

# Prabhat Dairy Limited

September 5, 2019

To,

The Manager, Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai – 400001  
BSE Scrip Code: 539351

The Manager, Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.  
NSE Symbol: PRABHAT

Dear Sir/ Madam,

**Subject:** Prior Intimation in accordance with Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and Regulation 8(1A)(i) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"), as amended, with respect to the meeting of board of directors of Prabhat Dairy Limited ("Company") to be held on Tuesday, September 10, 2019 to consider the letter received with respect to the proposal for voluntary delisting of the equity shares of the Company.

We wish to inform you that the Company has received letter dated September 4, 2019 from the Mr. Sarangdhar Ramchandra Nirmal, Mr. Vivek Sarangdhar Nirmal, Madhyam Farming Solutions Private Limited and Nirmal Family Trust (enclosed copy herewith), the members of the promoter and promoter group of the Company (as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018). In the letter, they have expressed their intention to acquire 4,87,40,547 fully paid-up equity shares of the Company representing 49.90% of the paid-up equity share capital of the Company that are presently held by the public shareholders of the Company and consequently voluntarily delist the equity shares of the Company from the stock exchanges where they are listed, namely BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") in accordance with the Delisting Regulations and withdrawal of "permitted to trade" status of the equity shares of the Company from Metropolitan Stock Exchange of India Limited ("MSE") ("Delisting Proposal").

Presently, 4,89,35,584 fully paid-up equity shares of the Company representing 50.10% of the paid-up equity share capital of the Company are held by shareholders forming part of its promoter and promoter group category out of which Nirmal Family Trust, Mr Sarangdhar Ramchandra Nirmal and Mr. Vivek Sarangdhar Nirmal hold 46.64 %, 1.15% and 1.15% of the paid-up equity share capital in the Company, respectively. As on date of this letter, Madhyam Farming Solutions Private Limited does not hold any equity shares of the Company.

Pursuant to the aforesaid letter, the board of directors of the Company has been requested to convene a board meeting to: (a) consider and approve the Delisting Proposal in accordance with the Delisting Regulations; (b) seek the requisite approval of the shareholders of the Company through postal ballot in accordance with the Delisting Regulations and other applicable law and the approval of the Stock Exchanges (including MSE, if required) and/ or other regulatory authorities; (c) to take all such other actions as may be required to be undertaken by the Company under the Delisting Regulations to give effect to the Delisting Proposal including appointment of merchant banker to undertake due diligence.



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CIN: L01100PN1998PLC013068

Registered Office: Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar, Maharashtra - 413720. Tel.: +91-2422-265995.  
Pune Office: 2nd Floor, Kataria Chambers, Above Reliance Footprint, S. No. 128/4, Plot No. 6, Sanewadi, Aundh, Pune, Maharashtra - 411007.  
India. Tel.: - 020-25885043.  
Works : Gut No.66/3B, At. Malunje Khurd, Tal. Rahuri, Dist. Ahmednagar - 413721 web : www.prabhat-india.in

# Prabhat Dairy Limited

In accordance with Regulation 8 of the Delisting Regulations, the proposal of delisting is required to be considered for approval by the board of directors of the company pursuant to the receipt and consideration of a due diligence report from a merchant banker appointed for the said purpose by the company. Accordingly, we wish to inform you that a meeting of the board of directors of the Company is being convened on Tuesday, September 10, 2019, to consider *inter alia* the following:

1. To consider the Delisting Proposal.
2. Appointment of a merchant banker registered with the Securities and Exchange Board of India for carrying out due diligence as required in terms of Regulation 8(1A)(ii) of the Delisting Regulations.
3. To obtain from the Stock Exchanges, details of trading in shares of the Company for a period of 2 years prior to the date of board meeting by top 25 shareholders along with the details of off-market transactions of such shareholders for a period of 2 years and obtain any other information that may be required by the merchant banker as it deems fit for carrying out the due diligence as required in terms of the Delisting Regulations; and
4. Any other matters incidental thereto.

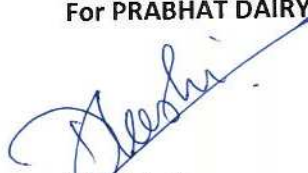
Further, please be informed that, in accordance with the Company's code of conduct to regulate monitor and report trading by insiders and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the trading window of the Company will remain closed with immediate effect and shall re-open only after 48 hours from the announcement of the outcome of the board meeting to the stock exchange wherein the Delisting Proposal is approved/rejected by the board of directors of the Company.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For PRABHAT DAIRY LIMITED

  
Dipti Todkar  
Company Secretary



Encl: As above

September 04, 2019

**Board of Directors**

Prabhat Diary Limited,  
122, At Post Ranjankhol, Tilaknagar Taluka Rahata,  
Dist Ahmednagar, Maharashtra – 413720

Dear Sir/ Madam,

**Subject: Proposal to voluntarily delist the equity shares of Prabhat Diary Limited ("Company") in accordance with the provisions under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended ("Delisting Regulations").**

We, Sarangdhar Ramchandra Nirmal, Vivek Sarangdhar Nirmal, Madhyam Farming Solutions Private Limited and Nirmal Family Trust are members of the promoter and promoter group of the Company as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Presently, 4,89,35,584 fully paid-up equity shares of the Company representing 50.10% of the paid-up equity share capital of the Company are held by shareholders forming part of its promoter and promoter group category.

We, either individually or collectively as may be mutually agreed, are desirous of: (a) acquiring 4,87,40,547 fully paid-up equity shares of the Company representing 49.90% of the paid-up equity share capital of the Company that are presently held by the public shareholders of the Company; and (b) consequently voluntarily delist the equity shares of the Company from BSE Limited and National Stock Exchange of India Limited, the recognised stock exchanges where the equity shares of the Company are presently listed ("**Stock Exchanges**") and withdrawal of "permitted to trade" status of the equity shares of the Company from Metropolitan Stock Exchange of India Limited ("**MSE**"), by making a delisting offer in accordance with the Delisting Regulations ("**Delisting Proposal**").

In terms of the Delisting Regulations, *inter alia*, it is necessary to obtain: (a) approval of the board of directors of the Company; and (b) approval of the shareholders of the Company by way of a special resolution through postal ballot in accordance with the Delisting Regulations and other applicable law.

**Rationale for the Delisting Proposal:** Set out below is the rationale for the Delisting Proposal:

1. The Company has recently completed the sale of its dairy business undertaking by way of slump sale along with the sale of its 100% shareholding in Sunfresh Agro Industries Private Limited (stepdown subsidiary of Company) pursuant to a share purchase agreement to the Tirumala Milk Products Private Limited, a wholly owned subsidiary of French dairy multinational Groupe Lactalis (to be referred as "**Business Sales**"). After the Business Sales, the Company is no longer operating in its core business which contributed the majority of the revenues and profits of the Company. We understand and recognize that a majority of the public shareholders would have invested in the Company, with the intention of investing in a company engaged in the dairy business.
2. Our long term business plan with respect to the Company is to undertake new ventures and possibly raise further capital (including by way of leverage which may require provision of

certain assets of the Company and members of the promoter and promoter group as security/ collateral) for entering into such ventures, and in this regard may make investments in a variety of asset classes, including equity and debt securities of listed and/ or unlisted companies. Accordingly, in addition to the existing business, the Company may actively be involved in the business of finance and its related services, and such investments by nature may involve significant risks and long gestation/ payback periods, and may have a different risk profile as compared to a company engaged in the dairy business.

3. We may also plan to undertake certain corporate restructuring involving the Company and other entities within the group or otherwise, including by way of mergers or acquisitions in connection with the new business activities it wishes to undertake.
4. The delisting of equity shares of the Company will result in reduction of the on-going substantial compliance costs which includes the costs associated with listing of equity shares such as annual listing fee and fees payable to share transfer agents or such other expenses required to be incurred as per the applicable securities law.
5. The delisting of the equity shares of the Company is in the interest of the public shareholders as it will provide them with an exit opportunity at a price determined in accordance with the Delisting Regulations.

in view of the aforesaid, we intend to purchase the equity shares of the Company which are held by the public shareholders and voluntarily delist the equity shares from the Stock Exchanges in accordance with the Delisting Regulations and other applicable law, pursuant to which the "permitted to trade" status of the equity shares of the Company from MSE will also be withdrawn.

**The Delisting Proposal:** Subject to the conditions referred to below, it is proposed that we, either individually or collectively as may be mutually agreed, will acquire 4,87,40,547 fully paid-up equity shares of the Company representing 49.90% of the paid-up equity share capital of the Company that are presently held by the public shareholders of the Company and pursuant to which the equity shares of the Company will be delisted from the Stock Exchanges and the "permitted to trade" status will be withdrawn from the MSE. Further, subsequent to the receipt of the shareholders' approval by way of special resolution through postal ballot notice, a public announcement with respect to the Delisting Proposal will be made in accordance with the Delisting Regulations including the details of the acquisition process. The main features of the acquisition are:

1. The public shareholders of the Company may tender their shares in the Delisting Offer.
2. The "floor price" which will be determined in terms of Regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"). After the floor price is fixed, the discovered price will be determined through the book building process specified in Schedule II of the Delisting Regulations. The final discovered price will be determined as the price at which shares accepted through eligible bids during the book building process takes the shareholding of the promoter and promoter group to 90% of the paid-up share capital of the Company, excluding the shares which are held by a custodian and against which depository receipts have been issued.
3. The Delisting Proposal will be carried out under the applicable laws and therefore should the regulations mandate, the abovementioned procedure may be required to be changed.

In view of the above, we believe that the Delisting Proposal can provide the public shareholders of the Company an opportunity to exit from the Company at a price discovered in accordance with the Delisting Regulations.

**Conditions for Acquisition:** The acquisition of equity shares of the Company from the public shareholders of the Company will be conditional upon the following:

1. Approval of the board of directors of the Company and the approval of the shareholders of the Company by way of special resolution through postal ballot in accordance with the Delisting Regulations and other applicable law (where the resolution will only be acted upon only if the votes cast by public shareholders in favour of the Delisting Proposal amount to at least two times the number of votes cast by public shareholders against it).
2. The acceptance by us of the price payable for the equity shares as determined by the book building process in accordance with the Delisting Regulations. In case the exit offer price discovered pursuant to the book building process is not acceptable to us, we may make a counter offer to the public shareholders of the Company within the time period and in the manner specified under the Delisting Regulations.
3. A minimum number of equity shares being tendered for delisting to be successful in accordance with the Delisting Regulations.
4. Approval of the Stock Exchanges (including MSE, if required) or any other appropriate authority of the Government of India for the acquisition of the equity shares of the Company from the public shareholders of the Company, if required.

Subject to the aforementioned, we confirm and undertake that the acquisition of shares from the public shareholders of the Company shall be made in accordance with the Delisting Regulations.

Further, in terms of Regulations 4(4) and 4(5) of the Delisting Regulations, we confirm that none of the members of the promoter and promoter group of the Company shall:

1. Directly or indirectly employ any of the funds of the Company to finance any of their obligations as contained in the Delisting Regulations.
2. In connection with proposed delisting,
  - a. employ any device, scheme or artifice to defraud any shareholder or other person;
  - b. engage in any transaction or practice that operates as a fraud or deceit upon any shareholder of the Company or other person; or
  - c. engage in any act or practice that is fraudulent, deceptive or manipulative.

Considering the aforesaid, we request the board of directors of the Company to consider our request and undertake the following:

1. Convene a meeting of the board of directors of the Company to consider and approve the delisting proposal under Regulation 8 of the Delisting Regulations.
2. Take necessary steps to seek approval of the shareholders of the Company through a postal ballot and the Stock Exchanges (including MSE, if required) for the proposed delisting of the equity shares of the Company from the Stock Exchanges in accordance with the Delisting Regulations and subsequent withdrawal of "permitted to trade" status of the equity shares of the Company on MSE.
3. To take all such other actions as may be required to be undertaken by the Company under the Delisting Regulations in order to give effect to the Delisting Proposal, including appointment of a merchant banker to undertake due diligence, provide all relevant information necessary for the due diligence, make relevant applications to Stock Exchanges (including MSE, if required) and any other regulatory authorities, as may be required in connection to the Delisting Proposal.

In due course, we will separately inform the Company of the floor price for the Delisting Proposal determined in accordance with Regulation 15(2) of the Delisting Regulations read with Regulation 8 of the Takeover Regulations.

Further details of the tender process (including the proposed timetable) will be set out in the public announcement and the letter of offer that would be sent to the public shareholders of the Company in accordance with the Delisting Regulations.

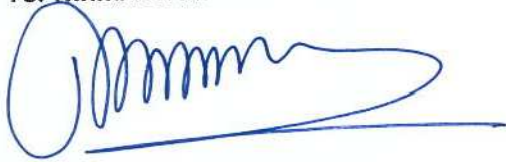
Kindly take the above on your record.

Thanking you,

*(signature page follows)*

Yours sincerely,

For NIRMAL FAMILY TRUST

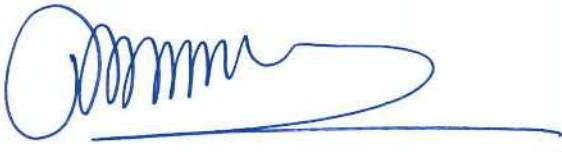
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Name: Mr. Sarangdhar Ramchandra Nimal

Designation: Trustee

Date: September 04, 2019

**Yours sincerely,**

A handwritten signature in blue ink, consisting of a large initial 'S' followed by several loops and a long horizontal stroke at the end.

**Sarangdhar Ramchandra Nirmal**

**Date:** September 04, 2019

**Yours sincerely,**

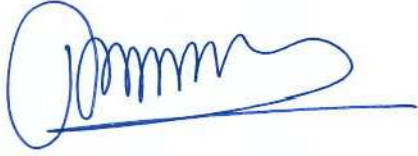
A handwritten signature in blue ink, appearing to read 'Vivek Sarangdhar Nirmal', written over a horizontal line.

**Vivek Sarangdhar Nirmal**

**Date:** September 04, 2019

Yours sincerely,

For MADHYAM FARMING SOLUTIONS PRIVATE LIMITED



Name: Mr. Sarangdhar Ramchandra Nirmal

Designation: Director

Date: September 04, 2019