Annexure - 1

SCHEME OF AMALGAMATION

OF

RAYA FOODS PRIVATE LIMITED

("TRANSFEROR COMPANY")

WITH

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

("TRANSFEREE COMPANY")

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES AND REGULATIONS FRAMED THEREUNDER

I. PREAMBLE

The Scheme of Amalgamation ("Scheme") of Raya Foods Private Limited ("Transferor Company") with Kovilpatti Lakshmi Roller Flour Mills Limited ("Transferee Company") has been formulated and presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. The Scheme of Amalgamation is in compliance with the norms laid down under Section 2(1B) of the Income Tax Act, 1961.

II. DESCRIPTION OF COMPANIES

(A) **RAYA FOODS PRIVATE LIMITED – CIN: U15490TZ2021PTC037362** (hereinafter referred to as the "Transferor Company") was incorporated on the 22nd day of October 2021 under the Companies Act, 2013, in the State of Tamil Nadu. The registered office of the Transferor Company is situated at 8th Floor, Time Square, 62/4, A.T.T. Colony, Balasundaram Road, Coimbatore – 641018, Tamil Nadu, India. The Transferor Company is engaged in the business of flour milling and selling of flour produced from wheat and all other food products.

(B) **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED – CIN: L15314TN1961PLC004674** (hereinafter referred to as "Transferee Company"), was incorporated on 16th day of December 1961 under the Companies Act, 1956, in the State of Tamil Nadu under the name and style 'Kovilpatti Lakshmi Roller Flour Mills Private Limited'. The company was converted into a public limited company with effect from 8th May 1982. Subsequently, the name of the Company was changed to 'KLRF Limited' on 26th March 2008 and later was changed to 'Kovilpatti Lakshmi Roller Flour Mills Limited' on 11th April 2018. The registered office of the Transferee Company is presently situated at 75/8, Benares Cape Road, Gangaikondan, Tirunelveli – 627352, Tamil Nadu, India. The equity shares of the Transferee Company are listed on BSE Limited ("BSE"). The Transferee Company is engaged in the business of flour milling and selling of flour produced from wheat and all other food products and is also engaged in the business of manufacture of ferrous castings.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

III. RATIONALE FOR THE SCHEME

The rationale of the Scheme is as under:

(i) Enable consolidation of flour mills business of both the companies into one entity which will facilitate economies of scale, focused growth, business synergies and better supervision of the business of the group.

(ii) Enable the Company to expand the footprint of the flour mills division by catering to the markets across India resulting in regional diversification.

(iii) Pooling of resources (including manpower, management, administration, financial and marketing resources) of both companies resulting in, synergies of operations and optimisation of logistics, resulting in more productive utilisation of said resources, savings in cost and operational efficiencies.

(iv) Enable optimisation of the capital allocation and availability of funds which can be deployed more efficiently to pursue growth opportunities.

(v) Strengthen the financial position resulting in increased leverage capacity of the merged entity.

(vi) Create long term value to the shareholders by unlocking value since the business and profits will accrue to a single entity.

(vii) Result in reduction in the multiplicity of legal and regulatory compliances.

IV. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

PART I deals with the definitions of the terms used in this Scheme, Capital Structure & Objects.

PART II deals with the transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company

PART III deals with the General Terms and Conditions applicable to this Scheme.

PART I - GENERAL

1. DEFINITIONS

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

1.1 **"Act"** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 2013, unless stated otherwise.

1.2 **"Accounting Standards"** means the generally accepted accounting principles in India complying with (i) the mandatory accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and (ii) the relevant provisions of the Act.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

1.3 **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1st April 2022 or any other date as may be stipulated by the Tribunal.

1.4 **"Board"** or **"Board of Directors"** means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of Directors or any person authorized by the Board of Directors or such committee of Directors.

1.5 **"Effective Date"** means the date or last of the dates on which certified copies of the order of the Tribunal sanctioning this Scheme is filed with the Registrar of Companies, Tamil Nadu by both the Transferor Company and the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

1.6 "**Proceedings**" mean and include but not limited to any Suit, Appeal, application, petition or any Legal proceedings of whatsoever nature in any Court of law or Tribunal or any Judicial or quasi-judicial authority, Arbitration proceedings and assessment proceedings before any authority under any statute.

1.7 **"Record Date"** means a date after the Effective Date to be fixed by the Board of Directors of the Transferee Company, for the purpose of determining the members of the Transferor Company to whom new shares in the Transferee Company shall be allotted under the Scheme.

1.8 **"Scheme of Amalgamation"** or **"Scheme"** or **"The Scheme"** or **"This Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Tribunal or such other competent authority, as may be applicable.

1.9 "**Transferee Company**" means "**KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**", a public limited company incorporated under the Companies Act, 1956 on 16th day of December 1961 and presently having its registered office at 75/8, Benares Cape Road, Gangaikondan, Tirunelveli – 627352, Tamil Nadu, India.

1.10 **"Transferor Company"** means "**RAYA FOODS PRIVATE LIMITED",** a private company incorporated under the Companies Act, 2013 on 22nd day of October 2021 and having its registered office at 8th Floor, Time Square, 62/4, A.T.T. Colony, Balasundaram Road, Coimbatore – 641018, Tamil Nadu, India.

1.11 **"Tribunal"** means the National Company Law Tribunal **("NCLT")** or the National Company Law Appellate Tribunal **("NCLAT")** as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise and amalgamation or reconstruction of companies under sections 230 to 240 of the Companies Act, 2013.

1.12 **"Undertaking"** shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including the entire business of the Transferor Company, all

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

secured and unsecured debts, liabilities, financial liabilities, borrowings, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable properties or immovable properties, land and building (more particularly described in **Schedule A**), real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (whether owned, leased, licensed), all fixed assets, tangible assets, intangible assets, deferred tax assets, movable assets, plant and machinery, furniture and fixtures, motor vehicles, laboratory equipments, electrical installations and equipments, data processing equipments, capital work in progress, inventories, raw materials, work in progress, finished goods, trading goods, stores and spares, packing materials, wheat empty gunnies, trade receivables, cash on hand and cash with banks, fixed deposits with banks, margin money held by banks, other advances, preliminary expenses not written off, loans and advances receivable, advance for purchases, advance for expenses, advance to employees, advance tax, deposits with statutory authorities, other deposits, current assets, export incentives receivable, unutilized input credit under Goods and Service Tax, capital advances, security deposits, rental advances, prepaid expenses, income tax receivable, non-current assets, term loans, loans and advances from directors and related parties, trade payables, TDS/ TCS payable, GST payable, other liabilities, loans and advances to related parties, receivables, reserves, reserves and surplus, unsecured loans, provisions, funds, licenses, registrations, accreditations to trade and industrial bodies, copyrights, patents, trademarks and other intellectual property rights and licenses in respect thereof, applications for copyrights, patents, trademarks and other intellectual property rights, leases, licenses, tenancy rights, premises, hire purchase and other lease agreements, lending arrangements, benefits of security arrangements, cenvat & service tax credit accrued, MAT Credit entitlement, unutilized input credit under Goods and Service Tax, Capital advances, income tax receivables, non-current assets, computers, servers, networks, printers, UPS, office equipment, telephones, telexes, facsimile connections, communication facilities, electrical installations, computer software, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorisations, permits, allotments, approvals, consents including but not limited to the consent of the Board issued under Water (Prevention and Control of Pollution) Act, 1974 and consent of the Board issued under Air (Prevention and Control of Pollution) Act, 1981, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, all kinds of revenues, income of all kinds, all kinds of costs, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, goods and service tax, etc.), software licences, domain / websites etc., in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

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

1.14 Reference to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme. The singular shall include plural and vice-versa.

2. SHARE CAPITAL

2.1. The Share Capital of the Transferor Company as on 31st March 2022 is as under

Particulars	Amount in Rs.
Authorised Share Capital	
25,00,000 Equity Shares of Rs.10/- each	2,50,00,000
Issued, Subscribed and Paid-up Share Capital	
25,00,000 Equity Shares of Rs.10/- each	2,50,00,000

Subsequent to 31st March 2022, there has been no change in the capital structure of the Transferor Company.

2.2. The Share Capital of the Transferee Company as on 31st March 2022 is as under

Particulars	Amount in Rs.
Authorised Share Capital	
1,20,00,000 Equity Shares of Rs.10/- each	12,00,00,000
30,00,000 10% cumulative redeemable preference shares of Rs. 10/- each	3,00,00,000
Issued Share Capital	
56,40,430 equity shares of Rs. 10/- each	5,64,04,300
Subscribed and Paid-up Share Capital	
55,41,476 Equity Shares of Rs.10/- each	5,54,14,760

Note: 98,954 partly paid shares were forfeited on 25th March 1998 vide board resolution dated 25th March 1998.

Subsequent to 31st March 2022, there has been no change in the capital structure of the Transferee Company.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

PART II – TRANSFER AND VESTING

3. TRANSFER OF UNDERTAKINGS

3.1 The entire Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company with effect from the appointed date in the following manner:

(a) With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising its entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including but not limited to immovable properties, if any, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Companies Act, 2013, without any further act or deed (subject to sub-clauses (b), (c), (d) and (e) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company on a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

(b) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description of the Transferor Company, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet, including but not limited to deferred tax liabilities, loans from banks, loans from directors and related parties, statutory liabilities, liabilities for employees cost, liabilities for expenses, advances against sales, advances from customers, expenses payable, shall also, under the provisions of Sections 230 to 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

(c) The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

(d) The immovable properties of the Transferor Company shall stand transferred to the Transferee Company automatically without requirement of execution of any further documents for registering the name of the Transferee Company as owner thereof and the regulatory authorities, including sub-registrar of Assurances, Tahsildar etc. may rely on Scheme along with the copy of the order passed by the Tribunal, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Transferee Company as owner of the immovable properties.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

(e) With effect from the Appointed Date all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every *kind and description of whatsoever nature in relation to the Transferor Company*, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.

(f) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company is concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.

(g) Loans or other obligations, all inter se contracts or agreements if any, between the Transferor Company and the Transferee Company shall stand extinguished and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa is concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

(h) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

4.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this amalgamation under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

4.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of the change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

4.3 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal / local body permissions, insurance policies, registrations, connections for telephone, water, electricity and drainage, sanctions, obligations/ benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Transferee Company as if the same were originally given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

5. LEGAL PROCEEDINGS

5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.

5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, the Transferor Company shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from the Appointed Date till the Effective Date, and the latter shall reimburse and indemnify the Transferor Company, against all liabilities and obligations incurred by the Transferor Company in respect thereof.

6. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

6.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;

b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and

d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non-applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated hereinabove in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee Company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

7. SAVING OF CONCLUDED TRANSACTIONS

7.1 The transfer of Undertaking under Clause 3 above, the continuance of the effectiveness of contracts and deeds under Clause 4 above and legal proceedings by or against the Transferee Company under Clause 5 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

8. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

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

8.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

8.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, Goods and Service Tax, input credits, refund, reliefs, etc., accruing or arising to the Transferor Company, or losses arising or expenditure incurred by the Transferor Company, on and from Appointed Date up to the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure of the said taxes of the Transferee Company.

8.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

8.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.

8.5 The Transferor Company shall continue to comply with the provisions of the Act and all other applicable laws including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.

8.6 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual written consent of the Boards of Directors of the Transferor Company and of the Transferee Company.

8.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of its employees without the written consent of the Board of Directors of the Transferee Company.

9. AUTHORISED SHARE CAPITAL

9.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on the authorised share capital, shall be set-off against the fees payable by the Transferee Company on the combined authorised share capital.

9.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended under

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

"V. The Authorised Share Capital of the Company is Rs.17,50,00,000/- (Rupees Seventeen *Crores and Fifty Lakhs only) divided into 14,50,000 (Fourteen Lakhs Fifty Thousand)* equity shares of Rs.10/- (Rupee Ten only) each and 30,00,000 (Thirty Lakhs) Preference Shares of Rs.10/- (Rupee Ten only) each with power to increase or reduce the capital and with liberty to divide the capital into several classes and to attach thereto respectively such preferential rights, privileges, or conditions in such manner as may be permitted under the Companies Act, 2013 and as the company deems fit and necessary."

9.3 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall *be deemed to have the approval under Section 13, 61, 62 and other applicable provisions of* the Companies Act, 2013, and any other consents and approvals required in this regard.

10. ISSUE OF SHARES BY THE TRANSFEREE COMPANY AND CANCELLATION OF EQUITY SHARES OF THE TRANSFEROR COMPANY / REORGANISATION OF CAPITAL

10.1 In consideration of the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company in terms of Clause 3 of this Scheme, the Transferee Company shall subject to the provisions of this Scheme and without any further act or deed, issue and allot 14 (Fourteen) equity shares of Rs.10/- each credited as fully paid of the Transferee Company for every 10 (Ten) equity shares of Rs.10/- each held by the shareholders of the Transferor Company whose names are found in the Register of Members of the Transferor Company on the Record Date. The above ratio in which the shares of the Transferee Company are to be allotted to the equity shareholders of the Transferor Company is herein referred to as the 'Share Exchange Ratio'.

10.2 In case any members' holdings in the Transferor Company or such that the member becomes entitled to a fraction of an equity share in the Transferee Company such fractional entitlements/ fractional shares, shall be ignored.

10.3 The equity shares of the Transferee Company to be issued and allotted in terms of Clause 10.1 above shall be listed and / or admitted to trading on BSE Limited subject to obtaining of the requisite approvals from the relevant authorities.

10.4 The Transferee Company shall if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities including but not limited to the Securities and Exchange Board of India, the Reserve Bank of India and BSE Limited for the issue, allotment and listing by the Transferee Company of the equity shares to the members of the Transferor Company.

10.5 The equity shares to be allotted as aforesaid by the Transferee Company in terms of the Scheme shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company and shall rank for dividend, voting and all other rights pari passu with the

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

existing equity shares of the Transferee Company. Joint shareholders shall not be treated as separate shareholders but shall be jointly eligible for allotment of shares of the Transferee Company.

10.6 The Shareholders of the Transferor Company shall surrender to the Transferee Company their share certificates held in the Transferor Company for the cancellation thereof and for fresh issue of shares by the Transferee Company in terms of this Scheme. In case of default in surrendering the share certificates as aforesaid, the share certificates in relation to the shares held by the shareholders of the Transferor Company shall be deemed to have been cancelled upon issue and allotment of new shares by the Transferee Company to them.

10.7 The equity shares of the Transferee Company to be issued and allotted in terms of Clause 10.1 above shall be issued in dematerialized form. The shareholders of the Transferor Company who hold equity shares in physical form should provide the requisite details relating to his/her account with a depository participant or other confirmations as may be required, to the Transferee Company, prior to the record date to enable the Transferee Company to issue and allot the equity shares in dematerialized form.

10.8 The approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 42, 62 and other applicable provisions of the Act for issue and allotment of equity shares as specified above and any other consents and approvals required in this regard.

11. ACCOUNTING TREATMENT

11.1 Upon the Scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company would follow **'pooling of interest'** method as prescribed in the Indian Accounting Standards – 103 – Accounting for Business Combinations as per the provisions of Section 133 of the Companies Act, 2013.

11.2 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at the respective carrying amount thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.

11.3 The Deficit in the Statement of Profit and Loss as they appear in the financial statements of the Transferor Company shall be adjusted against the Retained Earnings of the Transferee Company at the same values at the close of business of the day immediately preceding the Appointed Date.

11.4 The amount, if any, arising as an accounting differential for the Transferee Company on account of the difference between (a) the amount representing the surplus or deficit, if any, of assets over liabilities of the Transferor Company (as recorded in the books of accounts of the Transferee Company) and (b) the aggregate of the face value of equity shares issued

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

and allotted by the Transferee Company in terms of this Scheme shall stand adjusted against the reserves in the books of the Transferee Company.

11.5 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.6 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

12. CONSEQUENTIAL MATTERS RELATING TO TAX

12.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, goods and services tax returns, Excise & Cenvat returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Company and the Transferee Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

12.2 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties/service tax paid on inputs/capital goods/ input services lying to the credit of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

12.3 In accordance with the Rules framed under the enactments relating to goods and services tax, as are prevalent on the Effective Date, the unutilized credits relating to goods and services tax lying to the credit of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the credit of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the goods and services tax payable by it.

12.4 Without prejudice to the generality of the above, all benefits including under the income tax, excise duty, applicable State Value Added Tax Laws, Goods & Service tax, etc., to which the Transferor Company is entitled to in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

PART III – GENERAL TERMS AND CONDITIONS

13. APPLICATION TO TRIBUNAL

13.1. The Transferor Company and the Transferee Company shall, with reasonable despatch, apply to the Tribunal for necessary orders or directions for holding meetings of the members and creditors of the Transferor Company and the Transferee Company for sanctioning this Scheme of Amalgamation under Sections 230 to 232 of the Act or for dispensing the holding of such meetings and orders for carrying this Scheme into effect and for dissolution of the Transferor Company without going through the process of winding up.

14. DISSOLUTION OF TRANSFEROR COMPANY

14.1 Subject to an order being made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Company shall be dissolved without going through the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

15.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Tribunal or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without going through the process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

15.2 If any part or provision of this Scheme if found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court or Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company and the Transferee Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part or provision.

16. DATE OF TAKING EFFECT

16.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date.

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

17.1 The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company at their respective meetings if meetings of the members and creditors is convened by the Tribunal or dispensation from conducting of the meetings of the members or creditors is obtained from the Tribunal.

17.2 The scheme is conditional upon scheme being approved by the public shareholders of the Transferee Company through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

17.3 The sanction by the Tribunal being obtained under Sections 230 to 232 and other applicable provisions of the Act by the Transferor Company and the Transferee Company.

17.4 BSE Limited issuing their no objection letter in relation to the Scheme under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17.5 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

17.6 The filing with the Registrar of Companies, Coimbatore and Registrar of Companies, Chennai of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Company.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

18.1 In the event of the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

19.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

SCHEDULE A

Schedule of immovable properties of the Transferor Company proposed to be transferred, merged and vested with the Transferee Company

S. No.	Document Execution Date	Document Registration No.	Old Survey No.	New Survey sub-division R S No.	Cadastre No.	Area	Location (Address of the property)
1	10.01.2022	588/2022	162/4	162/4/A/1/A	34 pt	0.96 acres	Thiruvandarkoil Revenue Village, Mannadipet Commune Panchayat Limit, Thirukkanur Sub Registration District, Puducherry Registration District
2	10.01.2022	588/2022	162/4	162/4/B/1	34 pt	2.77 acres	
3	10.01.2022	588/2022	126/4B	126/4/B/1	123 pt	0.17 acres	
4	10.01.2022	591/2022	162/3	162/3	35/1/2 pt	0.93 acres	
5	10.01.2022	592/2022	163/4	163/4	29 pt	0.12 acres	

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary