnupur, Durgapur, Garagaparru Road, Bhimavara – 534 202, West Godavari District, Andhra Pradesh, not later than 48 hours before the meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench has appointed Sri. Ithagoni Sreenu, Advocate, to be the chairman of the said meeting.

A copy of the Scheme of Amalgamation of M/s. Sai Aditya Foods and Retail Private Limited with M/s. Anjani Foods Limited and their respective shareholders and creditors, the statement under Section 230(3) of Companies Act, 2013, Observation letter of BSE Limited, Complaints Report, Fairness Opinion, Form of Proxy and attendance slip are attached to and Form part of this Explanatory Statement.

Dated this 16th day of June, 2017
At Hyderabad

Ithagoni Sreenu
Advocate
Chairman appointed
for the Equity Shareholders Meeting
Address: H.No.7-1-304/1/B/4,
Adhitri Nilayam, Balaiah Nagar,
B.K.Guda, S.R.Nagar,
Hyderabad – 500 038

Notes for Tribunal convened meeting:

1. All alterations made in the Form of Proxy should be intimated within the prescribed time.
2. Only Equity Shareholders of the Transferee Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act, 2013) at the Equity shareholders' meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Transferee Company may attend and representative of a body corporate which is a registered equity shareholder of the Transferee Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representation to attend at the meeting is deposited at the registered office of the Transferee Company not later than 48 hours before the schedule time of the commencement of meeting.
3. A registered equity shareholder of the Transferee Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of such member and such proxy need not be a member of the Transferee Company.
4. Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
5. Equity shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Transferee Company in respect of such joint holding will be entitled to vote.
6. The notice is being sent to all equity shareholders, whose name appeared in the register of members as on 9th June, 2017. This notice of the Tribunal Convened Meeting of the equity shareholders of the Transferee Company is also displayed/posted on the website of the Transferee Company - www.anjanifoods.in.
7. Foreign Portfolio Investors (FPIs) who are registered equity shareholder(s) of the Transferee Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorising the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of the Transferee Company not later than 48 hours before the meeting.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH
AT HYDERABAD**

C A (CAA) No. 38/230/HDB/2017

In the matter of the Companies Act, 2013

And

**In the matter of Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the
Companies Act, 2013**

And

In the matter of M/s. Anjani Foods Limited ('Transferee Company')

And

In the matter of M/s. Sai Aditya Foods and Retail Private Limited ('Transferor Company')

And

Their respective Shareholders and Creditors

M/s. Anjani Foods Limited
Having Registered office at
Vishnupur, Durgapur, Garagaparru Road,
Bhimavaram – 534 202, West Godavari,
Andhra Pradesh Represented by its
Whole time Director Sri. R.Ravichandran

.... Applicant/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTION 102
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND
DETAILS AND INFORMATION AS REQUIRED UNDER RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated the 9th day of May, 2017 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad the accompanying notice has been sent for convening the meeting of the Equity Shareholders of M/s. Anjani Foods Limited for the purpose of considering and, if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation of M/s. Sai Aditya Foods and Retail Private Limited ('Transferor Company') with M/s. Anjani Foods Limited ('Transferee Company') and their respective Shareholders and Creditors with effect from April 1, 2016.
2. M/s. Sai Aditya Foods and Retail Private Limited (hereinafter referred to as "Transferor Company") was incorporated under the Companies Act, 1956, in the State of Andhra Pradesh in the name of 'Sai Aditya Hotels and Super Markets Pvt. Ltd., on 16th day of May, 1994. Subsequently, its name was changed to 'Sai Aditya Foods and Retail Private Limited and fresh certificate of Incorporation consequent to the change of name was issued by the Registrar of Companies, Andhra Pradesh on 17th April, 2007.
3. M/s. Anjani Foods Limited (hereafter referred to Applicant/Transferee Company) was incorporated as a public limited company on 25th day of June, 1983 in the then State of Andhra Pradesh.
4. M/s. Sai Aditya Foods and Retail Private Limited/Transferor Company is primarily engaged in the business of retail food chain outlets. The main objects are set out in the Memorandum of Association. They are briefly as under:-
 - (i) To carry on and undertake as its principal business, the business of finance, investment and trading hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling hiring or letting on hire of all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidize, finance or assist subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable property including buildings, plant and machinery, equipment, ships, aircrafts, automobiles, computers and all consumer commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof regardless whether the property purchase and leased be new and or used and from India or from any part of the world.
 - (ii) To carry on the business of bakers, confectioners, manufacturers, distributors and sellers of bread, biscuits, crackers, cookies, cakes, pastries and other bakery products, ice creams, beverages, aerated drinks, aerated and artificial water, milk and milk products, sweets, frozen desserts, processed foods and frozen food, blenders, bottles, coffee shop, and fast food joint proprietors, cake shop proprietors, milk and snackbar proprietors, ice cream merchants, sweetmeat merchants, refreshment contractors and caterers, super markets, retail shops, showrooms, wholesale markets, departmental stores, retail shops whatsoever and other food products in India or in any other part of the world.
 - (iii) To acquire any such shares, stocks, debentures, debenture stocks, bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, gift, exchange or otherwise and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof and exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

5. Anjani Foods Limited/Transferee Company is primarily engaged in the business of manufacture of food and confectionery business etc. The main objects are set out in the Memorandum of Association. They are briefly as under:-
- To carry on and undertake as its principal business, the business of finance, investment and trading hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling hiring or letting on hire of all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidize, finance or assist subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable property including buildings, plant and machinery, equipment, ships, aircrafts, automobiles, computers and all consumer commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof regardless whether the property purchase and leased be new and or used and from India or from any part of the world.
 - To carry on the business of bakers, confectioners, manufacturers, distributors and sellers of bread, biscuits, crackers, cookies, cakes, pastries and other bakery products, ice creams, beverages, aerated drinks, aerated and artificial water, milk and milk products, sweets, frozen desserts, processed foods and frozen food, blenders, bottles, coffee shop, and fast food joint proprietors, cake shop proprietors, milk and snackbar proprietors, ice cream merchants, sweetmeat merchants, refreshment contractors and caterers, super markets, retail shops, showrooms, wholesale markets, departmental stores, retail shops whatsoever and other food products in India or in any other part of the world.
 - To acquire any such shares, stocks, debentures, debenture stocks, bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, gift, exchange or otherwise and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof and exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
6. The authorised, issued, subscribed and paid-up share capital of the M/s. Sai Aditya Foods and Retail Private Limited as on 31st March, 2016 was as under:

PARTICULARS	Amount in Rs.
Authorised Share Capital	
3,00,000 Equity Shares of Rs. 100/- each	3,00,00,000/-
Issued, Subscribed and Paid-up Share Capital	
2,94,185 Equity Shares of Rs. 100/- each fully paid-up	2,94,18,500/-

7. The authorized, issued, subscribed and paid-up share capital of M/s. Anjani Foods Limited as on March 31st 2016 is as under:

Particulars	Rupees
Authorised Share Capital	
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
	5,00,00,000
Issued, Subscribed and Paid-up Share Capital	
40,00,000 equity shares of Rs. 10/- each, fully paid up Share Capital by allotment	4,00,00,000
Less: Calls in Arrears	120,000
Total:	3,98,80,000

8. The M/s. Sai Aditya Foods and Retail Private Limited/Transferor Company closes its financial year every year on 31st March. The audited financial summary of the company as at 31st March, 2016 is given below:-

I. EQUITY AND LIABILITIES :	(Amount in Rs)
A Share Holders' Funds	
(a) Share Capital	2,94,18,500
(b) Reserve and Surplus	96,47,914
B Non-Current Liabilities	
(a) Long Term Borrowings	8864180
(b) Deferred tax liability (net)	4148493
(c) Other Long Term Liabilities	2,27,64,160
C Current Liabilities	
(a) Short Term Borrowings	1,84,03,269
(b) Trade Payables	68,66,325
(c) Other Current Liabilities	99,74,214
(d) Short Term Provisions	82,693
TOTAL :	11,01,69,748

II. ASSETS :**1 Non-Current Assets**

(a) Fixed Assets	
(i) Tangible Assets	8,08,65,371
(ii) Capital work-in-Progress	
(b) Non-Current Investments	

2 Current Assets

(a) Inventories	2,22,85,169
(b) Trade Receivables	18,79,993
(c) Cash & Cash Equivalents	16,70,775
(d) Loans & Advances	34,68,440

Total	11,01,69,748
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9. The M/s. Anjani Foods Limited/Transferee Company closes its financial year every year on 31st March. The audited financial summary of the company as at 31st March, 2016 is given below:-

I. EQUITY AND LIABILITIES :**(Amount in Rs)****A Share Holders' Funds**

(a) Share Capital	3,98,80,401
(b) Reserve and Surplus	3,63,48,751

B Non-Current Liabilities

(a) Long Term Borrowings	--
(b) Deferred Tax Liability (net)	5,908

C Current Liabilities

(a) Other Current Liabilities	1,22,71,452
(b) Short Term Provisions	1,02,809

TOTAL :

8,86,09,321

II. ASSETS :**1 Non-Current Assets**

(a) Fixed Assets	
Tangible Assets	4,09,87,046
Non-Current Investments	3,20,50,003
Long Term Loans and Advances	26,22,583

2 Current Assets

(c) Cash & Cash Equivalents	4,11,19
(d) Short-Term Loans and Advances	1,25,38,492

Total	8,86,09,321
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10. The Transferor Company and the Transferee Company have common Promoters.
11. The Common Promoters of the Transferor Company and Transferee Company are:

S.No.	Name of the Promoter	Address
1	K.V. Vishnu Raju	Plot No.10, Road No.9, Jubilee Hills, Hyderabad - 500033
2	K.Anuradha	Plot No.10, Road No.9, Jubilee Hills, Hyderabad
3	Vanitha Datla	Plot No.170/1, Road No. No. 13A, Jubilee Hills, Hyderabad - 500033
4	K.S.N.Raju	Plot No.170/1, Road No. No. 13A, Jubilee Hills, Hyderabad - 500033

12. The present Directors of the Transferor Company are:

S.No.	Name of the Directors	Address
1	Parankusam Srinivas Ranganath	6-1-103/34, 3rd Lane, Abhinava Colony, Padmarao Nagar, Secunderabad-500025
2	Kalidindi Venkata Vishnu Raju	Plot No.10, Road No. 9, Jubilee Hills Hyderabad -500482
3	Narasimha Raju Kalidindi	11-4-1, F. No.3, Rock Dale Residency Nowroji Road, Viskhapatnam -530003
4	Kalidindi Aditya Vissam	Plot No.10, Road No. 9, Jubilee Hills Hyderabad -500482

13. The present Directors of the Transferee Company are:

S.No.	Name of the Directors	Address
1	Ravichandran Rajagopal	Plot No: 96, Road No: 72 Prashasant Nagar, Jubilee Hills, Hyderabad- 500033
2	Kalidindi Venkata Ramasita Anuradha	Plot No.10, Road No.9, Jubilee Hills, Hyderabad- 500033
3	Kalidindi Venkata Vishnu Raju	Plot No.10, Road No.9, Jubilee Hills Hyderabad- 500033
4	Penmetsa Venkata Ramalakshmi Narasimha Raju	H.No : 8-2-309/1 To 13, Flat No.E4, Trendset Ville Road No.3, Banjara Hills, Hyderabad- 500034
5	Hari Babu Kolluri	182, RD No 10 C, MP and MLA Colony Jubilee Hills, Hyderabad -500034
6	Parankusam Srinivas Ranganath	6-1-103/34,3rd Lane, Abhinava Colony, Padmarao Nagar, Secunderabad-500025
7	Ramkumar Srinivasan	H.No.7-1-31/C/1, Ananda Nilayam, 1st Floor Dharam Karan Road, Leela Nagar Hyderabad- 500016
8	Kalidindi Aditya Vissam	Plot No.10, Road No. 9, Jubilee Hills Hyderabad-500482

14. RATIONALE FOR THE PROPOSED SCHEME

It is respectfully submitted that both The Transferor Company and the Transferee Company are engaged in the business of Bakers, Confectioners and related food products. The Transferor Company is a subsidiary of Transferee Company which is holding 72.98% share capital of the Transferor Company.

The Scheme of Amalgamation will benefit the Transferor Company, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Amalgamation, inter alia, are summarized below:

- Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
- Will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions.
- Management and financial resources of Transferee Company will help the transferor company in setting up the green field manufacturing facility with appropriate international quality standards.

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

15. In view of the aforesaid advantages, the Board of Directors of M/s Anjani Foods Limited/Transferee Company vide their resolution dated 14th November, 2016 have unanimously approved the Scheme of Amalgamation of "Sai Aditya Foods and Retail Private Limited" with "Anjani Foods Limited" and their respective shareholders and creditors.
16. The Board of Directors of the Transferor Company vide its resolution dated 11th November, 2016 also have unanimously approved the Scheme of "Sai Aditya Foods and Retail Private Limited" with "Anjani Foods Limited" and their respective shareholders and creditors.
17. The Company has obtained a valuation report from M/s. M. Anandam & Co, Chartered Accountants, an Independent Chartered Accountant with more than ten years of experience for determining the consideration in the form of swap ratio for the proposed Merger. Based on the factors of the projected profitability, serviceability of share capital, attributable net assets, value neutrality and avoiding fraction and disturbance in the holdings of the shareholders, it was recommended that the consideration for the proposed Merger shall be as per the following swap ratio:
2 (TWO) fully paid Equity Share of AFL/Transferee Company shall be issued and allotted for every 1(ONE) fully paid Equity Share each held in SFRPL/Transferor Company to shareholders other than AFL/Transferee Company".
- The total number of shares in SFRPL are 2,94,185 out of which 2,14,696 shares are held by AFL. The face value of one share of AFL and SFRPL are Rs. 10/- and Rs. 100/- each respectively. While revaluing the shares for the calculation of swap ratio, the face value of the shares of SFRPL were brought down to Rs. 10/- per share in line with the face value of shares of AFL. Consequently, the number of shares in SFRPL have been proportionately multiplied in order to bring uniformity in the valuation process.
- After taking the aforesaid condition into effect; the shares of SFRPL are 29,41,850 shares @ Rs. 10/- each. Out of this 21,46,960 shares of AFL will stand cancelled due to cross holding and the balance 7,94,890 shares are eligible to receive the shares of AFL in the determined swap ratio of 2:1. In other words, 15,89,780 shares (7,94,890*2) @ Rs. 10/- each will be allotted to the shareholders of SFRPL. The existing shares of AFL are 40,00,000 nos. @ Rs. 10/- each. With a fresh allotment of 15,89,780 shares @ Rs. 10/- each to SFRPL in the process of merger the total number of shares in AFL post- merger comes to 55,89,780 shares @ Rs. 10/- each.
18. The equity shares to be issued to the members of SFRPL as above shall be subject to the Memorandum and Articles of Association of AFL and shall rank *pari passu* with the existing equity shares of AFL in all respects including dividends.
19. The equity shares shall be issued in dematerialized form to those shareholders who hold shares of SFRPL in dematerialized

form, in to the account in which SFRPL shares are held or such other account as is intimated by the shareholders to SFRPL and/or its Registrar before the Record Date. The equity shares of AFL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s).

20. The employees of the Transferor Company in service shall be deemed to have become the employees of the Transferee Company without interruption in their service. Further, the terms and conditions of their employment with the transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.
21. The shares held by the Directors of the Transferor Company as on date are set out below:

SI. No.	Name of the Directors	Shares held in Transferor Company
1	Kalidindi Venkata Vishnu Raju	47875
2	Kalidindi Aditya Vissam	0
3	Narasimha Raju Kalidindi	1253
4	Parankusam Srinivas Ranganath	0

The shares held by the Directors of the Transferee Company as on date are set out below:

SI.No	Name of the Directors	Shares held in Transferee Company
1	Kalidindi Venkata Vishnu Raju	1480400
2	Kalidindi Aditya Vissam	177500
3	Narasimha Raju Kalidindi	0
4	Parankusam Srinivas Ranganath	0
5	Ravichandran Rajagopal	0
6	Kalidindi Venkata Ramasita Anuradha	87000
7	Penmetsa Venkata Ramalakshmi Narasimha Raju	0
8	Hari Babu Kolluri	0
9	Ramkumar Srinivasan	0

That none of the Directors of the Transferor Company and Transferee Company have any material interest in the said Scheme except as shareholders in general, the extent of which will appear from the Register of the Directors' Shareholding maintained by the Transferor and Transferee Companies.

22. There is no change in the Key Managerial Personnel ("KMPs") of the Transferee Company. None of the KMPs of the Transferee Company have any material interest in the said Scheme except as employees in general.
23. Further there are no Unsecured Creditors in the Transferee Company.
24. Scheme would not be prejudicial to the interests of the shareholders or creditors, if any, of either of the companies. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of the Transferor Company or the Transferee Company, nor will it affect the interest of any of the shareholders or creditors, as post amalgamation.
25. There are no proceedings/investigation pending against the Transferor Company and the Transferee Company.
26. The Notice of the proposed meeting and the Scheme shall be filed with the Registrar of Companies, Regional Director and the Income Tax Authorities and the representation if any to the Scheme shall be made within thirty days of receipt of such notice. It may be noted that there are no sectoral regulators which needs to be informed in the present case.
27. A copy of the Scheme setting out the terms and conditions of the Amalgamation of the Transferor Company with Transferee Company and their respective shareholders and creditors as approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith.
28. A copy of the valuation report obtained from M. Anandam & Co, Chartered Accountants, recommending the swap ratio for the Merger is enclosed herewith.
29. A copy of audited financial statement as on 31st March, 2017 of the Transferee Company is enclosed herewith.
30. The proposed Scheme is in the best interests of the Transferor Company and Transferee Company and their respective equity shareholders and creditors.
31. Equity Shareholders entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and such proxy need not be a member of the Transferee Company. The instrument appointing the proxy should however be deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
32. Equity shareholders who are body corporates, shall authorize any person to act as its representative at the meeting by means of a Board Resolution. The certified true copy of such resolution as signed by the director/manager/secretary of the body corporate shall be deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours prior to the commencement of the meeting.

33. Copy of the Scheme and of this Explanatory Statement, may be obtained free of charge during ordinary business hours on all working days except Saturdays, Sundays and public holidays from the registered office of the Transferee Company
34. Copies of the following documents for obtaining extract from or for making or obtaining copies of or for inspection are available at the registered office of the Transferee Company between ordinary business hours on any working day.
- Memorandum and Articles of Association of the Transferee Company.
 - Latest audited financial statements of the Transferee Company as on March 31, 2016.
 - Latest audited financial statements of the Transferee Company as on March 31st, 2017.
 - Copy of the order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 9th day of May, 2017.
 - Copy of the Scheme of Amalgamation of M/s Sai Aditya Foods and Retail Private Limited with M/s Anjani Foods Limited and their respective shareholders and creditors.
 - Copy of the certificate issued by the statutory auditor of the Transferee Company, M. Bhaskar Rao & Co, Chartered Accountants, Hyderabad that the accounting treatment proposed in the Scheme is in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013.
 - Copy of the observation letters from BSE 20th January, 2017;
 - Copy of the Complaints Report dated 10th August, 2016 filed with BSE;
 - Valuation Report dated 16th June, 2016 issued by M/s M. Anandam & Co, Chartered Accountants, Hyderabad.
 - Fairness Opinion dated 6th July, 2016 issued by M/s. Quintessence Enterprises Private Limited.

Dated this 16th day of June 2017

Ithagoni Sreenu,
Advocate
Chairman appointed
for the Equity Shareholders Meeting
Address: H.No.7-1-304/1/B/4,
Adhitri Nilayam, Balaiah Nagar,
B.K.Guda, S.R.nagar,
Hyderabad – 500 038

**SCHEME OF AMALGAMATION
OF
SAI ADITYA FOODS AND RETAIL PRIVATE LIMITED
WITH
ANJANI FOODS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)**

GENERAL

I. PURPOSE OF SCHEME

This Scheme of Amalgamation provides for the amalgamation of Sai Aditya Foods and Retail Private Limited (hereinafter referred to as "SFRPL" or "Transferor Company") with Anjani Foods Limited (hereinafter referred to as "AFL" or "Transferee Company") pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

II. RATIONALE FOR THE SCHEME

The Transferor Company and the Transferee Company are engaged in the business of Bakers, Confectioners and related food products. The Transferor Company is a subsidiary of Transferee Company which is holding 72.98% share capital of the Transferor Company.

The Scheme of Amalgamation will benefit the Transferor Company, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Amalgamation, inter alia, are summarized below:

- Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses
- Will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions
- Management and financial resources of transferee company will help the transferor company in setting up the green field manufacturing facility with appropriate international quality standards

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

III. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- (i) **Part A** - dealing with definitions of the terms used in this Scheme of Amalgamation and setting out incorporation details, share capital and objects of the Transferor Company and the Transferee Company;
- (ii) **Part B** - dealing with the transfer and vesting of the Undertaking(s) of the Transferor Company with the Transferee Company;
- (iii) **Part C** - dealing with the accounting treatment for the amalgamation in the books of the Transferee Company; and
- (iv) **Part D** - dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

PART A

DEFINITIONS AND SHARE CAPITAL

DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meanings:

“**Act**” means the Companies Act, 1956 and Companies Act, 2013, to the extent its provisions relevant for this scheme are notified and rules and regulations made thereunder and shall include any statutory modifications, reenactment or amendment thereof for the time being in force; reference to Sections 391 to 394 of the Companies Act, 1956 shall mean and include reference to any provisions in the Companies Act, 2013 duly notified which replace/amend/modify the said provisions.

“**Appointed Date**” means 1st April, 2016 or such other date as the Hon’ble High Court or such other authorities may direct.

“**Assets**” shall mean all the business, undertakings, estates, assets, properties, rights, titles and interests of whatsoever nature and kind and wheresoever situate in India, of the Transferor Company, including but not limited to:

- all assets, movable and immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, freehold or leasehold, fixed or current, including computers and telecommunication equipments, computer hardware, software and programs, plant and machinery, office equipments, furniture and fixtures, vehicles, sundry debtors, cash and bank balances, loans and advances, deposits, buildings, go downs, warehouses, offices, inventories, bills of exchange, peripherals and accessories, receivables, investments, goodwill, investment in shares, debentures, bonds, mutual funds etc.
- All the registrations, permits, quotas, entitlements, industrial and other licenses, concessions, incentives, subsidies, approvals, authorizations, consents, tenancies, trademarks, patents, copyrights, all intellectual property, rights and licenses there under, technical knowhow, permits, designs, patterns, inventions, leasehold rights, leases, tenancy rights privileges, all other rights, benefits and entitlements including sales tax deferrals and other benefits, lease rights (including the benefit of any applications made therefor) powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements, benefits under Letter of Credit, Guarantees, Letters of Comforts etc. Issued for the benefit of the Transferor company, benefits under government schemes, deferred tax benefits and other benefits accruing on account of past expenditure and all such other interests/benefits;
- All earnest moneys and/or security deposits;
- All records, files, papers, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and all other records pertaining to business..

“**Board of Directors**” or “**Board**” means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.

“**Effective Date**” means the last of the dates on which the certified true copies of the order of the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning the Scheme is filed with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad, by the Transferor Company and the Transferee Company (defined hereinafter).

“**High Court**” means the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, having jurisdiction in relation to the Transferor Company and the Transferee Company, and shall include the National Company Law Tribunal, if applicable.

“**Liabilities**” shall mean all the debts, secured and unsecured loans, liabilities, responsibilities, obligations, duties of the Transferor Company.

“**SFRPL**” or “**Transferor Company**” means Sai Aditya Foods and Retail Private Limited, a Private limited company incorporated under the Companies Act, 1956, and having its registered office at Plot no.153, Sita Nilayam, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082, Telangana.

“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Amalgamation” means this Scheme of Amalgamation in its present form or with any modification(s) made under clause 19 of this Scheme, as approved or directed by the High Court or any other appropriate authority.

“AFL” or “Transferee Company” means Anjani Foods Limited, a Public Limited company incorporated under the Companies Act, 1956, and having its registered office at Vishnupur, Durgapur, Garagaparru Road, Bhimavaram – 534202, West Godavari, Andhra Pradesh.

1.1. “Undertaking of the Transferor Company” shall mean and include :-

- 1.1.1 any and all immovable property, including land if any, buildings, movable assets including plant, machinery and equipments, whether leased or otherwise, any and all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the immovable properties whether leasehold or otherwise comprised in its business together with all present and future liabilities including contingent liabilities and debts appertaining to its business, as per the records of SFRPL;
- 1.1.2 any other property or assets, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, owned, held, used or otherwise enjoyed by SFRPL;
- 1.1.3 any and all permits, quotas, rights, approvals, consents, entitlements, licences or any other specific approvals/permissions obtained from various statutory/Government/Quasi Government agencies which are not mentioned in the said annexure, approvals, tenancies, trademarks, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights, permissions/approvals applied which are under process or to be applied, whether available as on date or vested in future, including lease rights, licences, approvals, exemptions, tax benefits, concessions, subsidies and other beneficial interests, powers and facilities of every kind and description of whatsoever nature, appertaining to its business, as per the records of SFRPL;
- 1.1.4 Any and all debts, borrowings and liabilities, present or future, whether secured or unsecured, pertaining to the business, as per the records of SFRPL;
- 1.1.5 Any and all permanent, temporary, daily rated, casual and contractual employees of SFRPL engaged in or in relation to its business at their respective offices, branches, factories, depots or otherwise at their current terms and conditions as per the records of SFRPL;
- 1.1.6 Any and all earnest monies and/or security deposits, or other entitlements in connection with or relating to its business, as per the records of SFRPL;
- 1.1.7 Any and all investments, current assets, funds, and loans and advances including accrued interest, in connection with or relating to its business, as per the records of SFRPL; and
- 1.1.8 All records, files, papers, documents, process information, computer programs, manuals, data, catalogues, quotations, internal control information/material, technical know-how, present and prospective list of customers and suppliers, customer credit information, customer pricing information, books of accounts and other supporting data, documents, invoices etc. and all other records whether in physical or electronic form, pertaining to the business of SFRPL.

Any reference in the Scheme to “upon the Scheme becoming effective” or “upon the Scheme coming into effect” shall mean the Effective Date.

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 the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

INCORPORATION, SHARE CAPITAL AND MAIN OBJECTS.

1. Transferor Company/SFRPL

a) Incorporation

Sai Aditya Foods and Retail Private Limited/transferor Company was incorporated as a Private Limited company in then the State of Andhra Pradesh on 16.05.1994 and its Corporate Identity No is U55101TG1994PTC017555.

b) The Present Share Capital of Sai Aditya Foods and Retail Private Limited is as under:

Particulars	Amount in Rupees
<u>Authorised:</u>	
3,00,000 Equity Shares of Rs 100/- each	3,00,00,000
Issued, Subscribed and Paid-up:	
2,94,185 Equity Shares of Rs 100/- each fully paid-up	2,94,18,500

c) The Main Objects of the Transferor Company presently enables it to carry on the business of:

- a. (i) To carry on the business of hotel, restaurant, café, tavern, beer-house, refreshment-room and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, importers and manufacturers of a aerated and artificial waters and other drinks, purveyors, caterers for public amusement generally and purchase, erect or otherwise acquire establish and equip act as collaborators, technicians, financiers of any of other hotels in India or in any part of the world.

- b. To act as agent of any hotel/company or as buying and selling agent of any hotel/company, and to do and perform all and singular the several duties, services and offices, which the agents of any hotel/company usually do and perform and undertake and to become bound by condition of any agreement or agreements entered into for any of the purposes aforesaid.
- c. To carry on the business as hoteliers, hotel proprietors, hotel managers and operators, refreshment contractors and caterers, restaurant keepers, refreshment room proprietors, milk and snack bar proprietors, ice-cream merchants, sweetmeat merchants, milk manufacturers and merchants, bakers confectioners, professional merchants, licensed victualiers, wine and spirit merchants, blenders and bottlers.
- d. To establish and to carry on the business of super-markets, retail shops, show rooms, whole sale markets, departmental stores or show room distribution centers, warehouses, clearing house, custodians and to provide facilities for storage of all commodities, articles things, preparation of all kind and description what so ever storage rooms, godowns, cold storage, clearing forwarding transportation and distribution of wines and liquors, beverages, food products and merchandise of all kinds.
- e. To establish, purchase, take on lease or otherwise acquire and run, shops, retail shops or markets, show rooms, super markets, whole sale markets, departmental stores, distribution stores, distribution centers, stores or depots a warehouse, clearing houses at any place in India and abroad.

3. Transferee Company/AFL

a) Incorporation

Anjani Foods Limited/transferee Company/AFL was incorporated as a public limited company on 25th day of June 1983 under the name and style of "Raasi Finance and Investment Limited" under Certificate of Incorporation no 4005 of 1983-84. Later the name of the company was changed to Raasi Enterprises Limited on getting approval from Central Government on 18th day of April, 2006 and Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, on 18th April, 2006 again later on the company has changed its name to "Anjani Foods Limited" after passing necessary resolution on 20th September, 2014 after obtaining the approval from Central Government. A Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh and Telangana on 07.11.2014.

b) The Present Share Capital of AFL/Transferee Company is as under:-

Particulars	Amount in Rupees
<u>Authorized:</u>	
50,00,000 Equity Shares of Re 10/- each	5,00,00,000
<u>Issued and Subscribed</u>	
40,00,000 Equity Shares of Re 10/- each	4,00,00,000
Less: Calls in arrears	1,20,000
<u>Paid-up Capital</u>	3,98,80,000

(c) The Main Objects of AFL/The Transferee Company presently enables it to carry on the business of:

- (i) To carry on the businesses of bakers, confectioners, manufacturers, distributors and sellers of bread, biscuits, crackers, cookies, cakes, pastries and other bakery products, Ice-creams, beverages, aerated drinks, aerated and artificial water, milk and milk products, sweets, frozen desserts, processed food and frozen food, blenders, battles, coffee shop, and fast food joint proprietors, cake shop proprietors, milk and snack bar proprietors, Ice-cream merchants, sweet-meal merchants, refreshment, contractors and caterers, supermarkets, retail shops, showrooms, wholesale markets, departmental stores, retail shops whatsoever and other food products in India or in any other part of the world".

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble High Court or in terms of this Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART B

TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF UNDERTAKING

- 5.1 Subject to the provisions of the Scheme as specified hereinafter and with effect from the Appointed Date, the entire business Undertaking of the Transferor Company, including all debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties (more specifically described under schedule 'I') and assets, tangible or intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, Factories Act licenses,

manufacturing licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secrets, brands, registrations, licenses, (more specifically described under schedule 'II') marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the order of the High Court sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

- 5.2 Without prejudice to the generality of clause 5.1 above, with respect to the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.
- 5.3 Without prejudice to the generality of clause 5.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 5.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 5.5 Loans, advances and other obligations (including 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), if any, due or which may at any time in future become due by the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability on any party and appropriate effect shall be given in the books of account and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations by the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- 5.6 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, 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, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.
- 5.7 The existing encumbrances if any over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 5.8 It is expressly provided that, save as herein provided, 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 statutorily or by necessary implication.
- 5.9 With effect from the Appointed Date, all contracts, statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.
- 5.10 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

6. CONSIDERATION

- 6.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of Undertaking of the SFRPL/Transferor Company with AFL/Transferee Company shall, without any further act or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of SFRPL whose name appears in the Register of Members of SFRPL as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

“ 2 (TWO) fully paid Equity Share of AFL/Transferee Company shall be issued and allotted for every 1(ONE) fully paid Equity Share each held in SFRPL/Transferor Company to shareholders other than AFL/Transferee Company ”.

The total number of shares in SFRPL are 2,94,185 out of which 2,14,696 shares are held by AFL. The face value of one share of AFL and SFRPL are Rs. 10/- and Rs. 100/- each respectively. While revaluing the shares for the calculation of swap ratio, the face value of the shares of SFRPL were brought down to Rs. 10/- per share in line with the face value of shares of AFL. Consequently, the number of shares in SFRPL have been proportionately multiplied in order to bring uniformity in the valuation process.

After taking the aforesaid condition into effect; the shares of SFRPL are 29,41,850 shares @ Rs. 10/- each. Out of this 21,46,960 shares of AFL will stand cancelled due to cross holding and the balance 7,94,890 shares are eligible to receive the shares of AFL in the determined swap ratio of 2:1. In other words, 15,89,780 shares (7,94,890*2) @ Rs. 10/- each will be allotted to the shareholders of SFRPL. The existing shares of AFL are 40,00,000 nos. @ Rs. 10/- each. With a fresh allotment of 15,89,780 shares @ Rs. 10/- each to SFRPL in the process of merger the total number of shares in AFL post- merger comes to 55,89,780 shares @ Rs. 10/- each.

- 6.2 The equity shares to be issued to the members of SFRPL as above shall be subject to the Memorandum and Articles of Association of AFL and shall rank *pari passu* with the existing equity shares of AFL in all respects including dividends.
- 6.3 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of SFRPL in dematerialized form, in to the account in which SFRPL shares are held or such other account as is intimated by the shareholders to SFRPL and/or its Registrar before the Record Date. The equity shares of AFL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s).
- 6.4 The Board of Directors of AFL shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities for the issue and allotment of equity shares to the members of SFRPL pursuant to above clause.
- 6.5 The equity shares to be issued to the members of SFRPL pursuant to clause 6.1 of this Scheme will be listed and/or admitted to trading on all the Stock Exchanges on which shares of AFL are listed on the Effective Date. AFL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. Further there shall be no change in shareholding pattern or control in Anjani Foods Limited between the record date and the listing.

7. INCREASE IN AUTHORISED CAPITAL OF TRANSFEREE COMPANY

- 7.1 Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including without payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs.3,00,00,000 (Rupees Three Crores Only), and the provisions in 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, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on their authorised share capital shall be utilized and applied to the increased authorised equity share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/stamp duty on the authorised share capital so increased.
- 7.2 Accordingly, in terms of this Scheme, the authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 8,00,00,000 (Rupees Eight Crores Only), divided into 80,00,000 (Eighty lakhs) equity shares of Rs. 10/- each and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

The Authorized Share Capital of the Company is Rs. 8,00,00,000/- (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs Only) Equity Shares of Re.10/- (Rupee Ten Only) each. The Equity shares shall have the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulation of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

8. STAFF, WORKMEN AND EMPLOYEES

- 8.1 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the

Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

- 8.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

9. LEGAL PROCEEDINGS

- 9.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- 9.2 On and from the Effective Date, Transferee Company may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of Transferor Company and to the same extent as would or might have been initiated by or defended by Transferor Company.

10. POWER TO GIVE EFFECT TO THIS PART

The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

11. TAXATION MATTERS

- 11.1 Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/regulations dealing with taxes/duties/levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or 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 if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company as on the Appointed Date or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 11.2 All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities such as income tax, sales tax, and service tax, or any tax deduction/collection at source, tax credits under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Effective Date and upon relevant proof and documents being provided to the said authorities.
- 11.3 All cheques and other negotiable instruments and payment orders received 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. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the Effective Date.

12. CONTRACTS, DEEDS AND INSTRUMENTS

Subject to the other provisions of the Scheme, all contracts, including contracts for all tenancies and licenses, rentals, deeds, bonds, agreements, bonds, Lease deeds, Rental Agreements, Agreements of any and all usage, business purchase

agreements, schemes, Trade Marks, exemption schemes, Memorandum of Understanding or memoranda of agreement, memoranda of agreed prints, letters of agreed points, character merchandising licenses, technology transfer agreements, distribution licenses and agreements, usage agreements, arrangements, undertakings whether written or otherwise and other instruments if any, of what so ever nature to which the Transferor Company is a party, or the benefits to which the Transferor Company is entitled, or subsisting or operative immediately on or before the effective date shall be in full force and effective against or in favour of the Transferee Company and may be enforced as fully and effectively as it would be against or for the Transferor Company and the Transferee Company, shall enter into and/or issue and/or execute deeds, or bonds in writing or confirm in writing or enter into tripartite agreements, confirmations or notations to which the Transferor Company is a party, to give full effect and formal authenticity to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, or confirmations on behalf of the Transferor Company and to implement or carry out all the formalities and obligations required on the part of the Transferor Company to give effect to the provisions of this Scheme.

PART C

ACCOUNTING TREATMENT FOR THE AMALGAMATION IN THE BOOKS OF THE TRANSFEREE COMPANY

13. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

On the Scheme becoming effective, the accounting for the amalgamation would be done in accordance with the "Purchase Method" referred in Accounting Standard 14 – Accounting for Amalgamation (AS 14) issued by the Institute of Chartered Accountants of India and notified by the National Advisory Committee on Accounting Standards, Ministry of Corporate Affairs, as amended from time to time, which *inter alia* provides for the following:

- 13.1 With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by Transferee Company at their respective fair values.
- 13.2 The amount of investments made in the shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled in the books of the Transferee Company, without any further act or deed.
- 13.3 The reserves (whether capital or revenue or on revaluation) of the Transferor Company, other than the statutory reserves should not be recorded in the Financial Statements of the Transferee Company. Where the statutory reserve is transferred and recorded, corresponding debit should be given to a suitable account head (e.g. Amalgamation Adjustment Account) which should be disclosed as a part of 'miscellaneous expenditure' or other similar category in the balance sheet. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account should be reversed.
- 13.4 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- 13.5 The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the Financial Statements of the respective companies, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the Financial Statements of the Transferee Company.
- 13.6 The surplus arising between (A) the aggregate values of assets of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 13.1 or cancelled in terms of clause 13.2 and 13.5 after making necessary adjustments as per clause 13.4, and (B) the aggregate of (a) the liabilities of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 13.1 or cancelled in terms of clause 13.5 after making necessary adjustments as per clause 13.4, and (b) reserves of the Transferor Company recorded by the Transferee Company as per clause 13.3, shall be credited to the Capital Reserve Account of the Transferee Company. In case of a deficit, as computed above, such deficit shall be debited to Goodwill.

14. TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE

During the period from the Appointed Date to the Effective Date:

- 14.1 The Transferor Company shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their respective businesses and Undertaking for and on account of and in trust for the Transferee Company;
- 14.2 The Transferor Company shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;
- 14.3 With effect from the Appointed Date and up to and including the Effective Date, Transferor Company shall not, without the written consent of Transferee Company, undertake any new business;
- 14.4 With effect from Appointed Date and up to and including the Effective Date, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its Undertaking or any part thereof save and except in each case:
 - (a) if the same is in the ordinary course of business of Transferor Company as carried on by them as on the date of filing this Scheme with the High Court; or

- (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.
- 14.5 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 14.6 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

15. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking(s) of the Transferor Company under Clause 5 of 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 and the Effective Date (both days inclusive), 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.

PART D

Dissolution of the Transferor Company and

the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto

16. WINDING UP

On the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the High Court may direct or determine.

17. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- (i) Approval by the Hon'ble High Court;
- (ii) The certified copy of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- (iii) As per Para (I) (A) (9)(a) and (b) of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30,2015 which is applicable in this case, the listed company 'AFL' shall ensure that the Scheme of Arrangement submitted with the Hon'ble High Court for sanction, provides for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution;
- (iv) The Scheme of arrangement of the listed company 'AFL' provides that the Scheme shall be acted upon and only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- (v) Compliance with such other conditions as may be imposed by the High Court.

18. APPLICATION TO THE HIGH COURT

The Transferor Company and Transferee Company shall, with all reasonable despatch, make and file an Application/Petition to the High Court, for sanctioning the Scheme, and for dissolution of the Transferor Company without being wound-up.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/appointed by them, may carry out or assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other Government Authority may deem fit, to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government/regulatory Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event, any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

VALUATION REPORT

BACKGROUND:

M/s. Anjani Foods Limited is a Company incorporated on 25.06.1983, under the provisions of the Companies Act, 1956, bearing CIN: L65910AP1983PLC004005 and having its registered office situated at Vishnupur, Durgapur, Garagaparru Road, Bhimavaram-534202. Andhra Pradesh. (hereinafter referred to as "AFL"). The Authorized Capital of the Company as on 31.03.2016 is Rs. 5,00,00,000/- (Rupees Five Crores only) and the paid up capital of the Company as on 31.03.2016 is Rs 4,00,00,000/- The Shares of AFL are listed and traded on the BSE Limited.

The share holding pattern of AFL as on 31.03.2016

No.	Name of the Shareholder	Total Shares held	
		Number	Stake in Overall Shareholding
I.	Held By Promoter & "Promoter Group":	28,68,480	71.71%
II.	Public Share Holding	11,31,520	28.29%
I+II	Total	40,00,000	100.00%

Note: The shares held by the public totaling to 11,31,520 includes partly paid up shares of 1,20,000.

Details of Subsidiaries of AFL as on 31.03.2016:

Subsidiaries (of AFL):	AFL Stake:
Sai Aditya Foods and Retail Private Limited	72.98%

Sai Aditya Foods and Retail Private Limited is a Company incorporated on 16.05.1994, under the provisions of the Companies Act, 1956, bearing CIN: U55101TG1994PTC017555 and having its registered office situated at Plot No. 153, Sita Nilayam, Dwarakapuri Colony, Punjagutta, Hyderabad-500082, Telangana (hereinafter referred to as "SAI"). The Authorised Capital of the Company as on 31.03.2016 is Rs. 3,00,00,000/- (Rupees Three Crores only) and the paid up capital of the Company as on 31.03.2016 is Rs 2,94,18,500/-

For the purpose of valuation, the shares of Sai Aditya Foods & Retail Pvt. Ltd. which are originally of face value of Rs. 100/- each are being re-valued at Rs. 10/- each to bring uniformity in the valuation process.

The share holding pattern of SAI as on 31.03.2016 is as follows:

Sl. No.	Name of the Share Holder	No. of Shares held of Rs.100 each	No. of Shares held of Rs.10 each
1	M/s Anjani Foods Limited	2,14,696	21,46,960
2	DR. K.S.N Raju	9	90
3	Mrs. K. Anuradha	18,721	1,87,210
4	Mrs. K. Narasimha Raju	1253	12,530
5	Mrs. K. Rama Madhavi	1231	12,310
6	Mr.N.V.S.S Subramanyam Raju	500	5000
7	Mrs. N. Renuka Devi	250	2500
8	Mrs. Vanitha Datla	10,100	1,01,000
9	K.V. Vishnu Raju	47,875	4,78,750
	Total	2,94,185	29,41,850

We understand that the management of AFL and SAI are considering to merge SAI with AFL by implementing the Scheme of Arrangement under the provisions of Sections 391-394 of the Companies Act, 1956 and other relevant provisions of The Companies Act, 2013. Under the Scheme of Arrangement, as consideration for their equity shares in SAI, the shareholders of SAI will be issued equity shares in AFL.

We have carried out a relative valuation of the equity shares of AFL and SAI with a view to arrive at the equity share exchange ratio.

SOURCE OF INFORMATION:

The following information has been provided by the management:

1. The Audited Annual Accounts of AFL and SAI for the past 3 years
2. The projected income statements and balance sheets for the years 2016-17 to 2020-21 of SAI.
3. The term loan details and repayment schedules.
4. Interviews and discussions with the management of AFL and SAI to augment our knowledge of the operations of the company.

We have also obtained explanations and information considered reasonable and necessary for our exercise from the executives and representatives of the entities.

PURPOSE OF VALUATION:

The purpose of this valuation/report is to provide the BOD/Management of AFL, and SAI with elements and points that will aid in determination of the exchange ratio to be proposed in the merger of the said companies.

The valuation has been done taking into account the current and future prospects of the entities on an independent and standalone basis, without taking any potential synergies from the merger into account.

DATE OF VALUATION:

The valuation is done as of period ended on 31.03.2016.

METHODS OF VALUATION:

In arriving at the exchange ratio of the equity shares for the merger of the SAI with AFL we have determined the values independently but on a relative basis. We have considered the methods relevant and applicable, which included:

1. Market Approach:
 - a. Current Market Price Method
2. Income Approach:
 - a. Discounted Cash Flow
3. Cost Approach
 - a. Net Assets Value method/Book Value

1. Market Value Approach:

a. Current Market Price Method:

The market price of equity as quoted on stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. In the present case the shares of AFL are listed in BSE and the volume weighted average share price of AFL over an appropriate period has been considered under this method.

The market value of AFL is arrived at by considering the higher of 6 months Average Market price or 15 days average market price. Accordingly the Current Market Price of AFL is Rs 5.65/- per equity share of Rs 10/- each.

This method is not considered appropriate to value SAI as it is an unlisted company.

2. Income Approach

a) Discounted cash flow method

The discounted cash flow method has also been used to value the equity of the SAI.

The discounted cash flow method is a modern valuation method which relates the value of an asset to the present value of the expected future cash flows on that asset. Under this the value of the business has been determined by the formula:

$$\text{Value of Business} = \sum \text{CF in period } t / (1 + \text{WACC})^t$$

Where, $t=1$ to n ,

CF = Expected cash flow in period n ,

WACC = Weighted average cost of capital.

The WACC of the companies has been calculated horizontally up to the year end March 2021 and is considered at 10%. The terminal value has been estimated in the last year of forecast period and the present value of the same is added to present value of all the cash flows.

The DCF approach has been used in calculating the value per equity share of SAI. Since DCF model is predominantly used to value the business, we have provided higher weightage to the same while arriving at the valuation of the companies.

This method is not considered appropriate in case of AFL as the income of the company comprises of only interest income on the loan and advances given to the various companies. The turnover of the company could not be projected and hence DCF method valuation is not considered appropriate.

3. Cost Approach

a) Book Value/Net Assets Method

Under this approach, we have considered the value of the underlying assets of the business at book value. Net Asset Value represents net equity of the business after assets and liabilities have been adjusted to their fair values.

In arriving at the fair value of the equity shares of the companies, relative weights have been assigned to all the above methods. The AFL is considered to be an asset oriented company and hence higher weightage is assigned in comparison with the market value.

Accordingly the following weights have been assigned in Anjani and SAI

Method-AFL	Values	Value per share	Weights	Weighted Avg
	(Rs in lakhs)			
Adjusted Netwoth	1162	29.04	2	58.09
Market Value	226	5.65	1	5.65
	1388		3	63.74
VALUATION	Fair Market Value per Share of Rs 10 each			21.25

Method-SAI	Values	Value per share	Weights	Weighted Avg
	(Rs in lakhs)			
Adjusted Netwoth	452	15.36	1	30.72
DCF	1405	47.77	2	95.54
	1857		3	126.25
VALUATION	Fair Market Value per Share of Rs 10 each			42.09

VALUATION CONCLUSIONS:

The different values have been arrived at under each of the above methods, for the purpose of recommending an equity exchange ratio, it is necessary to arrive at a single value for the shares of both the companies (i.e AFL and SAI). In this context, we are not attempting to arrive at the absolute value of shares of the companies, our exercise is to work out a relative value of the shares. In view of this it is necessary to give appropriate weightage to the approaches adopted.

On considering the relative weights of all the above methods, we arrive at an exchange ratio of equity shares of AFL and SAI at 2:1.

In other words, we recommend issue of 2 shares of AFL in exchange of 1 share of SAI resulting in a fresh issue of 15,89,780 equity shares of AFL to the shareholders of SAI.

Sl. No.	Particulars	Amount in Cr's
A.	Value per equity share SAI	42.09
B.	Value per equity share of AFL	21.25
C	Therefore Exchange Ratio per share (A/B)	1.98
	Rounded off to	2
D	One (1) share of SAI is equivalent to Two(2) shares of AFL	

The details of the workings are available in annexure I- "Valuation of Anjani Foods Limited", annexure II-"Valuation of Sai Aditya Foods and Retail Private Limited", annexure-III -" Share Exchange Ratio"

All the workings form an integral part of this report.

LIMITATIONS AND DISCLAIMERS:

- (i) We do not express an opinion on the true and fairness of the financial information referred to, in this report.
- (ii) Our valuation and analysis and the conclusions drawn there from are based on the consideration of a variety of factors, which are largely dependent on the prevailing business conditions on the valuation date and explanation of the management.
- (iii) We presume that the management have taken reasonable care to ensure that all the relevant information which could have an impact on the valuation has been duly disclosed and made available to us.
- (iv) We presume that the management has taken reasonable care while estimating the financial projections of the companies
- (v) We do not take the responsibility of up-dating this report for any events or circumstances occurring after the date of our report. However, as on this date we are informed by the management that they are not aware of any material event(s) which could have had an impact on our valuation.
- (vi) In the course of valuation, we were provided with both written and verbal information(s), including market, financial and operating data(s). We have however, evaluated the information provided to us by the Company through broad enquiry, inquiry, analysis and review.
- (vii) In the process of evaluation, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would afford reasonable grounds to conclude that it is mis-stated or untrue or incorrect.
- (viii) We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

- (ix) As per the terms of our engagement we have relied upon the information provided by the Company without undertaking any detailed inquiry. Also, we have been given to understand, by the management that it has not omitted any relevant/material facts and that it has checked out relevance or materiality of any specific information relevant to the present exercise, in case of any doubt.
- (x) Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness and our conclusions are based on the assumptions and other information given by/on behalf of the Company's. The management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Company's and their impact on the present exercise. Also, we assume no responsibility for the information furnished by the company and believed to be reliable.
- (xi) We express no opinion on the achievability of the forecasts given to us. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both – the most likely set of future business events and circumstances and the management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or as anticipated. Therefore, actual results during the forecast period may differ from the forecast assumed as of now and such variations may be material.
- (xii) No investigation of the Company's claim to title of assets has been made for the purpose of this valuation and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
- (xiii) This report does not provide any assurance on realisability of assets and amount payable against liabilities.

Thanking You,

For **M.Anandam & Co.,**
Chartered Accountants

M.R.Vikram
(Partner)
M.No: 021012

Date: 16.06.2016
Place: Secunderabad

Observation Letter received from the BSE Limited dated 20th January, 2017

DSC/AMAL/MD/R37/684/2016-17

January 20, 2017

The Company Secretary
Anjani Foods Limited
Vishnupur, Garagaparru Road, West Godavari District,
Bhimavaram – 534202, Andhra Pradesh

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement involving Amalgamation of Sai Aditya Foods & Retail Private Limited with Anjani Foods Limited

We are in receipt of Draft Scheme Arrangement involving Amalgamation of Sai Aditya Foods & Retail Private Limited (SAF) with Anjani Foods Limited (AFL) and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated January 18, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **“Company shall ensure that it complies with the minimum public shareholding requirement in compliance with Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 within a period of 12 months from the date of approval of merger, as submitted by the Company vide its letter dated August 30, 2016.”**
- **“Company to ensure that the revised scheme submitted to BSE vide AFL's letter dtd. 30th November, 2016 is displayed from the date of receipt of this letter on the website of the listed company and the stock exchange along with various documents submitted pursuant to the Circular.”**
- **“Company shall duly comply with various provisions of the Circulars.”**

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

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

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

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-a-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2) (b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

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

Yours faithfully,

Nitin Pujari
Manager

Shri Khushro Bulsara,
Chief General Manager,
Bombay Stock Exchange Ltd.,
Floor 25, P J Towers, Dalal Street,
Mumbai-400001.

CFD/DIL-1/BNS/SD/1555/1/2017
January 18, 2017

Dear Sir,

Sub: Draft Scheme of Arrangement involving Amalgamations of Sai Aditya Foods & Retail Private Limited with Anjani Foods Limited

- 1) This has reference to your letter No. LIST/LO/SEBI/MD/157/2016-17 dated August 4, 2016 forwarding the application of draft Scheme of Arrangement involving Amalgamation of Sai Aditya Foods & Retail Private Limited (SAF) with Anjani Foods Limited (AFL) filed in accordance with SEBI Circular NO. CIR/CFD/CMD/16/2016 dated November 30, 2015 (hereinafter referred to as 'the Circulars') for our comments on the draft Scheme of Arrangement (hereinafter referred to as 'draft Scheme').
- 2) The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - a. BSE to ensure that AFL complies with the minimum public shareholding requirement in compliance with Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within a period of 12 months from the date of approval of merger, as submitted by AFL vide its letter dated August 30, 2016.
 - b. BSE is advised to ensure that the revised scheme submitted to BSE vide AFL's letter dated November 30, 2016 is displayed from the date of receipt of this letter on the websites of the listed company and the stock exchanges along with various documents submitted pursuant to the Circulars.
 - c. BSE to ensure compliance with the said Circular.
 - d. The company shall duly comply with various provisions of the Circular.

Please note that the submissions of documents/information's in accordance with the Circular, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Sanjay Dhakite

FAIRNESS REPORT

6th July, 2016

The Board of Directors,
Anjani Foods Limited,
Regdoff :Vishnupur, Durgapur
Garagaparru Road, Bhimavaram
West Godavari-534202, Andhra Pradesh.

The Board of Directors,
SaiAditya Foods and Retail Private Limited,
Regdoff :Plot no.153, SitaNilayam, Dwarakapuri Colony,
Punjagutta, Hyderabad- 500 082, Telangana.

Re: Fairness opinion on the Equity Exchange ratio for the proposed Scheme of amalgamation of SaiAditya Foods and Retail Private Limited "SFRPL" or "Transferor Company" with Anjani Foods Limited "AFL" or "Transferee Company" pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956/2013 as applicable to the company and shall include any statutory modifications, re-enactment or amendment thereof from time to time.

Dear Sirs,

We, **Quintessence Enterprises Pvt. Ltd., ('QEPL')**, refer to our offer letter dated 18th June, 2016 which has been duly accepted by you by your engagement letter dated 2nd July, 2016, whereby you have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' as per clause 24 (f) of the Listing Agreement and as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 and Regulation 37 of SEBI (LODR) Regulations 2015, on the Equity Exchange ratio for the proposed Scheme of amalgamation of SaiAditya Foods and Retail Private Limited "SFRPL" or "Transferor Company" with Anjani Foods Limited "AFL" or "Transferee Company" pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956/2013 as applicable to the company and shall include any statutory modifications, re-enactment or amendment thereof from time to time.

Merchant Banker - Quintessence Enterprises Private Limited (QEPL)

QEPL formed in 1999, is a Category - I, Merchant Banking company, based in Hyderabad, Andhra Pradesh, having its registered office at 'NANDANAM' 8-2-603/1/VP, Plot No. 8A, Road No. 10, Banjara Hills, Hyderabad - 500034, and Administrative office at 8-2-603/B/33/A/9, B - 201, Zahera Nagar, Road No. 10, Banjara Hills, Hyderabad - 500034. It is SEBI registered with Registration Code INM000011997 valid till 31/07/2017, as Category I Merchant Banker.

Sources of Information

1. A copy of the Memorandum and Articles of Association of AFL and SFRPL.
2. A copy of the audited annual report for the years, 2013-14, 2014-15 and 2015-2016.
3. A copy of the proposed Scheme of Amalgamation.
4. The projected income statements and balance sheets for the years 2016-17 to 2020-21 of SFRPL.
5. A copy of the board resolution passed by AFL and SFRPL.
6. Valuation Report dated 23rd June, 2016, by Independent Valuer Mr M Vikram of M. Anandam & Co, Chartered Accountants, 7A, Surya Towers, SP Road, Secunderabad-500003.

Background of the companies

Anjani Foods Limited (AFL or Transferee Company)

Anjani Foods Limited, a Public Limited Company incorporated under the Companies Act, 1956, bearing CIN: L65910AP1983PLC004005 and having its registered office at Vishnupur, Durgapur, **Garagaparru Road, Bhimavaram**, West Godavari - 534202, Andhra Pradesh.

AFL was incorporated as a public limited company on 25th day of June 1983 under the name and style of "Raasi Finance and Investment Limited" under Certificate of Incorporation no 4005 of 1983-84. Later the name of the company was changed to Raasi Enterprises Limited on getting approval from Central Government on 18th day of April, 2006 and Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, on 18th April, 2006 again later on the company has changed its name to "Anjani Foods Limited" after passing necessary resolution on 20th September, 2014 after obtaining the approval from Central Government. A Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh and Telangana on 07.11.2014.

The Authorized Capital of the Company as on 31.03.2016 is Rs. 5,00,00,000/- (Rupees Five Crores only) and the paid up capital of the Company as on 31.03.2016 is Rs 4,00,00,000/- The Shares of AFL are listed and traded on the BSE Limited. Details of Subsidiaries of AFL as on 31.03.2016:

Subsidiaries(of FL):	AFL Stake:
SaiAditya Foods and Retail Private Limited	72.98%

SaiAditya Foods and Retail Private Limited (SFRPL or Transferor Company)

SaiAditya Foods and Retail Private Limited, a Private limited company incorporated under the Companies Act, 1956, bearing CIN: U55101TG1994PTC017555 and having its registered office at Plot no.153, SitaNilayam, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082, Telangana. It is a private unlisted company.

Rationale of the Scheme

We understand that the managements of AFL and SFRPL are proposing to merge SFRPL with AFL by implementing a Scheme of Amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956 and other relevant provisions of The Companies Act, 2013. Under the Scheme of Amalgamation, the equity shareholders of SFRPL will be issued equity shares in AFL as consideration for their shares and SFRPL will cease to exist.

- The Transferor Company and the Transferee Company are engaged in the business of Bakers, Confectioners and related food products. The Transferor Company is a subsidiary of Transferee Company which is holding 72.98% share capital of the Transferor Company.
- The Scheme of Amalgamation will benefit the Transferor Company, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Amalgamation, inter alia, are summarized below:
- Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses
- Will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions
- Management and financial resources of transferee company will help the transferor company in setting up the green field manufacturing facility with appropriate international quality standards

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

The managements have appointed M Anandam&Co, Chartered Accountants, 7A, Surya Towers, SP Road, Secunderabad – 500003. (referred as “Valuers”) to prepare a valuation report on the fair exchange ratio for distribution of AFL shares to the shareholders of SFRPL.

In this connection we have been requested by AFL to render our professional services by way of a fairness opinion on Exchange Ratio from a financial point of view to the Board of Directors of AFL through audit committee of the board as to whether the Equity Share Exchange Ratio, as recommended by the Valuers, in their report dated 16th June, 2016 and based on the valuation analysis carried out by them, which forms the basis for the proposed Amalgamation as per the aforesaid Scheme is fair and reasonable.

As per the Valuers’ recommendation, the holders of outstanding equity shares of SFRPL will receive 2 (Two) fully paid up equity shares of AFL with the face value of Rs. 10 (Ten) each for every 1 fully paid up equity shares of SFRPL with the face value of Rs. 100 (Hundred) each (“Equity Share Exchange Ratio”).

Fairness Opinion:

We Quintessence Enterprises Private Limited have reviewed the proposed Scheme of Amalgamation and Valuation Report and believe it to be fair and reasonable from financial and commercial point of view to the holders of the equity shares of the Company subject to our caveats and disclaimers.

We hereby give our consent to present and disclose the fairness opinion in the general meeting of the shareholders of AFL and SFRPL pursuant to Clause 24 of the Listing agreement along with SEBI Circular No: CIR/CFD/CMD/16/2015 Dated 30th November, 2015 and Regulation 37 of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015 to BSE Limited, to the honorable High Court of Telangana and Andhra Pradesh and such other authorities in connection with the proposed purpose.

Limitation and Caveats of the Fairness Opinion

The assignment did not include the following:

1. It is the responsibility of the Board of Directors of the company for ensuring compliances in connection with the proposed Scheme of Amalgamation. Our role is to examine the Valuation carried out by the Chartered Accountant and the Scheme of Amalgamation and comment on the Fairness of the same.
2. Our fairness opinion is based on the information made available to us by the management of AFL. Any subsequent changes to the financial and other information provided to us, may affect the result of value analysis set out in this report. We have reviewed the information made available to us for over all consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the company. Our Fairness Opinion should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
3. The information contained in this report is selective and is subject to updation, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.
4. In rendering this Opinion, QEPL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly QEPL does not assume any responsibility in respect thereof. Further QEPL has assumed that the Scheme of Amalgamation will be implemented on the terms and conditions as set out in the draft Scheme of Amalgamation, without any material changes to or waiver of its terms and conditions.
5. We further declare that we do not have any direct or indirect interest in the Companies/assets valued.
6. This report is intended only for the sole use and information of the company and its shareholders only in connection with the Scheme of Amalgamation including for the purpose of obtaining judicial and regulatory approvals for the Scheme of Amalgamation.

7. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person/party intending to provide finance/invest in the shares/business of any of the companies or their subsidiaries/joint venture/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.
8. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme of Amalgamation as aforesaid can be done only with our prior permission in writing.

Our analysis and results are also specific to the date of this report and based on information as at 5th July, 2016. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses. and any other matter, which may have an impact on our opinion, on the Equity Share Exchange Ratio for the Proposed Amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposed Amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

It may further be noted that in no circumstances shall the liability of Quintessence Enterprises Private Limited (QEPL), its directors or employees related to the service provided in connection with this value analysis, exceed the amount paid to us as our fees for this opinion.

We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Fairness Opinion Report

Thanking you,
Yours faithfully,

For and on behalf of
Quintessence Enterprises Private Limited

Lavanya Chandra
Executive Director
Hyderabad.

COMPLIANT'S REPORT SUBMITTED TO BSE ON 10TH AUGUST 2016

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	URVIR MISHRA	07/12/2015	RESOLVED

Balance Sheet as at 31st March 2017

Amount Rs.

Particulars	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES		
1 Shareholder's Funds		
Share Capital	39,880,401	39,880,401
Reserves and Surplus	29,169,716	36,348,751
2 Non-Current Liabilities		
Long-Term Borrowings	-	-
Deferred Tax Liabilities (Net)	5,908	5,908
3 Current Liabilities		
Other Current Liabilities	26,782,709	12,271,452
Short-Term Provisions	57,632	102,809
TOTAL	<u>95,896,366</u>	<u>88,609,321</u>
II. ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	40,594,939	40,987,047
Work in Progress	7,874,858	-
Non-current investments	32,050,003	32,050,003
Long term loans and advances	1,045,901	2,622,583
Current Assets		
Cash and cash equivalents	370,865	411,198
Short-term loans and advances	13,959,799	12,538,490
TOTAL	<u>95,896,366</u>	<u>88,609,321</u>
Significant of Accounting Policies and Notes on Financial Statements		

As per our report of even date attached
for **M.BHASKARA RAO & CO.,**
CHARTERED ACCOUNTANTS
(FRN: 000459S)

for and on behalf of Board

D.Bapu Raghavendra
Partner
Membership No. : 213274

K.Aditya Vissam
Director

S.Ram Kumar
Director

Place: Hyderabad
Date: 29.05.2017

R.K.Pooja
Company Secretary

B.Rajasekhar
Chief Finance Officer

Statement of Profit and Loss for the year ended 31st March 2017

Amount Rs.

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
I. Other Income	1,608,757	1,980,316
II. Profit on sale of asset	-	-
III. III. Total Revenue (I +II)	1,608,757	1,980,316
IV. Expenses:		
Employee Benefit Expense	5,168,807	4,041,377
Financial Costs	3,170	1,255
Depreciation and Amortization Expense	54,504	72,402
Other Expenses	1,841,437	1,244,981
Total Expenses (IV)	7,067,918	5,360,015
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)	(5,459,161)	(3,379,699)
VI. Exceptional Items	-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)	(5,459,161)	(3,379,699)
VIII. Extraordinary Items	-	-
IX. Profit/(Loss) before tax (VII - VIII)	(5,459,161)	(3,379,699)
X. Tax expense:		
(1) Current tax	-	-
(2) Prior Year Taxation	1,719,874	-
(3) Deferred Tax	-	(2,579)
XI. Profit/(Loss) for the period (IX - X)	(7,179,035)	(3,377,120)
XII. Earning per equity share:		
(1) Basic	(1.79)	(0.84)
(2) Diluted	(1.79)	(0.84)
Significant of Accounting Policies and Notes on Financial Statements		

As per our report of even date attached
for M.BHASKARA RAO & CO.,
CHARTERED ACCOUNTANTS
(FRN: 000459S)

for and on behalf of Board

D.Bapu Raghavendra
Partner
Membership No. : 213274

K.Aditya Vissam
Director

S.Ram Kumar
Director

Place: Hyderabad
Date: 29.05.2017

R.K.Pooja
Company Secretary

B.Rajasekhar
Chief Finance Officer

SAI ADITYA FOODS AND RETAIL PRIVATE LIMITED - TRANSFEROR COMPANY

Balance Sheet as at 31st March 2017

Amount Rs.

Particulars	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	29,418,500	29,418,500
Reserves and Surplus	7,246,446	9,647,914
Non-current liabilities		
Long-term borrowings	10,517,410	8,864,180
Deferred Tax Liabilities	4,166,102	4,148,493
Other Long Term Liabilities	24,084,179	22,764,160
Current liabilities		
Short-Term Borrowings	18,237,579	18,403,269
Trade Payables	7,701,019	6,866,325
Other Current Liabilities	14,138,333	9,974,214
Short-Term Provisions	-	82,693
TOTAL:	<u><u>115,509,569</u></u>	<u><u>110,169,748</u></u>
II. ASSETS		
1. Non-Current Assets		
Fixed Assets		
(i) Tangible Assets	81,880,500	80,865,371
(iii) Capital Work-in-Progress	-	-
Non-Current Investments		
2. Current Assets		
Inventories	24,247,517	22,285,169
Trade Receivables	3,400,030	1,879,993
Cash and Cash Equivalents	1,505,319	1,670,775
Loans and Advances	3,874,750	3,282,312
Other Current Assets	601,453	186,128
TOTAL:	<u><u>115,509,569</u></u>	<u><u>110,169,748</u></u>
Significant Accounting Policies		

As per our report of even date attached

for and on behalf of Board

For B.N. & Company
Chartered Accountants
(FRN: 000288S)

N.Budda Raju
M.No.18192

K.Aditya Vissam
Director

K.Narasimha Raju
Director

Place: Hyderabad
Date: 29.05.2017

SAI ADITYA FOODS AND RETAIL PRIVATE LIMITED - TRANSFEROR COMPANY
Statement of Profit and Loss for the year ended 31st March 2017

Amount Rs.

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
I. Revenue from operations		
Sales	228,297,710	150,793,383
II. Other Income	1,887,926	4,980,777
III. Total Revenue (I+II)	230,185,636	155,774,160
IV. Expenses		
Cost of Materials consumed	85,825,214	52,698,088
Purchase of Traded Goods	56,908,634	34,216,095
Changes in Inventories of finished goods, work-in-Progress and Stock-in-Trade	601,074	990,693
Employee benefit expenses	34,814,724	26,091,452
Financial costs	4,196,130	4,392,037
Depreciation and amortization expense	5,623,380	5,563,297
Other expenses	44,600,340	31,388,532
Total Expenses	232,569,496	155,340,194
Profit before exceptional and extraordinary items and tax	(2,383,859)	433,965
Exceptional Items		
Profit before extraordinary items and tx	(2,383,859)	433,965
Extraordinary Items		
Profit before tax	(2,383,859)	433,965
Tax expense:		
Current tax	-	82,693
Deferred tax	17,609	663,331
Profit from the period from continuing operations	(2,401,468)	(312,059)
Prifit/ (Loss) from discontinuing operations		
Tax expense of discounting operations	-	-
Profit/ (Loss) from Discontinuing operations	-	-
Profit/ (Loss) for the period	(2,401,468)	(312,059)
Earning per equity share:		
(1) Basic	(8.16)	(1.06)
(2) Diluted	(8.16)	(1.06)

As per our report of even date attached

For B.N. & Company
 Chartered Accountants
 (FRN: 000288S)

for and on behalf of Board

N.Budda Raju
 M.No.18192

K.Aditya Vissam
 Director

K.Narasimha Raju
 Director

 Place: Hyderabad
 Date: 29.05.2017

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH
AT HYDERABAD

C A (CAA) No. 38/230/HDB/2017
In the matter of the Companies Act, 2013

And

In the matter of Section 232 and Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of M/s. Anjani Foods Limited ('Transferee Company')

And

In the matter of M/s. Sai Aditya Foods and Retail Private Limited ('Transferor Company')

And

Their respective Shareholders and Creditors

M/s. Anjani Foods Limited
Having Registered Office at
Vishnupur, Durgapur, Garagaparru Road,
Bhimavaram - 534 202, West Godavari District,
Andhra Pradesh Represented by its
Whole time Director Sri. R.Ravichandran

... Applicant/Transferee Company

PROXY FORM (Form No. MGT-11)

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

Name of Member(s)	
Registered Address	
E-Mail ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) holding _____ shares of above named the Transferee Company, hereby appoint:

1.

Name:	
Address:	
E-mail ID:	
Signature:	

Or failing him/her

2.

Name:	
Address:	
E-mail ID:	
Signature:	

Or failing him/her

3.

Name:	
Address:	
E-mail ID:	
Signature:	

(Contd.)

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Tribunal Convened Meeting of the Equity Shareholders of the Company to be held on Saturday, the 22nd day of July, 2017 at 11.00 A.M. at Administrative Building: Dr. B.V.Raju Foundation, Vishnupur, Durgapur, Garagaparru Road, Bhimavaram – 534 202, West Godavari District, India, in respect of the resolution as is indicated below.

Resolution No.	Resolution	Votes		
		For	Against	Abstain
1.	Ordinary Resolution			
	Approval of "Scheme of Amalgamation of Sai Aditya Foods & Retail Private Limited (Transferor Company) with Anjani Foods Limited (Transferee Company) and their Respective Shareholders and Creditors."			

*Strike-off whichever is not applicable

Signed this ___ day of _____ 2017

Signature of Shareholder(s):

Signature of Proxy holder(s):

Affix Revenue Stamp

Notes:

- * All alterations made in the Form of the Proxy should be initialed.
- * Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- * In case of multiple proxies, the Proxy later in time shall be accepted.
- * This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at Vishnupur, B.V.Raju Marg, Bhimavaram – 534 202, West Godavari, A.P., not later than **FORTY-EIGHT HOURS** before the commencement of the aforesaid Meeting.



ANJANI FOODS LIMITED

CIN: L65910AP1983PLC004005

Regd. Office.: Vishnupur, B.V.Raju Marg, Bhimavaram - 534 202, West Godavari, A.P.

ATTENDANCE SLIP

DP.ID*	
--------	--

Master Folio No.	
------------------	--

Client ID*	
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No. of Shares held	
--------------------	--

I hereby record my presence at the meeting of the Shareholders convened under the directions of Hon'ble National Company Law Tribunal Hyderabad Bench at Hyderabad vide order dated 9th May, 2017 passed in **C A (CAA) No. 38/230/HDB/2017**, held on Saturday, the 22nd day of July, 2017 at 11.00 A.M. at Administrative Building; Dr. B.V.Raju Foundation, Vishnupur, Durgapur, Garagaparru Road, Bhimavaram - 534 202, West Godavari District, India

Name of Member's/Proxy's/ Authorized Representative's

Signature of Member's/Proxy's/ Authorized Representative's

** Applicable for shareholders holding equity shares in electronic form.*

NOTE:

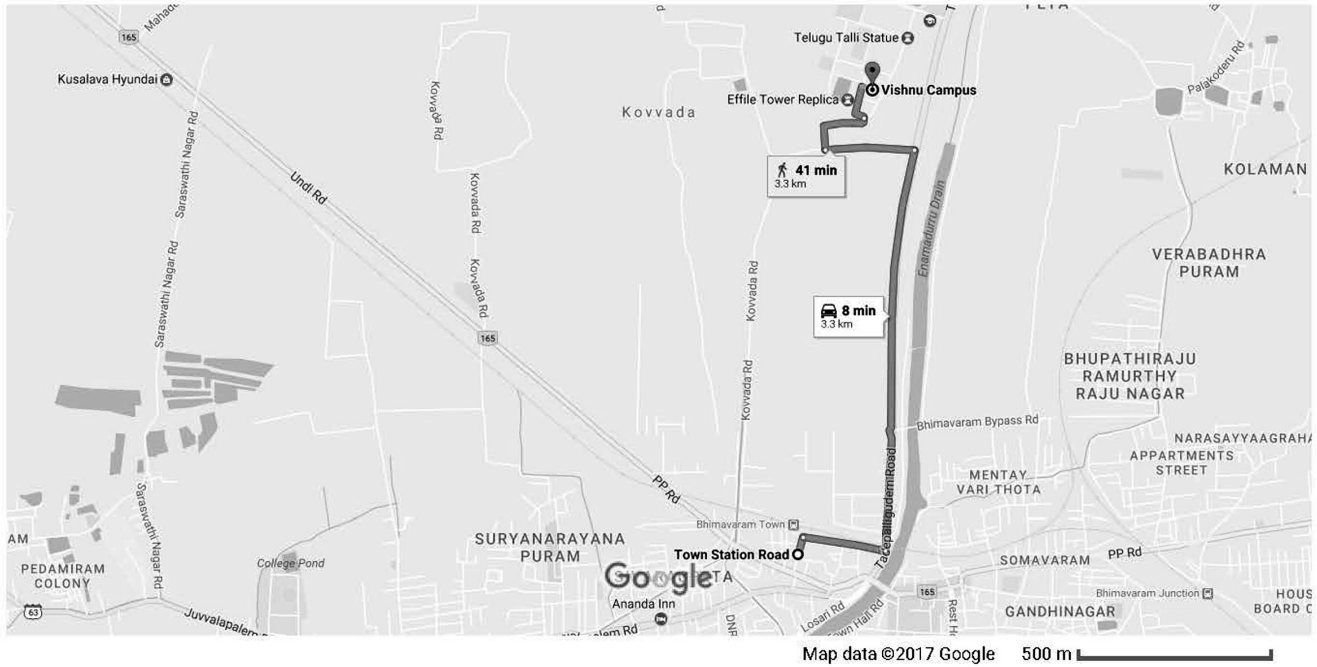
- Shareholders/proxy holder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over them at the entrance after affixing their signature on them.
- In case of joint holders attending the meeting only such joint holder who is higher in order of the names will be entitled to vote.



ROUTE MAP TO THE VENUE OF TRIBUNAL CONVENED MEETING

Town Station Road to bvirit college bhimavaram

Drive 3.3 km, 8 min



via Atili - Komara - Bhimavaram Rd/Bhimavaram - Tadevalligudem Rd/BV Raju College 8 min
 Rd/Tadevalligudem Rd 3.3 km
 Fastest route



via Atili - Komara - Bhimavaram Rd/Bhimavaram - Tadevalligudem Rd/BV Raju College 40 min
 Rd/Tadevalligudem Rd 3.3 km

If undelivered please return to:

ANJANI FOODS LIMITED

CIN -L65910AP1983PLC004005

Registered Office: Vishnupur, B.V.Raju Marg, Bhimavaram - 534 202, West Godavari, A.P.

Tel:+91 - 40 - 40334829 Fax: +91 - 40 - 23355048

E-mail: info@anjanifoods.in

Website: www.anjanifoods.in

ANJANI FOODS LIMITED

(Formerly RAASI ENTERPRISES LIMITED
(L65910AP1983PLC004005))

Plot No. 153, "Sitha Nilayam", Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082. Telangana.
Phone 040-40334829

30.11.2016

To,

The General Manager,

BSE Limited,

P.J.Towers, Dalal Street,

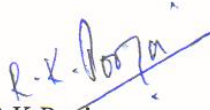
Mumbai-400 001

Sub- Altered Scheme of Merger

Dear Sir,

The 'Altered Scheme of Merger' of 'Anjani Foods Limited' (AFL) after making rectifications has been attached here with. Kindly consider this as the final copy.

For Anjani Foods Limited


R.K. Poja

Company Secretary & Compliance Officer

**SCHEME OF AMALGAMATION
OF
SAI ADITYA FOODS AND RETAIL PRIVATE LIMITED
WITH
ANJANI FOODS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)**

GENERAL

I. PURPOSE OF SCHEME

This Scheme of Amalgamation provides for the amalgamation of Sai Aditya Foods and Retail Private Limited (hereinafter referred to as “SFRPL” or “Transferor Company”) with Anjani Foods Limited (hereinafter referred to as “AFL” or “Transferee Company”) pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

II. RATIONALE FOR THE SCHEME

The Transferor Company and the Transferee Company are engaged in the business of Bakers, Confectioners and related food products. The Transferor Company is a subsidiary of Transferee Company which is holding 72.98% share capital of the Transferor Company.

The Scheme of Amalgamation will benefit the Transferor Company, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Amalgamation, inter alia, are summarized below:

- Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses
- Will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions
- Management and financial resources of transferee company will help the transferor company in setting up the green field manufacturing facility with appropriate international quality standards

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

III. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- (i) **Part A** – dealing with definitions of the terms used in this Scheme of Amalgamation and setting out incorporation details, share capital and objects of the Transferor Company and the Transferee Company;
- (ii) **Part B** – dealing with the transfer and vesting of the Undertaking(s) of the Transferor Company with the Transferee Company;
- (iii) **Part C** – dealing with the accounting treatment for the amalgamation in the books of the Transferee Company; and
- (iv) **Part D** – dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

PART A **DEFINITIONS AND SHARE CAPITAL**

1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meanings:

- 1.1 “**Act**” means the Companies Act, 1956 and Companies Act, 2013, to the extent its provisions relevant for this scheme are notified and rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force; reference to Sections 391 to 394 of the Companies Act, 1956 shall mean and include reference to any provisions in the Companies Act, 2013 duly notified which replace/ amend/ modify the said provisions.
- 1.2 “**Appointed Date**” means 1st April, 2016 or such other date as the Hon’ble High Court or such other authorities may direct.
- 1.3 “**Assets**” shall mean all the business, undertakings, estates, assets, properties, rights, titles and interests of whatsoever nature and kind and wheresoever situate in India, of the Transferor Company, including but not limited to:

- all assets, movable and immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, freehold or leasehold, fixed or current, including computers and telecommunication equipments, computer hardware, software and programs, plant and machinery, office equipments, furniture and fixtures, vehicles, sundry debtors, cash and bank balances, loans and advances, deposits, buildings, godowns, warehouses, offices, inventories, bills of exchange, peripherals and accessories, receivables, investments, goodwill, investment in shares, debentures, bonds, mutual funds etc.
- All the registrations, permits, quotas, entitlements, industrial and other licenses, concessions, incentives, subsidies, approvals, authorizations, consents, tenancies, trademarks, patents, copyrights, all intellectual property, rights and licenses there under, technical knowhow, permits, designs, patterns, inventions, leasehold rights, leases, tenancy rights privileges, all other rights, benefits and entitlements including sales tax deferrals and other benefits, lease rights (including the benefit of any applications made therefor) powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements, benefits under Letter of Credit, Guarantees, Letters of Comforts etc. Issued for the benefit of the Transferor company, benefits under government schemes, deferred tax benefits and other benefits accruing on account of past expenditure and all such other interests/benefits;
- All earnest moneys and/ or security deposits;
- All records, files, papers, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and all other records pertaining to business.

- 1.4 “**Board of Directors**” or “**Board**” means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.
- 1.5 “**Effective Date**” means the last of the dates on which the certified true copies of the order of the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning the Scheme is filed with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad, by the Transferor Company and the Transferee Company (defined hereinafter).

- 1.6 **“High Court”** means the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, having jurisdiction in relation to the Transferor Company and the Transferee Company, and shall include the National Company Law Tribunal, if applicable.
- 1.7 **“Liabilities”** shall mean all the debts, secured and unsecured loans, liabilities, responsibilities, obligations, duties of the Transferor Company.
- 1.8 **“SFRPL” or “Transferor Company”** means Sai Aditya Foods and Retail Private Limited, a Private limited company incorporated under the Companies Act, 1956, and having its registered office at Plot no.153, Sita Nilayam, Dwarakapuri Colony, Punjagutta, Hyderabad – 500 082, Telangana.
- 1.9 **“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with any modification(s) made under clause 19 of this Scheme, as approved or directed by the High Court or any other appropriate authority.
- 1.10 **“AFL” or “Transferee Company”** means Anjani Foods Limited, a Public Limited company incorporated under the Companies Act, 1956, and having its registered office at Vishnupur, Durgapur, Garagaparru Road, Bhimavaram – 534202, West Godavari, Andhra Pradesh.
- 1.1. **“Undertaking of the Transferor Company”** shall mean and include :-
- 1.1.1 any and all immovable property, including land if any, buildings, movable assets including plant, machinery and equipments, whether leased or otherwise, any and all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the immovable properties whether leasehold or otherwise comprised in its business together with all present and future liabilities including contingent liabilities and debts appertaining to its business, as per the records of SFRPL;
- 1.1.2 any other property or assets, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, owned, held, used or otherwise enjoyed by SFRPL;
- 1.1.3 any and all permits, quotas, rights, approvals, consents, entitlements, licences or any other specific approvals/ permissions obtained from various statutory / Government / Quasi Government agencies which are not mentioned in the said annexure, approvals, tenancies, trademarks, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights, permissions / approvals applied which are under process or to be applied, whether available as on date or vested in future, including lease rights, licences,

approvals, exemptions, tax benefits, concessions, subsidies and other beneficial interests, powers and facilities of every kind and description of whatsoever nature, appertaining to its business, as per the records of SFRPL;

1.1.4 Any and all debts, borrowings and liabilities, present or future, whether secured or unsecured, pertaining to the business, as per the records of SFRPL;

1.1.5 Any and all permanent, temporary, daily rated, casual and contractual employees of SFRPL engaged in or in relation to its business at their respective offices, branches, factories, depots or otherwise at their current terms and conditions as per the records of SFRPL;

1.1.6 Any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to its business, as per the records of SFRPL;

1.1.7 Any and all investments, current assets, funds, and loans and advances including accrued interest, in connection with or relating to its business, as per the records of SFRPL; and

1.1.8 All records, files, papers, documents, process information, computer programs, manuals, data, catalogues, quotations, internal control information / material, technical know-how, present and prospective list of customers and suppliers, customer credit information, customer pricing information, books of accounts and other supporting data, documents, invoices etc. and all other records whether in physical or electronic form, pertaining to the business of SFRPL.

Any reference in the Scheme to “upon the Scheme becoming effective” or “upon the Scheme coming into effect” shall mean the Effective Date.

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 the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

INCORPORATION, SHARE CAPITAL AND MAIN OBJECTS.

2. Transferor Company / SFRPL

a) Incorporation

Sai Aditya Foods and Retail Private Limited / transferor Company was incorporated as a Private Limited company in then the State of Andhra Pradesh on 16.05.1994 and its Corporate Identity No is U55101TG1994PTC017555.

b) The Present Share Capital of Sai Aditya Foods and Retail Private Limited is as under:

PARTICULARS	AMOUNT IN RUPEES
<u>Authorised:</u>	
3,00,000 Equity Shares of Rs 100/- each	3,00,00,000
Issued, Subscribed and Paid-up:	
2,94,185 Equity Shares of Rs 100/- each fully paid-up	2,94,18,500

c) The Main Objects of the Transferor Company presently enables it to carry on the business of:

- a. (i) To carry on the business of hotel, restaurant, café, tavern, beer-house, refreshment-room and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, importers and manufacturers of a aerated and artificial waters and other drinks, purveyors, caterers for public amusement generally and purchase, erect or otherwise acquire establish and equip act as collaborators, technicians, financiers of any of other hotels in India or in any part of the world.
- b. To act as agent of any hotel/company or as buying and selling agent of any hotel/company, and to do and perform all and singular the several duties, services and offices, which the agents of any hotel/company usually do and perform and undertake and to become bound by condition of any agreement or agreements entered into for any of the purposes aforesaid.
- c. To carry on the business as hoteliers, hotel proprietors, hotel managers and operators, refreshment contractors and caterers, restaurant keepers, refreshment room proprietors , milk and snack bar proprietors, ice-cream merchants, sweetmeat merchants, milk manufacturers and merchants, bakers confectioners, professional merchants, licensed victualiers, wine and spirit merchants, blenders and bottlers.
- d. To establish and to carry on the business of super-markets, retail shops, show rooms, whole sale markets, departmental stores or show room distribution centers, warehouses, clearing house, custodians and to provide facilities for storage of all commodities, articles things, preparation of all kind and description what so ever storage rooms, godowns, cold storage, clearing forwarding transportation and distribution of wines and liquors, beverages, food products and merchandise of all kinds.
- e. To establish, purchase, take on lease or otherwise acquire and run, shops, retail shops or markets, show rooms, super markets, whole sale markets, departmental stores, distribution stores, distribution centers, stores or depots a warehouse, clearing houses at any place in India and abroad.

3. Transferee Company / AFL

- a) Incorporation

Anjani Foods Limited / transferee Company / AFL was incorporated as a public limited company on 25th day of June 1983 under the name and style of “Raasi Finance and Investment Limited” under Certificate of Incorporation no 4005 of 1983-84. Later the name of the company was changed to Raasi Enterprises Limited on getting approval from Central Government on 18th day of April, 2006 and Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, on 18th April, 2006 again later on the company has changed its name to “Anjani Foods Limited” after passing necessary resolution on 20th September, 2014 after obtaining the approval from Central Government. A Fresh Certificate of Incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh and Telangana on 07.11.2014.

b) The Present Share Capital of AFL / Transferee Company is as under:-

PARTICULARS	AMOUNT IN RUPEES
<u>Authorized:</u>	
50,00,000 Equity Shares of Re 10/- each	5,00,00,000
<u>Issued and Subscribed</u>	
40,00,000 Equity Shares of Re 10/- each	4,00,00,000
Less: Calls in arrears	1,20,000
<u>Paid-up Capital</u>	3,98,80,000

c) The Main Objects of AFL / The Transferee Company presently enables it to carry on the business of:

i) To carry on the businesses of bakers, confectioners, manufacturers, distributors and sellers of bread, biscuits, crackers, cookies, cakes, pastries and other bakery products, Ice-creams, beverages, aerated drinks, aerated and artificial water, milk and milk products, sweets, frozen desserts, processed food and frozen food, blenders, battles, coffee shop, and fast food joint proprietors, cake shop proprietors, milk and snack bar proprietors, Ice-cream merchants, sweet-meal merchants, refreshment, contractors and caterers, supermarkets, retail shops, showrooms, wholesale markets, departmental stores, retail shops whatsoever and other food products in India or in any other part of the world”.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble High Court or in terms of this Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART B**TRANSFER AND VESTING OF UNDERTAKING OF THE
TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY****5. TRANSFER AND VESTING OF UNDERTAKING**

- 5.1 Subject to the provisions of the Scheme as specified hereinafter and with effect from the Appointed Date, the entire business Undertaking of the Transferor Company, including all debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties (more specifically described under schedule 'I') and assets, tangible or intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, Factories Act licenses, manufacturing licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secrets, brands, registrations, licenses, (more specifically described under schedule 'II') marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the order of the High Court sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.
- 5.2 Without prejudice to the generality of clause 5.1 above, with respect to the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.

- 5.3 Without prejudice to the generality of clause 5.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 5.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 5.5 Loans, advances and other obligations (including 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), if any, due or which may at any time in future become due by the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability on any party and appropriate effect shall be given in the books of account and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations by the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- 5.6 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, 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, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.
- 5.7 The existing encumbrances if any over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or

attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

- 5.8 It is expressly provided that, save as herein provided, 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 statutorily or by necessary implication.
- 5.9 With effect from the Appointed Date, all contracts, statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.
- 5.10 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

6. CONSIDERATION

- 6.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of Undertaking of the SFRPL / Transferor Company with AFL / Transferee Company shall, without any further act or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of SFRPL whose name appears in the Register of Members of SRFPL as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

“ 2 (TWO) fully paid Equity Share of AFL/ Transferee Company shall be issued and allotted for every 1(ONE) fully paid Equity Share each held in SFRPL / Transferor Company to shareholders other than AFL / Transferee Company ”.

The total number of shares in SFRPL are 2,94,185 out of which 2,14,696 shares are held by AFL. The face value of one share of AFL and SFRPL are Rs. 10/- and Rs. 100/- each respectively. While revaluing the shares for the calculation of swap ratio, the face value of the shares of SFRPL were brought down to Rs. 10/- per share in line with the face value of shares of AFL. Consequently, the number of shares in SFRPL have been proportionately multiplied in order to bring uniformity in the valuation process.

After taking the aforesaid condition into effect; the shares of SFRPL are 29,41,850 shares @ Rs. 10/- each. Out of this 21,46,960 shares of AFL will stand cancelled due to cross holding and the balance 7,94,890 shares are eligible to receive the shares of AFL in the determined swap ratio of 2:1. In other words, 15,89,780 shares (7,94,890*2) @ Rs. 10/- each will be allotted to the shareholders of SFRPL. The existing shares of AFL are 40,00,000 nos. @ Rs. 10/- each. With a fresh allotment of 15,89,780 shares @ Rs. 10/- each to SFRPL in the process of merger the total number of shares in AFL post- merger comes to 55,89,780 shares @ Rs. 10/- each.

- 6.2 The equity shares to be issued to the members of SFRPL as above shall be subject to the Memorandum and Articles of Association of AFL and shall rank *pari passu* with the existing equity shares of AFL in all respects including dividends.
- 6.3 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of SFRPL in dematerialized form, in to the account in which SFRPL shares are held or such other account as is intimated by the shareholders to SFRPL and / or its Registrar before the Record Date. The equity shares of AFL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s).
- 6.4 The Board of Directors of AFL shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the members of SFRPL pursuant to above clause.

- 6.5 The equity shares to be issued to the members of SFRPL pursuant to clause 6.1 of this Scheme will be listed and/or admitted to trading on all the Stock Exchanges on which shares of AFL are listed on the Effective Date. AFL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. Further there shall be no change in shareholding pattern or control in Anjani Foods Limited between the record date and the listing.

7. INCREASE IN AUTHORISED CAPITAL OF TRANSFEREE COMPANY

- 7.1 Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including without payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs.3,00,00,000 (Rupees Three Crores Only), and the provisions in 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, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on their authorised share capital shall be utilized and applied to the increased authorised equity share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.

- 7.2 Accordingly, in terms of this Scheme, the authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 8,00,00,000 (Rupees Eight Crores Only), divided into 80,00,000 (Eighty lakhs) equity shares of Rs. 10/- each and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

The Authorized Share Capital of the Company is Rs. 8,00,00,000/- (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs Only) Equity Shares of Re.10/-(Rupee Ten Only) each. The Equity shares shall have the rights,

privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulation of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

8. STAFF, WORKMEN AND EMPLOYEES

8.1 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

8.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

9. LEGAL PROCEEDINGS

9.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything

contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

- 9.2 On and from the Effective Date, Transferee Company may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of Transferor Company and to the same extent as would or might have been initiated by or defended by Transferor Company.

10. POWER TO GIVE EFFECT TO THIS PART

The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

11. TAXATION MATTERS

- 11.1 Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or 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 if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company as on the Appointed Date or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would

be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 11.2 All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities such as income tax, sales tax, and service tax, or any tax deduction/ collection at source, tax credits under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Effective Date and upon relevant proof and documents being provided to the said authorities.
- 11.3 All cheques and other negotiable instruments and payment orders received 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. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the Effective Date.

12. CONTRACTS, DEEDS AND INSTRUMENTS

Subject to the other provisions of the Scheme, all contracts, including contracts for all tenancies and licenses, rentals, deeds, bonds, agreements, bonds, Lease deeds, Rental Agreements, Agreements of any and all usage, business purchase agreements, schemes, Trade Marks, exemption schemes, Memorandum of Understanding or memoranda of agreement, memoranda of agreed prints, letters of agreed points, character merchandising licenses, technology transfer agreements, distribution licenses and agreements, usage agreements, arrangements, undertakings whether written or otherwise and other instruments if any, of what so ever nature to which the Transferor Company is a party, or the benefits to which the Transferor Company is entitled, or subsisting or operative immediately on or before the effective date shall be in full force and effective against or in favour of the Transferee Company and may be enforced as fully and effectively as it would be against or for the Transferor Company and the Transferee Company, shall enter into and / or issue and / or execute deeds, or bonds in writing or confirm in writing or enter into tripartite agreements, confirmations or notations to which the Transferor Company is a party, to give full effect and formal authenticity to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, or confirmations on behalf of the Transferor Company and to implement or carry out all the

formalities and obligations required on the part of the Transferor Company to give effect to the provisions of this Scheme.

PART C

**ACCOUNTING TREATMENT FOR THE AMALGAMATION
IN THE BOOKS OF THE TRANSFEREE COMPANY**

13. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

On the Scheme becoming effective, the accounting for the amalgamation would be done in accordance with the “Purchase Method” referred in Accounting Standard 14 – Accounting for Amalgamation (AS 14) issued by the Institute of Chartered Accountants of India and notified by the National Advisory Committee on Accounting Standards, Ministry of Corporate Affairs, as amended from time to time, which *inter alia* provides for the following:

- 13.1 With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by Transferee Company at their respective fair values.
- 13.2 The amount of investments made in the shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled in the books of the Transferee Company, without any further act or deed.
- 13.3 The reserves (whether capital or revenue or on revaluation) of the Transferor Company, other than the statutory reserves should not be recorded in the Financial Statements of the Transferee Company. Where the statutory reserve is transferred and recorded, corresponding debit should be given to a suitable account head (e.g. Amalgamation Adjustment Account) which should be disclosed as a part of ‘miscellaneous expenditure’ or other similar category in the balance sheet. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account should be reversed.
- 13.4 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- 13.5 The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the Financial Statements of the respective companies, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the Financial Statements of the Transferee Company.

- 13.6 The surplus arising between (A) the aggregate values of assets of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 13.1 or cancelled in terms of clause 13.2 and 13.5 after making necessary adjustments as per clause 13.4, and (B) the aggregate of (a) the liabilities of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 13.1 or cancelled in terms of clause 13.5 after making necessary adjustments as per clause 13.4, and (b) reserves of the Transferor Company recorded by the Transferee Company as per clause 13.3, shall be credited to the Capital Reserve Account of the Transferee Company. In case of a deficit, as computed above, such deficit shall be debited to Goodwill.

14. TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE

During the period from the Appointed Date to the Effective Date:

- 14.1 The Transferor Company shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their respective businesses and Undertaking for and on account of and in trust for the Transferee Company;
- 14.2 The Transferor Company shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;
- 14.3 With effect from the Appointed Date and up to and including the Effective Date, Transferor Company shall not, without the written consent of Transferee Company, undertake any new business;
- 14.4 With effect from Appointed Date and up to and including the Effective Date, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its Undertaking or any part thereof save and except in each case:
- (a) if the same is in the ordinary course of business of Transferor Company as carried on by them as on the date of filing this Scheme with the High Court; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.

- 14.5 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 14.6 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

15. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking(s) of the Transferor Company under Clause 5 of 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 and the Effective Date (both days inclusive), 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.

PART D**DISSOLUTION OF THE TRANSFEROR COMPANY AND
THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS
SCHEME OF AMALGAMATION AND OTHER MATTERS
CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO****16. WINDING UP**

On the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the High Court may direct or determine.

17. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- (i) Approval by the Hon'ble High Court;
- (ii) The certified copy of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- (iii) As per Para (I)(A) (9)(a) and (b) of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30,2015 which is applicable in this case, the listed company 'AFL' shall ensure that the Scheme of Arrangement submitted with the Hon'ble High Court for sanction, provides for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution;
- (iv) The Scheme of arrangement of the listed company 'AFL' provides that the Scheme shall be acted upon and only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- (v) Compliance with such other conditions as may be imposed by the High Court.

18. APPLICATION TO THE HIGH COURT

The Transferor Company and Transferee Company shall, with all reasonable despatch, make and file an Application/ Petition to the High Court, for

sanctioning the Scheme, and for dissolution of the Transferor Company without being wound-up.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court and/ or any other Government Authority may deem fit, to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/ committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government/ regulatory Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event, any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

21. POWER TO WITHDRAW THE SCHEME AT ANYTIME

In the event of any condition or amendment or modification that may be imposed by the High Court or any competent authority, or if the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Company or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

22. COSTS, CHARGES AND EXPENSES

In the event of the Scheme being sanctioned by the High Court, the Transferee Company shall bear and pay all costs, charges, expenses and taxes, including duties and levies in connection with the Scheme. The Transferor Company is a

wholly owned subsidiary of the Transferee Company and no shares would be issued by the Transferee Company to the shareholders of the Transferor Company as mentioned in clause 6 of the scheme. Hence, Schedule 1A, Article 20(d) of Indian Stamp Act, as applicable to the State of Telangana is not applicable and accordingly no stamp duty is payable by the Transferee Company for merger of the Transferor Company with the Transferee Company.

23 MISCELLANEOUS

In case of any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/ or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company and the Transferee Company, and the decision arrived at therein shall be final and binding on all concerned.

Schedule I

(This Schedule forms an Integral Part of the Scheme of Amalgamation of Sai Aditya Foods and Retail Private Limited with Anjani Foods Limited and their respective shareholders and Creditors)

Immovable properties of **M/s. Sai Aditya Foods and Retail Private Limited**

Sl. No	Land Details	Regd. Sale Deed & Document no.
	<p>Property situated at Modavalasa Village & Panchayat, Denkada Mandal, Vizianagaram District</p> <p><u>Details:-</u> Land ad measuring AC 1.36 Cents or 6,582.4 Sq.Yrds. in Sy. Nos. 128/22 to 128/30, 128/59 to 128/66 & 187/15 to 187/17</p>	4353
	<p>Property situated at Siripuram Junction, G.V.M.C, Visakhapatnam</p> <p><u>Details:-</u> Land ad measuring 500 sq. yrds along with plinth arear of 2364 sft. T.S No. 77A, Ground Floor, Door No-10-50-14/6, Fresh Choice, Waltair Main Road, Near HSBC, Siripuram</p>	4552
	<p>Property situated at Boat Club, Kakinada, East Godavari District</p> <p><u>Details:-</u> Land ad measuring 1560 sq. ft, Ground+ 4 Floors, Door No.- 11-1-10, ward No.-3, Block No.-11, Prakasam Street, 3 Lights Junction, Kakinada..</p>	12916
	<p>Property situated at Ooty, The Nilgiris</p> <p><u>Details:-</u> Land ad measuring 3.65 Acres with R.S. nos 291/2 & 292/1 and 0.40 Acres with RS Nos.292/1, Thandaali, Kenthorai Road, Thummanatty Village & Panchayat, Ooty Taluk, The Nilgiris.</p>	1132/105

Schedule II

(This Schedule forms an Integral Part of the Scheme of Amalgamation of Sai Aditya Foods and Retail Private Limited with Anjani Foods Limited and their respective shareholders and Creditors)

(i) Statutory Licenses, Registrations, approvals on the name of Sai Aditya Foods and Retail Private Limited.

Sl.No	Name of the Issuing Authority	Description	Number	Date
1	CTO	Andhra Pradesh VAT/CST	37040128524	02.06.2014
2	Commissioner	Provident Fund	GRVSP0030558000	August 1997
3	Director	ESI	70000326270001002	August 1997
4	District Food Inspector	Food Safety License	10114002000286	30/08/2015
5	Inspector of Factories	Factory Act License	1419	17/07/2012
6	ACTO	Telangana VAT/CST	36822718649	01/06/2016