Nitta Gelatin India Limited
(Formerly Kerala Chemicals and Proteins Limited)
Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

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REPORT OF THE BOARD OF DIRECTORS OF NITTA GELATIN INDIA LIMITED ON THE DRAFT SCHEME OF ARRANGEMENT AND AMALGAMATION BETWEEN REVA PROTEINS LIMITED AND NITTA GELATIN INDIA LIMITED PURSUANT TO THE

PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

I. A meeting of the Board of Directors ("Board") of Nitta Gelatin India Ltd. was held on 3rd February, 2018 to consider and approve the draft Scheme of Merger and Amalgamation of Reva Proteins Limited ("RPL") with its Holding Company Nitta Gelatin India Limited ("NGIL") under Sections 230 to 232 read with sections 13, 14 and 61 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act ("Scheme"). The Scheme entails the following:

a) the merger and amalgamation of Reva Proteins Ltd with its Holding Company, Nitta Gelatin India Ltd with effect from 1st April, 2017, being the Appointed Date and the consequential alteration of authorised share capital clause in the Memorandum and Articles of Association of Nitta Gelatin India Limited with effect from the Appointed Date viz., 1st April, 2017, in accordance with the draft Scheme of Merger and Amalgamation between Nitta Gelatin India ltd and Reva Proteins Ltd and their respective shareholders and creditors ("Scheme") duly initialed by the Chairman for the purpose of identification and

b) issue of Redeemable Preference Shares by Nitta Gelatin (India) Limited to the other equity shareholders of Reva Proteins Limited, other than NGIL as per the terms and conditions mentioned in the Scheme;

II. The Appointed Date for Merger and Amalgamation under the Scheme is 1st April, 2017. NGIL hold 74.55% of the equity share capital of RPL as on 31st March, 2018. The pre and post Scheme equity shareholding pattern of NGIL shall remain unchanged. The post Scheme preference shareholding pattern of NGIL shall be changed on issue of Redeemable Preference Shares as envisaged under the Scheme.

III. In consideration of the transfer and vesting of undertaking of the Transferor Company in the Transferee Company in terms of the scheme, the Transferee Company shall subject to the provisions of Clause 20,21 and 22 of the Scheme, without any further application, act, instrument or deed issue and allot to Equity Shareholders other than NGIL of the Transferor Company whose name is entered in the Register of Members of the Transferor Company on the Record Date a total of 44,44,444 Redeemable Preference Shares of Rs lOeach, credited as fully paid up of the Transferee Company, in the following share exchange ratio;

• One Hundred (100) Redeemable Preference Shares of NGIL of INR 10/- eaCh fully paid up for every One Hundred and Eight (108) Equity Shares of RPL of INR 10/- each fully paid up.

IV. In terms of Section 232 (2)(c) of the Act, a report from the Board of the Company explaining the effect of the Sclwiuie UIi each class uf sliaieliuldtis•. key iriartagerial

personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232 (2)(c) of the Act.

V. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the following documents:

a) Draft Scheme of Merger and Amalgamation of Reva Proteins Ltd with Nitta Gelatin India Ltd;

b) Valuation report dated 3rd February, 2018 issued by SSPA & Co., Chartered Accountants.

c) Fairness Opinion dated 3rd February 2018 issued by INGA Capital Limited, Independent (Category - I) SEBI registered Merchant Banker, providing the fairness opinion on the Valuation Report ("Fairness Opinion"); and

d) Report of Audit Committee dated 3rd February 2018, recommending the Scheme after taking into consideration, inter alia, the Valuation Report, Auditor's Certificate and Fairness Opinion.

2. Rational of the Scheme

The Scheme shall enable the Transferee Company to reap several benefits including:

i) Synergy of operations for achieving organization effectiveness and control
and achieving economies of scale;
ii) optimal utilization of resources and better working capital management;
iii) overall cost efficiencies;
iv) greater integration and operational synergy;
v) seamless availability of technical expertise;
vi) greater level of synergy in the Goods and Service Tax (GST) regime;
vii) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure.
viii) Significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present.
ix) Balance sheet becomes stronger;
x) streamlining the group structure and rationalization;
xi) developing stronger base for future growth

3. Valuation

The report on valuation has been obtained from SSPA & Co., Chartered Accountants, Independent Valuer. The valuation have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by INGA Capital Limited, Independent (Category - I) SEBI registered Merchant Banker.

The consideration of 44,44,444 Redeemable Preference Shares of Rs 10each, credited as fully paid up of the Transferee Company, in the share exchange ratio of One Hundred
(100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight (108) Equity Shares of RPL of INR 10/- each fully paid up, has been approved by the management after taking into consideration the Valuation Report dated 3rd February, 2018 issued by SSPA & Co., Chartered Accountants, certifying the fair share exchange ratio.

4. Effect of Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders:

The Scheme of Merger and Amalgamation is between NGIL, the Holding Company and its subsidiary, RPL. Towards consideration, NGIL will issue Redeemable Preference Shares to the equity shareholders of RPL other than NGIL. Since consideration is offered through Redeemable Preference Shares and the equity shareholding pattern is remain unchanged post merger, the scheme will not have any adverse impact on the equity shareholders. Further, there is capital restructuring by way of issue of new class of Preference Shares i.e. Redeemable Preference Shares (RPS). Therefore, the Scheme does not have any seen impact on the Equity Shareholders. Since NGI, Japan will be the only class of preference shareholder, the scheme will have no adverse effect on them too. Further, there will be no adverse effect of the said Scheme on Key Managerial Personnel, Promoters, and Non-Promoter Shareholders of the Company.

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By Order of the Board for Nitn India Ltd

G. Rajesh Kurup
Company Secretary

03.02.2018

Reva Proteins Limited

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REPORT OF THE BOARD OF DIRECTORS OF REVA PROTEINS LIMITED ON THE DRAFT SCHEME OF ARRANGEMENT AND AMALGAMATION BETWEEN REVA PROTEINS LIMITED AND NITTA GELATIN INDIA LIMITED PURSUANT TO THE

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b. issue of Redeemable Preference Shares by Nitta Gelatin (India) Limited to the other equity share- holders of Reva Proteins Limited, other than NGIL as per the terms and conditions mentioned in the Scheme;

II. The Appointed Date for Merger and Amalgamation under the Scheme is 1st April, 2017. NGIL hold 74.55% of the equity share capital of RPL as on 31st March, 2018. The pre and post Scheme equity shareholding pattern of NGIL shall remain unchanged. The post Scheme preference shareholding pattern of NGIL shall be changed on issue of Redeemable Preference Shares as envisaged under the Scheme.

III. In consideration of the transfer and vesting of undertaking of the Transferor Company in the Transferee Company in terms of the scheme, the Transferee Company shall subject to the provisions of Clause 20,21 and 22 of the Scheme, without any further application, act, instrument or deed issue and allot to Equity Shareholders other than NGIL of the Transferor Company whose name is entered in the Register of Members of the Transferor Company on the Record Date a total of 44,44,444 Redeemable Preference Shares of Rs 10each, credited as fully paid up of the Transferee Company, in the following share exchange ratio;

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IV. In terms of Section 232 (2)(c) of the Act, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to

specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232 (2)(c) of the Act.

V. While deliberating On the Scheme, the Board had, inter-alia, considered and took on record the following documents:

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dated 3rd February, 2018 issued by SSPA & Co., Chartered Accountants, certifying the fair share exchange ratio.

4. Effect of Scheme on each class of Shareholders, Key Managerial Personnel,
\JA , Promoters and Non-Promoter Shareholders:

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The Scheme of Merger and Amalgamation is between NGIL, the Holding Company and its subsidiary, RPL. Towards consideration, NGIL will issue Redeemable Preference Shares to the equity shareholders of RPL other than NGIL. All the Equity shares and Optionally Convertible Preference shares held by the holding Company Nitta Gelatin India Limited will be cancelled and as against the Equity shares held by NGI, Japan, Redeemable Preference Shares are issued to them by the holding Company post merger. Hence, the scheme will not have any adverse impact on the equity shareholders. Upon coming into effect of the Scheme, the directors of the Transferor Company will not be entitled to any directorships in the Transferee Company by virtue of the provisions of this Scheme. The Scheme will not affect any directorship of a person who is already director in the Transferee Company. Further, there will be no adverse effect of the said Scheme on Key Managerial Personnel, Promoters, and Non-Promoter Shareholders of the Company.

By Order of the Board for Reva P oteins Ltd

G. Rajes urup
Company Secretary
03.02.2018

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