

(Formerly known as Superb Papers Limited)
CIN: L74110MH1989PLC289950

REPORT OF COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") RECOMMENDING THE DRAFT SCHEME OF MERGER BY ABSORPTION BETWEEN GUJJUBHAI FOODS PRIVATE LIMITED ("GFPL" OR "TRANSFEROR COMPANY") WITH SUMUKA AGRO INDUSTRIES LIMITED ("SAIL" OR "TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME").

#### Members Present:

- 1. Mr. Amitkumar Rathi
- 2. Mr. Mangina Srinivas Rao

## Background:

Meeting of the Committee of Independent Directors ("Committee") of the Board of Directors of Sumuka Agro Industries Limited was held on August 14, 2023 to consider and, if thought fit recommend the proposed scheme of Merger by absorption between Sumuka Agro Industries Limited ("Company" / "Transferor Company" "SAIL") and Gujjubhai Foods Private Limited ("Transferee Company" "GFPL"), BSE Limited ("Stock Exchange" / "BSE") and their respective shareholders wherein Transferor Company would merge in to with Transferee Company and stand dissolved without being winding up with effect from the appointed date i.e. April 1, 2023 in accordance with the terms of the Scheme and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules and regulations made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("SEBI LODR Regulations") and master circular dated June 20, 2023 bearing reference no. SEBI /HO/ POD-2/ P/ CIR /2023 /93 issued by the Securities and Exchange Board of India (SEBI Circular"), as amended from time to time.

The Scheme is subject to receipt of approvals of the board of directors, shareholders of the company involved and approval of other regulatory authorities as may be required, including those of the BSE Limited, (referred as "Stock Exchange"), Securities and Exchange Board of India and the Hon'ble NCLT. In terms of the SEBI Circular, a report from the Committee is required recommending the draft Scheme, taking into consideration inter alia that the Scheme is not detrimental to the shareholders of the Transferee Company. This report of the Committee is made in order to comply with the requirements of SEBI LODR Regulations and SEBI Circular.

### The following documents were placed before the Committee:

- a) Draft Scheme of Merger by Absorption;
- Valuation Report dated August 14, 2023 issued by Resurgent Valuers Private Limited, Registered Valuer (IBBI Registration No. IBBI/RV-E/02/2020/125 for determination of Share Entitlement Ratios under the Scheme ("Valuation Report");
- Fairness Opinion dated August 14, 2023 prepared by Expert Global Consultants Private Limited,
   Category I SEBI registered Merchant Banker, (SEBI Registration No: INM000012874),

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providing fairness opinion on the valuation of the shares and the Share Entitlement Ratio as recommended in the Valuation Report. ("Fairness Opinion");

d) Certificate dated August 14th, 2023 issued by M/s. S K Jha & Co. Statutory Auditors of Transferee Company confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of Companies Act, 2013 and other generally accepted accounting principles;

#### Salient Features of the Scheme

The Committee considered and observed that the draft Scheme provides for the following:

- i) The rationale of the scheme is as under:
  - a) GFPL and SAIL both are engaged in the business of manufacturing, buying and selling packaged snacks foods items. GFPL is engaged in the business of trading food products. SAIL is mainly engaged in the business of manufacturing and marketing of different types of ready to cook items, namkeen and snacks, sweet and spices, selling of packaged foods online, etc.;
  - b) The Scheme will lead to consolidation of business and assets, synergy of operations and networks of both the Companies. This will help achieve better and more efficient utilization of available resources, benefits of internal economies, diversification to mitigate risks and improving organizational efficiencies.
- ii) The appointed date for the Scheme shall be 1st April, 2023.
- In consideration of the transfer of and vesting of the undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company /register of beneficial owner with depository on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors) ("Share Exchange Ratio"): 7 (Seven) fully paid Equity Shares of Rs. 10/- each of SAIL fully paid up shall be issued and allotted for every 4 (Four) Equity Shares of Rs. 10/- each held in GFPL In consideration of the proposed Scheme, the Transferee Company will issue and allot equity shares, to each shareholder of the Transferor Company, whose names appear in the register of members of Transferor Company on the record date as may be fixed for the purpose by the Board of Transferee Company in consultation with the Transferor Company (hereinafter referred to as "the Record Date"), in the following manner:

The equity shares proposed to be allotted by the Transferee Company will be listed on BSE Limited recognized stock exchanges having a nationwide trading platform.

### Rationale of the Scheme of Arrangement

The Committee noted the rationale and need for the merger of the Transferor Company into Transferee. Company, as provided in the draft scheme of arrangement, and which is reproduced hereunder:



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- a) GFPL and SAIL both are engaged in the business of manufacturing, buying and selling packaged snacks foods items. GFPL is engaged in the business of trading food products. SAIL is mainly engaged in the business of manufacturing and marketing of different types of ready to cook items, namkeen and snacks, sweet and spices, selling of packaged foods online, etc.;
- b) The Scheme will lead to consolidation of business and assets, synergy of operations and networks of both the Companies. This will help achieve better and more efficient utilization of available resources, benefits of internal economies, diversification to mitigate risks and improving organizational efficiencies.

The merger is in the interest of both the companies, their shareholders and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders or the public at large.

# Scheme Not Detrimental to The Shareholders of Transferor Company:

- The members of the Committee of Independent Directors discussed and deliberated upon the rationale and salient features of the Scheme.
- The Company will issue and allot its equity shares, credited as fully paid up to the shareholders of the Gujjubhai Foods Private Limited, in the manner as set out in above paragraph, and in accordance with the recommendations under the Valuation Report and the Fairness Opinion.
- The equity shares to be issued by the Transferee company to the members of the Transferor Company
  pursuant to the Scheme shall rank pari passu in all respects with the existing equity shares of the
  Company.
- Accordingly, there will be no detrimental impact on the shareholders of the company due to proposed scheme.

## Recommendation of the Committee:

The Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation report, Fairness Opinion Report, Accounting Treatment Certificate, etc recommends the draft Scheme for favorable consideration and approval by the Board, Stock Exchange(s), The Securities Exchange Board of India and other appropriate authorities.

# FOR AND BEHALF OF COMMITTEE OF INDEPENDENT DIRECTORS

FOR SUMUKA AGRO INDUSTRIES LIMITED

Amitkumar Rathi
Chairman of the Commune.

Date: August 14, 2023

Place: Mumbai