



**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF PRATAAP SNACKS LIMITED DATED 30<sup>TH</sup> SEPTEMBER, 2021 CONSIDERING THE DRAFT SCHEME OF AMALGAMATION UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013 BETWEEN AVADH SNACKS PRIVATE LIMITED (“TRANSFEROR COMPANY 1”), RED ROTOPACK PRIVATE LIMITED (“TRANSFEROR COMPANY 2”) AND PRATAAP SNACKS LIMITED (“TRANSFeree COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.**

Members Present:

1. Mr. Chetan Kumar Mathur
2. Mrs. Anisha Motwani
3. Mr. V.T. Bharadwaj
4. Mr. Vineet Kumar Kapila

**1. Background:**

A meeting of the Committee of Independent Directors (“ID Committee”) was held on 29<sup>th</sup> September, 2021, inter alia, to consider and if thought fit, recommend to the Board of the Directors the proposed Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 (‘the Act’) and the other applicable provisions of the Act between AVADH SNACKS PRIVATE LIMITED (“Transferor Company 1”), RED ROTOPACK PRIVATE LIMITED (“Transferor Company 2”) collectively referred to as “Transferor Companies” with PRATAAP SNACKS LIMITED (“Transferee Company”) and their respective shareholders and creditors (‘the Scheme’).

The Appointed Date for the Amalgamation under the Scheme is 1<sup>st</sup> April, 2021 or such other date as may be mutually agreed between the Transferor Companies and Transferee Company, and approved by the NCLT and shall be operative from the Effective Date (as defined in the Scheme).

The Scheme will be presented before the NCLT (as defined in the Scheme) under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Act, the rules and regulation made thereunder, and will also be in compliance of Section 2(1B) of the Income Tax Act, 1961 and Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22<sup>nd</sup> December, 2020, issued by SEBI (“Scheme Circular”).

In terms of the Scheme Circular, a Report from the ID Committee is required recommending the draft Scheme, taking into consideration, inter alia, that the Scheme is not detrimental to the shareholders of the Company.

This Report of the ID Committee is made in order to comply with the requirements of the Scheme Circular.

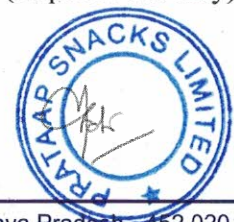
**2. Salient features of the Scheme:**

The ID Committee noted the salient features of the Scheme, which, inter alia, are as under:

- a) Upon this Scheme becoming effective and in consideration of the amalgamation of the Transferor Companies into the Transferee Company in terms of the Scheme, the Transferee Company shall, without any application or deed, issue and allot 4,06,556 (Four lakhs six thousand five hundred fifty six) equity shares of face value of Rs. 5/- (Rupees Five only),

**Prataap Snacks Limited**

CIN : L15311MP2009PLC021746



credited as fully paid-up, to the shareholders of the Transferor Company 1 (except the Transferee Company) whose names appear in the register of members as member of the Transferor Company 1, including records of beneficial owners maintained by a depository or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company, on the Record Date in the following share exchange ratio:

568 (Five hundred sixty eight) equity shares of Transferee Company of Rs. 5 (Rupees five only) each as fully paid-up to be issued and allotted for every 100 (One hundred) equity shares of the face value of Rs. 10 (Rupees ten only) each held by the shareholders (other than the Transferee Company) in the Transferor Company 1;

- b) The Appointed Date for the Amalgamation under the Scheme is 1<sup>st</sup> April, 2021 or such other date as may be mutually agreed between the Transferor Companies and Transferee Company, and approved by the NCLT and shall be operative from the Effective Date (as defined in the Scheme);
- c) The Scheme shall be effective subject to following:
- i. Approval of the Scheme by the stock exchanges and SEBI pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Scheme Circular;
  - ii. Approval of the Scheme by the requisite majority of the Shareholders and or Creditors of each of the Transferor Companies and the Transferee Company as may be directed by NCLT;
  - iii. Sanction of the Scheme by NCLT having jurisdiction over the Transferor Companies and Transferee Company;
  - iv. The certified true copies of the NCLT Order(s) (as defined in the Scheme) sanctioning the Scheme being filed with the respective jurisdictional Registrar of Companies by the Transferor Companies and Transferee Company.
- d) Dissolution of Transferor Companies without winding up.
- e) Equity shares to be issued by the Transferee Company to the shareholders of Transferor Company 1 (except the Transferee Company) will be listed on BSE Limited and National Stock Exchange of India Limited.

### 3. Documents pursued by the ID Committee:

The Report of the ID Committee is made after considering the following:

- a) The Scheme;
- b) Share Exchange ratio mentioned in Valuation Report dated 29<sup>th</sup> September, 2021 issued by Mr. Paras K. Savla, Independent Registered Valuer, providing, inter alia, the methodology adopted and the valuation arrived at for share exchange ratio (“Valuation Report”);



- c) Fairness opinion dated 29<sup>th</sup> September, 2021 issued by Arihant Capital Markets Limited, an Independent SEBI registered Category I Merchant Banker, providing its opinion on the fairness of the Equity Share Exchange Ratio ("**Fairness Opinion**");
- d) Auditor's Certificate pursuant to paragraph 5(a) of Part I of the SEBI Scheme Circular to the effect that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules framed thereunder and other generally accepted accounting principles; and
- e) Undertaking certified by the Auditor in relation to non-applicability of Paragraph (A)(10)(a) of Part I read with Paragraph (A)(10)(b) of Part I of the Scheme Circular.

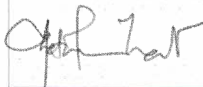
**4. Scheme not detrimental to the Shareholders of the Company:**

The ID Committee discussed and deliberated upon the rationale and expected benefits of the Scheme and took note of the Scheme, Share exchange ratio/ Valuation Report, Fairness Opinion and other documents as placed in the meeting and formed a view that the Scheme is expected to consolidate the Transferor Companies and Transferee Company into a single entity to enhance business, improve synergies, improve the competitive position of the combined entity, increase operational efficiency and focus on long term value creation. Thus, the ID Committee is of the opinion that the Scheme is not detrimental to the interest of the Shareholders of the Transferee Company.

**5. Recommendation of the ID Committee**

In light of the aforesaid, the ID Committee recommends the Scheme for favorable consideration by the Board of Directors of the Company, the Stock Exchanges, SEBI and other appropriate authorities.

By Order of the Committee of Independent Directors of **PRATAAP SNACKS LIMITED**



Chetan Kumar Mathur  
Chairman of the Committee of Independent Directors  
DIN: 00437558



Date: 30<sup>th</sup> September, 2021

Place: Gurugram