

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

SHRI BHAGWATI FLOUR MILLS PRIVATE LIMITED

AND

SHREE BHAGWATI FLOUR & FOODS PRIVATE LIMITED

AND

YELLOW SOUL FOODS PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

AND RULES FRAMED THEREUNDER

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules made thereunder for (i) amalgamation of Shri Bhagwati Flour Mills Private Limited (hereinafter referred as "**Transferor Company**" or "**SBFM**") with Shree Bhagwati Flour & Foods Private Limited (hereinafter referred as "**Transferee Company**" or "**SBFF**") (ii) demerger of that "Real Estate Business Undertaking" from SBFF ("**Demerged Company**"), and transfer and vesting thereof into Yellow Soul Foods Private Limited ("**Resulting Company**" or "**YSF**"). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

*(For the sake of convenience Transferor Company, Transferee Company and Resulting Company are hereinafter collectively referred to as "Companies".)*

Shree Bhagwati Flour and Foods Private Limited ("**Transferee Company**" or "**Demerged Company**" or "**SBFF**") was incorporated on 25<sup>th</sup> April 1994 as a public company in the State of Gujarat in accordance with the provisions of the Companies Act, 1956 under the name and style Shree Bhagwati Flour and Foods Limited. Subsequently, the company became a private limited company and the name was changed to its present name Shree Bhagwati Flour and Foods Private Limited vide fresh certificate consequent on conversion on 27<sup>th</sup> March 2002. The registered office of SBFF is situated at Survey No 430, Moriya Bavla Sarkhej Road, Ahmedabad, Gujarat – 380001. SBFF is engaged in processing, manufacturing, exporting and private labelling of varied flours, spices, pulses, snacks, etc. and a whole range of food items and other ingredients. The corporate identity number of the Transferee Company is U15319GJ1994PTC021888. The PAN of the Transferee Company is AAGCS5920E and e-mail ID of the authorised representative is contact.sbffpl@gmail.com. The equity shares of the Transferee Company are not listed on any of the stock exchanges in India.



Shri Bhagwati Flour Mills Private Limited ("Transferor Company" or "SBFM") was incorporated on 11<sup>th</sup> March 1992 as a private company in the State of Gujarat in accordance with the provisions of the Companies Act, 1956 under the name and style Shri Bhagwati Flour Mills Private Limited. Subsequently, the company became a public company and the name was changed to Shri Bhagwati Flour Mills Limited vide fresh certificate issued consequent to change in name on 4<sup>th</sup> April 1995. Further, the company became a private company and the name was changed to its present name, Shri Bhagwati Flour Mills Private Limited vide fresh certificate issued consequent to conversion on 27<sup>th</sup> March 2002. The registered office of SBFM is situated at Siddheswari Estate, Near AMTS Bus Stand, Naroda, Ahmedabad, Gujarat – 382325. SBFM is engaged in the manufacturing of besan, atta, maida and sooji flour processing with well-established distribution network and strong brand presence of 'Gaay Chhap' and 'Uttam' in India. The corporate identity number of the Transferor Company is U15310GJ1992PTC017267. The PAN of the Transferor Company is AAACB8907E and e-mail ID of the authorised representative is contact.sbfmpl@gmail.com. The equity shares of the Transferor Company are not listed on any of the stock exchanges in India.

Yellow Soul Foods Private Limited ("Resulting Company" or "YSF") was incorporated on 16<sup>th</sup> June 2022 as a private company in the State of Gujarat in accordance with the provisions of the Companies Act, 2013. The registered office of YSF is situated at GF 3, Parisima, Opp IFC Bhavan, Opp Vaishali Complex, CG Road, Ellisbridge, Ahmedabad, Gujarat – 380006. YSF was incorporated to carry out the business of manufacturing, processing, trading in various food products. The corporate identity number of the Resulting Company is U15400GJ2022PTC132962. The PAN of the Resulting Company is AABCY5477H and e-mail ID of the authorised representative is yellowsoulfoods2022@gmail.com. The equity shares of the Resulting Company are not listed on any of the stock exchanges in India.

#### RATIONALE OF THE SCHEME

The proposed scheme deals with amalgamation of the Transferor Company with the Transferee Company and upon such amalgamation, demerger of Real Estate Business Undertaking from the Demerged Company into the Resulting Company. The proposed Scheme would be in the best interest of the Companies and their respective shareholders, employees, creditors, lenders and other stakeholders as the proposed reorganisation pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

a) Amalgamation of the Transferor Company and the Transferee Company:

- Both companies, viz. the Transferor Company and the Transferee Company are engaged in similar line of business and are subject to same industry risk. Hence consolidation of all operating businesses under a single entity will simplify the existing group structure;
- Focused operational efforts would assist in realizing synergies in terms of compliance, governance, administration and costs;
- Combined business will experience and derive synergies in the operation, administration, supply chain management, resource planning, productivity and optimal utilization of existing resources;



- Greater efficiency in cash management and access to cash flow generated by the combined business which can be deployed more efficiently to maximize shareholder value;
  - The Transferee Company will gain the benefit of improved organizational capability and leadership which will help it to compete successfully in the industry.
- b) Demerger and vesting of the Real Estate Business Undertaking, from the Demerged Company to the Resulting Company:
- Enable segregation of each business segment so as to facilitate the operations of carved out business with greater focus and tailormade strategies for operations and growth;
  - Enable the attribution of appropriate risk and valuation based on the risk-return profile of business; and
  - Provide greater visibility and better opportunities for individual business to seek potential investors and unlock value for all stakeholders.

#### PARTS OF THE SCHEME

The Scheme is divided into following parts:

1. **Part A**, which sets forth the introduction to the Scheme, the definitions, interpretations and share capital of the Companies;
2. **Part B** –
  - a) **Section I** - deals with the amalgamation of the Transferor Company with the Transferee Company and issue of consideration by the Transferee Company to the shareholders of the Transferor Company;
  - b) **Section II** - deals with the demerger of the Real Estate Business Undertaking of the Demerged Company into the Resulting Company and issue of consideration by the Resulting company to the shareholders of the Demerged Company; and
3. **Part C**, which sets forth the general terms and conditions applicable to this Scheme and the dissolution of the Transferor Company.

#### TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX OF ACT, 1961

The amalgamation of the Transferor Company with the Transferee Company pursuant to Section I of Part B of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modifications will however not affect the other parts of the Scheme.



The demerger of Real Estate Business Undertaking from Demerged Company to Resulting Company pursuant to Section II of Part B of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with provisions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modifications will however not affect the other parts of the Scheme.

## PART A - DEFINITIONS AND SHARE CAPITAL

### 1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, in addition to the terms defined elsewhere in this Scheme, the following capitalised terms shall have the meaning set out below:

- 1.1. "Act" or "the Act" means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force;
- 1.2. "Applicable Law" means relevant and applicable central, state and local laws of the Republic of India, which includes applicable statutes, laws, regulations, ordinances, rules, judgements, orders, decrees, clearances, approvals, directives, guidelines, requirements or any similar form of determination by or decision of any Governmental Authority, whether in effect as of the date on which this Scheme has been approved by the Board of the companies concerned, or at any time thereafter;
- 1.3. "Appointed Date" means 1<sup>st</sup> April 2024 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority;
- 1.4. "Board" or "Board of Directors" means the respective Board of Directors of the Companies, as the case may be, and shall include a committee duly constituted and authorised thereby for the purpose of matters pertaining to the Scheme and / or any other consequential or incidental matter in relation thereto;
- 1.5. "Companies" means SBFF, SBFM and YSF collectively;
- 1.6. "Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 31 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;
- 1.7. "Encumbrance" or to "Encumber" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (ii) a contract to give or refrain from giving any



of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iv) any adverse claim as to title, possession or use and the term “Encumber” shall be construed accordingly;

1.8. “Real Estate Business” means that business segment of Demerged Company that is engaged in the buying, developing real estate properties or otherwise, with the end objective to either use, manage, sell or dispose such property or provide it on short-term or long-term lease or on lease and license basis or otherwise;

1.9. “Real Estate Business Undertaking” means the business, undertakings, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, forming part of the Real Estate Business of the Demerged Company as a going concern, including assets and liabilities received upon amalgamation of Transferor Company which relates to such Real Estate Business but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or licence or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

(c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits and exemptions including the right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies,



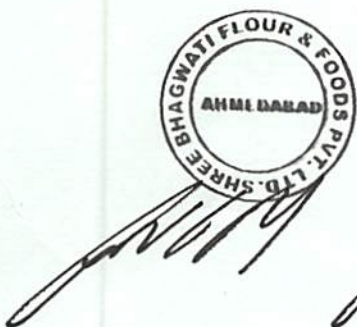
organizations or companies for the purpose of carrying on the Real Estate Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto;

- (d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;
- (e) all intellectual property rights, applications (including any hardware, software, licenses), registrations, project designs, approvals, permits, permissions, incentives, privileges, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature;
- (f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company forming part of the Real Estate Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company;
- (g) all books, records, files, papers, software licenses (whether proprietary or otherwise), test reports, drawings, manuals, data, databases, catalogues, quotations, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form;
- (h) all debts, borrowings, obligations, duties and liabilities, both present and future (including deposits, deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Demerged Company forming part of the Real Estate Business;
- (i) the employees forming part of the Real Estate Business; and
- (j) all legal or other proceedings, if any, of whatsoever nature that form part of the Real Estate Business.

1.10. "Registrar of Companies" means the Registrar of Companies, Ahmedabad having jurisdiction over the Companies;



- 1.11. **"Resulting Company"** or **"YSF"** means Yellow Soul Foods Private Limited, a company incorporated on 16<sup>th</sup> June 2022 under the provisions of Companies Act, 2013 and having its registered office at GF 3, Parisima, Opp IFC Bhavan, Opp Vaishali Complex, CG Road, Ellisbridge, Ahmedabad, Gujarat – 380 006. The corporate identity number of the Resulting Company is U15400GJ2022PTC132962. The PAN of the Resulting Company is AABCY5477H and e-mail ID of the authorised representative is contact.yspl@gmail.com;
- 1.12. **"Scheme"** or **"the Scheme"** or **"this Scheme"** or **"Scheme of Arrangement"** means this Composite Scheme of Arrangement in its present form as submitted to the Tribunal or this Scheme with such modification(s), if any made, as per Clause 30 of the Scheme or such other modifications / amendments as the Tribunal may direct;
- 1.13. **"Transferor Company"** or **"SBFM"** means Shri Bhagwati Flour Mills Private Limited, a company incorporated on 11<sup>th</sup> March, 1992 under the provisions of Companies Act, 1956 and having its registered office at Siddheswari Estate, Near AMTS Bus Stand, Naroda, Ahmedabad, Gujarat – 382 325. The corporate identity number of the Transferor Company is U15310GJ1992PTC017267. The PAN of the Transferor Company is AAACB8907E and e-mail ID of the authorised representative is contact.sbfmpl@gmail.com;
- 1.14. **"Transferee Company"** or **"Demerged Company"** or **"SBFF"** means Shree Bhagwati Flour and Foods Private Limited, a company incorporated on 25<sup>th</sup> April, 1994 under the provisions of Companies Act, 1956 and having its registered office at Survey No 430, Moriya Bavla Sarkhej Road, Ahmedabad, Gujarat – 380 001. The corporate identity number of the Transferee Company is U15319GJ1994PTC021888. The PAN of the Transferee Company is AAGCS5920E and e-mail ID of the authorised representative is contact.sbffpl@gmail.com;
- 1.15. **"Tribunal"** or **"NCLT"** means the National Company Law Tribunal as constituted and authorised as per the provisions of the Act for approving any Scheme of Amalgamation, Scheme of Arrangement, any compromise or reconstruction of companies under Sections 230 to 232 of the Companies Act, 2013 and includes in particular the Ahmedabad Bench of National Company Law Tribunal under whose jurisdiction, the Companies to the Scheme fall;
- 1.16. **"Undertaking"** means the entire business undertaking of the Transferor Company, on a going concern basis, and shall include the following, without limitation:
- a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, plant and machinery, equipment, land, buildings and structures, warehouses, stores, offices, residential and other premises (including rights in leasehold land and buildings), capital work-in-progress, furniture, fixtures, office equipment, computers, appliances, accessories, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), cash equivalents, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights),



hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, share of any joint assets, and other facilities, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kinds (including arrangements with suppliers, vendors, customers, distributors, leases, logistics, transport, etc.), terms of trade with various suppliers including incentives and discounts and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b) all permits, quotas, rights, entitlements, licences including but not limited to export license, import license, industrial and other licenses, bids, tenders, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations and all other rights, title, interest, contracts, and arrangements in any form including those pertaining to brand licences, vendors, store maintenance, housekeeping, security, contract workers, all benefits of all agreements, consents, approvals or powers of every kind, nature and descriptions whatsoever, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions and other benefits including tax holiday, special economic zone related benefits, export oriented units benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- c) all advance monies, earnest monies and/or security deposits paid or deemed to have been paid by the Transferor Company;
- d) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company;
- e) all intellectual property rights, trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records,





files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computers programs, manuals, data, catalogues, quotations, sales and advertising material, standard operating procedures in relation to buying, purchases, merchandising, supply chain, lists and database of present and former customers, vendors and suppliers, other customer information, customer credit information, customer pricing information, customer loyalty program including customer insights and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company;

- f) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;
- g) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Transferor Company; and
- h) all books, records, files, papers, software licenses (whether proprietary or otherwise), test reports, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, dossiers, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form.

1.17. All terms and words used but 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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force;

In this Scheme, unless the context otherwise requires:

- i. A reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- ii. The headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;



- iii. The singular shall include the plural and vice versa; and references to one gender include all genders;
- iv. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- v. References to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

**2. SHARE CAPITAL**

**2.1. Shri Bhagwati Flour Mills Private Limited ("Transferor Company")**

The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31<sup>st</sup> March, 2024 is as under:

Particulars	Amount in Rs.
<b><u>Authorised Share Capital</u></b>	
5,000,000 Equity Shares of Rs. 10/- each	50,000,000
<b>Total</b>	<b>50,000,000</b>
<b><u>Issued, Subscribed and Paid-up share capital</u></b>	
4,250,000 Equity Shares of Rs. 10/- each, fully paid up	42,500,000
<b>Total</b>	<b>42,500,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

The equity shares of the Transferor Company are not listed on any of the stock exchanges in India.

**2.2. Shree Bhagwati Flour & Foods Private Limited ("Transferee Company" or "Demerged Company")**

The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31<sup>st</sup> March, 2024 is as under:

Particulars	Amount in Rs.
<b><u>Authorised Share Capital,</u></b>	
3,000,000 Equity Shares of Rs. 10/- each	30,000,000
<b>Total</b>	<b>30,000,000</b>
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	
2,493,500 Equity Shares of Rs. 10/- each, fully paid up	24,935,000
<b>Total</b>	<b>24,935,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company.

The equity shares of the Transferee Company are not listed on any of the stock exchanges in India.

### 2.3. Yellow Soul Foods Private Limited ("Resulting Company")

The authorised, issued, subscribed and paid-up share capital of Resulting Company as on 31<sup>st</sup> March, 2024 is as under:

Particulars	Amount in Rs.
<b><u>Authorised Share Capital,</u></b>	
20,000 Equity Shares of Rs. 10/- each	200,000
<b>Total</b>	<b>200,000</b>
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	
20,000 Equity Shares of Rs. 10/- each, fully paid up	200,000
<b>Total</b>	<b>200,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Resulting Company.

The equity shares of Resulting Company are not listed on any of the stock exchanges in India.



**3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

- 3.1. Each part of the Scheme set out herein in its present form or with any modification(s) or amendment(s) made under Clause 30 of the Scheme shall, unless otherwise specified, be effective from the Appointed Date but shall be operative from the Effective Date.
- 3.2. Each Section of Part B of the Scheme shall be deemed to have taken effect as specifically provided for, and in the sequence set out, in the Scheme.
- 3.3. Notwithstanding anything contrary contained in this Scheme, for the purposes of Section 232(6) of Companies Act, 2013, the Scheme shall be deemed to come into effect from the Appointed Date as defined under Clause 1.3 of this Scheme and for which, no other date, but the Appointed Date, would be relevant.

**PART B**

**SECTION I**

**AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY**

**4. TRANSFER AND VESTING OF UNDERTAKING**

- 4.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the entire business and whole of the Undertaking of the Transferor Company including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature including investments, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, development of rights, if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and all nature of liabilities shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and shall stand transferred to and/or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 4.2. Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this and with effect from the Appointed Date and without any further act, instrument or deed:
- a) All assets and properties and rights in the immovable properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company including all buildings, warehouses, stores, equipment, structures, offices, all lands (whether freehold or leasehold), and all assets and properties which are acquired / constructed / developed by the Transferor Company on or after the Appointed Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the



Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.

- b) In so far as the immovable properties held by the Transferor Company are concerned, all the rights and privileges attached thereto of the Transferor Company in the immovable properties 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 or similar authorities by whatever name called may rely on this 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.
- c) In respect of such of the assets and properties forming part of the assets pertaining to the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or novation and/ or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and shall become the assets and properties of the Transferee Company with effect from the Appointed Date without requiring any deed or conveyance for transfer of the same.
- d) In respect of the assets other than those dealt within sub-clause (c) above and forming part of the assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, bank balances, investments and deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person pertaining to the Transferor Company, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 230 to 232 of the Companies Act, 2013, read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realise the same stand transferred to the Transferee Company.
- e) All the liabilities including all secured and unsecured debts, liabilities including contingent liabilities, leases, sundry creditors, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts,



liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that of the Transferor Company as are vested in the Transferee Company by virtue of the Scheme. Notwithstanding the aforesaid, in case of secured creditors, approval of secured creditors with requisite majority will be sought by the Transferor and the Transferee Company as may be directed by the Tribunal or any other competent authority as may be applicable.

- f) In so far as the existing security in respect of the loans or borrowings of the Transferor Company and other liabilities relating to the Transferor Company are concerned, such security shall, without any further act, instrument or deed be continued with the Transferee Company. The Transferor Company and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- g) Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company or arising after the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

4.3. The Transferor Company may be entitled to various benefits under incentive schemes and policies under various laws, regulations and notifications. Pursuant to this Scheme, the benefits under all of such schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including tax concessions (not limited to income tax, tax deducted at source, tax holiday, special economic zone related benefits, export oriented units benefits, tax losses, unabsorbed depreciation, fringe benefit tax, sales tax, value added tax (VAT), turnover tax, excise duty, service tax, customs, goods and service tax (GST), minimum alternate tax credit entitlement whether recognized or not, unutilized deposits or credits, benefits under the GST/ VAT / Sales Tax Law, VAT / Sales Tax set off, benefits of any unutilized MODVAT / CENVAT / Service Tax credits / input tax credit under goods and service tax etc. and others) and incentives shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes and policies were made available to the Transferor Company.

4.4. Upon the coming into effect of this Scheme, any privileges, liberties, advantages, etc of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the



Transferor Company, whether in India or abroad shall stand transferred and vested with the Transferee Company.

- 4.5. Upon the coming into effect of this Scheme and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.
- 4.6. Upon the coming into effect of this Scheme, all agreements, options, rights, contracts (including any customer, vendor and all contractual and statutory rights in law and equity), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, exemptions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), put and/or call option agreements, statutory and regulatory permissions, environmental approvals and consents, goods and service tax registrations, or other licenses and consents, benefits of any guarantees, reversions and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company shall stand transferred and vested with the Transferee Company by operation of law and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.7. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company will be entitled to all the trade and service names and marks, brands, patents, copyrights, licenses, marketing authorizations, approvals and marketing tangibles of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including those attached to goodwill, title, interest, labels and brands registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature, and the Transferee Company may take such actions as may be necessary and permissible to get the same transferred and /or registered in the name of the Transferee Company.
- 4.8. Upon the coming into effect of this Scheme, amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any security deposits, tax, duty, cess or of any excess payment shall stand transferred with the Transferee Company.
- 4.9. Upon the coming into effect of this Scheme, right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess, security deposit or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses, carry forward of unabsorbed depreciation, deferred revenue expenditure, deduction, exemption,



rebate, allowance, amortization benefit, etc. under the Income Tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, shall stand transferred and vested with the Transferee Company.

- 4.10. The vesting of the entire undertaking of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested; provided, however, that the foregoing shall not be applicable to any security or Encumbrance that the Transferor Company is required to create (subject to receipt of any Permits) over its assets as on the Effective Date.

## 5. CONSIDERATION FOR AMALGAMATION

- 5.1. Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company, whose name is registered in the Register of Members of the Transferor Company on the Effective Date or his/her/its legal heirs, executors or successors as the case may be, shares in the Transferee Company, in the following ratio:

*133 (One Hundred and Thirty-Three) fully paid-up Equity Shares of face Value of Rs. 10 (Ten) each of Transferee Company for every 1,000 (One Thousand) fully paid-up Equity Shares of face Value Rs. 10 (Ten) each held in Transferor Company.*

- 5.2. Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with this Clause. It is clarified that no special resolution under section 62 of the Companies Act, 2013 or any other applicable provisions of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Transferor Company in the aforesaid share exchange ratio.
- 5.3. The share certificates held by the shareholders of the Transferor Company shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company.





- 5.4. The shares issued to the members of the Transferor Company by the Transferee Company pursuant to this Clause shall be issued in dematerialised form by the Transferee Company, unless otherwise notified in writing by the members of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares shall be issued to such members in dematerialised form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the dematerialised shares to the account of such member with the shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in physical form to such member.
- 5.5. The equity shares to be issued and allotted under the Scheme by the Transferee Company as above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company. The equity shares issued by the Transferee Company shall rank Pari passu in all aspects, including dividends, voting and other rights, with the existing equity shares of the Transferee Company. In case the number of new shares to be issued by the Transferee Company pursuant to this Scheme is a fractional number, it shall be rounded off to the nearest whole number. The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares pursuant to this Scheme.
- 5.6. The approval of this Scheme by the shareholders of the Companies involved, under Sections 230 to 232 of the Act shall be deemed to constitute approvals under Sections 13, 14, and other applicable provisions of the Act and any other consents and approvals required in this regard. If there are any pending transfers, whether lodged or outstanding, of any shareholders of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date, to effectuate such a transfer in the records of the Transferor Company, as if such changes in the registered holder were operative as on the Effective Date, in order to remove any difficulties arising to the holder/transferee of the shares in the Transferor Company and in relation to the equity shares to be issued by the Transferee Company after this Scheme becoming effective.
- 5.7. Subject to the combination of authorised capital provided in Clause 12, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.



## 6. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets, liabilities and reserves of the Transferor Company in its books of accounts as a common control business combination as per "Pooling of Interest Method" prescribed under the Indian Accounting Standard Ind-AS 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

- 6.1. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded at their carrying amounts as appearing in the books of the Transferor Company, from the earliest period presented in the financial statements i.e. the financial information in the financial statements in respect of prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- 6.2. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company.
- 6.3. The Transferee Company shall credit to its share capital account, the aggregate face value of the shares issued by it pursuant to Clause 5.1 of this Scheme.
- 6.4. The difference, if any, between the amount recorded as share capital issued and the amount of share capital of the transferor shall be transferred to Capital Reserve in the financial statements of the Transferee Company.
- 6.5. The inter-company loans, advances, deposits, balances or other obligations between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- 6.6. The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 6.7. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 6.8. Notwithstanding the above accounting treatment, the Board of Directors of the Transferee Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.



6.9. Transferor Company will cease to exist pursuant to the Scheme coming into effect and consequently no accounting will be required in the books of Transferor Company. Accordingly, no accounting treatment in the books of the Transferor Company is stated in this Scheme.

## 7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 7.1. The Transferor Company shall carry on and deemed to have carried on its business and activities and shall stand possessed of its entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 7.2. All profits or income arising or accruing to the Transferor Company and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case maybe, of the Transferee Company.
- 7.3. The Transferor Company shall carry on its Business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except where the same is expressly provided in this Scheme or it is in the ordinary course of business or if prior written consent of the Transferee Company is obtained.
- 7.4. Except by consent of the Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Company as on the date of sanction of this Scheme by the Board, or except as contemplated in this Scheme, pending sanction of this Scheme, the Transferor Company shall not make any change in its capital structure either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re- organisation of capital of the Transferor Company.
- 7.5. All taxes (including, without limitation, income tax, minimum alternate tax, central goods and service tax, state goods and service tax of respective states, integrated goods and service tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, CENVAT credit, input tax credit, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Undertaking before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, central goods and service tax, state goods and service tax of respective states, integrated goods and service tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, minimum alternate tax credit, dividend distribution tax, advance tax, taxes withheld / paid in foreign country,



securities transaction tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Undertaking with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

- 7.6. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of the Transferor Company and give effect to the Scheme.

## 8. LEGAL PROCEEDINGS

- 8.1. Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other governmental authorities enforceable by or against the Transferor Company including without limitation any restraining orders pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to the Transferor Company, including legal and taxation proceedings, whether by or against the Transferor Company, pending as on the Effective Date, shall not abate or be discontinued or in prejudicially affected by reason of the Transferor Company or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
- 8.2. After the Appointed Date and until the Effective Date, the Transferor Company shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company.
- 8.3. The continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceeding already completed by the Transferor Company between the Appointed Date and the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

## 9. CONTRACTS, DEEDS, ETC.

With effect from the Appointed Date and upon the Scheme becoming effective,

- 9.1. Subject to the other provisions contained in this Scheme, all applications with regulatory authorities, contracts, deeds, bonds, agreements, letter of intent, insurance policies and other instruments of whatever nature (including any indemnity rights accruing to the Transferor Company) to which, the Transferor Company is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and

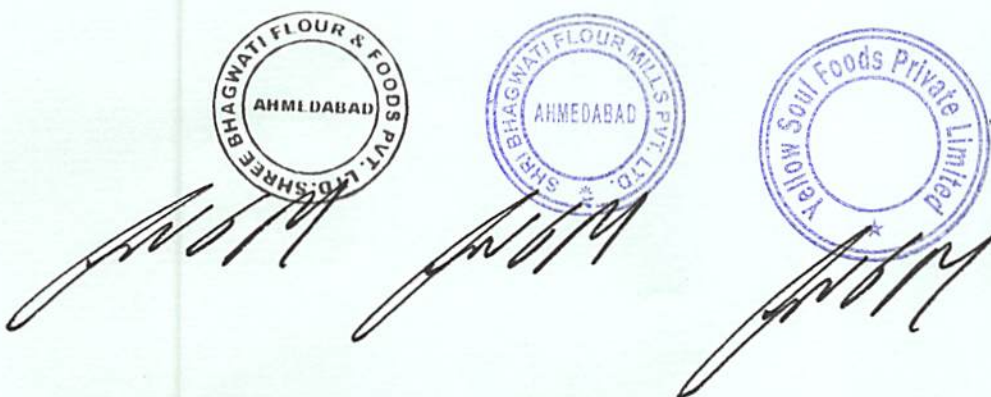


effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

- 9.2. All permits, quotas, rights, entitlements, privileges, powers, facilities, subsidies, 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 or against the Transferee Company, as the case may be, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- 9.3. Any statutory licences, permissions or approvals or consents required to carry on the business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the Transferor Company therewith in favour of the Transferee Company. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licences, approvals, permissions or approvals or consents required to carry on in any manner, shall vest in and become available to the Transferee Company pursuant to the Scheme.
- 9.4. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
- 9.5. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "insured" in the policies as if the Transferee Company was initially a party thereto.

#### 10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of business, assets, properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or 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 as acts, deeds and things made, done and executed by or on behalf of the Transferee Company in accordance with this Scheme.



**11. STAFF AND EMPLOYEES**

- 11.1. All staff and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any interruption / break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of employees of the Transferor Company and such benefits to which the employees of the Transferor Company are entitled in the Transferor Company shall also be taken into account, and the Transferee Company agrees and undertakes to pay the same as and when payable.
- 11.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff and employees of the Transferor Company, if any, shall become the trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. In the event the Transferee Company has its own funds in respect of any of the Employee Benefit Funds, such contributions and investments shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be transferred to the relevant funds of the Transferee Company and shall be held for the benefit of the concerned employees of the Transferor Company.
- 11.3. In relation to those employees of the Transferor Company for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees of the Transferor Company.
- 11.4. The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute or cause to do so and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 11.

**12. COMBINATION OF AUTHORISED SHARE CAPITAL**

- 12.1. Upon the coming into effect of the Scheme, the authorised share capital of the Transferor Company will get amalgamated with that of the authorised share capital of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. The authorised share capital of the Transferee Company will automatically stand increased to that effect upon filing of the requisite forms with the Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Act.
- 12.2. It is hereby clarified that for the purposes of Clause 12 above, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above



amendment or increase in authorised share capital of the Transferee Company, and no further resolution under Section 13, Section 14, Section 61 of the Companies Act 2013 or any other applicable provisions of the Act, would be required to be separately passed.

- 12.3. Filing fees (Including registration fees) and stamp duty, if any, paid by the Transferor Company on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital. The Transferee Company shall not be required to pay the stamp duty to the extent set off for its increased authorised share capital and accordingly, the Transferee Company shall be required to pay only the balance fee stamp duty in relation to its increased authorised share capital after setting off the fees and stamp duty already paid by the Transferor Company on its authorised share capital.

### 13. WINDING UP

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and its name shall be struck off from the records of the appropriate Registrar of Companies.

### 14. VALIDITY OF RESOLUTIONS

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

### 15. TAXES/DUTIES/CESS ETC.

- 15.1. With effect from the Appointed Date, all income tax paid (including advance tax and self-assessment tax), income tax refund due or receivable, tax deducted at source, minimum alternate tax, carried forward losses, depreciation, capital losses, pending balances of amortizations, tax holiday benefits, incentives, credits (including tax credits), minimum alternate tax credit entitlement, tax losses (if available) etc., under the Income Tax Act, 1961 in respect of any assessment and/or appeal, (whether as per books or as per the Income Tax Act, 1961) and any right including the right to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/ withheld, etc., if any under Income Tax Act, 1961 and also including applications for rectification, appeals filed with tax authorities of the Transferor Company or other provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company and shall be treated as paid by the Transferee Company and it shall be entitled to claim credit, refund or adjustment for the same as may be applicable.
- 15.2. Upon this Scheme being effective, the Transferor Company and the Transferee Company are expressly permitted to revise and file their respective income tax returns and other statutory



returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax/VAT/GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

**16. INTER-SE TRANSACTIONS**

- 16.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed.
- 16.2. Further, it is clarified that the above Clause shall have no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

**PART B**

**SECTION II**

**DEMERGER OF REAL ESTATE BUSINESS UNDERTAKING FROM DEMERGED COMPANY TO RESULTING COMPANY**

**17. TRANSFER AND VESTING OF UNDERTAKING**

- 17.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the entire Real Estate Business Undertaking of the Demerged Company including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature including investments, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, development of rights, if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and all nature of liabilities in relation to Real Estate Business Undertaking, shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and shall stand transferred to and/or vested in or be deemed to have been and stand transferred to or vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the Real Estate Business Undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.





17.2. Without prejudice to the generality of Clause 17.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date and without any further act, instrument or deed:

- a) All assets and properties and rights in the immovable properties of the Demerged Company in relation to the Real Estate Business Undertaking as on the Appointed Date, whether or not included in the books of the Demerged Company including all buildings, warehouses, stores, equipment, structures, offices, all lands (whether freehold or leasehold), and all assets and properties which are acquired / constructed / developed by the Demerged Company on or after the Appointed Date, shall be deemed to be and shall become the assets and properties of the Resulting Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- b) In so far as the immovable properties held by the Demerged Company in relation to the Real Estate Business Undertaking are concerned, all the rights and privileges attached thereto of the Demerged Company in the immovable properties shall stand transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances or similar authorities by whatever name called may rely on this 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 Resulting Company as owner of the immovable properties.
- c) In respect of such of the assets and properties forming part of the assets pertaining to the Real Estate Business of the Demerged Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or novation and/ or delivery, the same shall stand transferred by the Demerged Company upon coming into effect of the Scheme and shall become the assets and properties of the Resulting Company with effect from the Appointed Date without requiring any deed or conveyance for transfer of the same.
- d) In respect of the assets other than those dealt within sub-clause (c) above and forming part of the assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits, bank balances, investments and deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person pertaining to the Demerged Company in relation to the Real Estate Business Undertaking, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of the Sections 230 to 232 of the Companies Act, 2013, read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company to recover or realise the same stand transferred to the Resulting Company.



- e) All the liabilities including all secured and unsecured debts, liabilities including contingent liabilities, leases, sundry creditors, duties, obligations and undertakings of the Demerged Company in relation to the Real Estate Business Undertaking, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Resulting Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Resulting Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Provided that, any reference in the security documents or arrangements entered into by the Demerged Company in relation to the Real Estate Business Undertaking and under which, the assets of the Real Estate Business of the Demerged Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that of the Demerged Company as are vested in the Resulting Company by virtue of the Scheme. Notwithstanding the aforesaid, in case of secured creditors, approval of secured creditors with requisite majority will be sought by the Demerged and the Resulting Company as may be directed by the Tribunal or any other competent authority as may be applicable.
- f) In so far as the existing security in respect of the loans or borrowings of the Demerged Company and other liabilities relating to the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Resulting Company. The Demerged Company and the Resulting Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- g) Where any such debts, loans raised, liabilities, duties and obligations of the Demerged Company in relation to the Real Estate Business Undertaking or arising after the Appointed Date have been discharged or satisfied by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Resulting Company.

17.3. The Real Estate Business of Demerged Company may be entitled to various benefits under incentive schemes and policies under various laws, regulations and notifications. Pursuant to this Scheme, the benefits under all of such schemes and policies shall be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever including tax concessions (not limited to income tax, tax deducted at source, tax holiday, special economic zone related benefits, export oriented units benefits, tax losses, unabsorbed depreciation, fringe benefit tax, sales tax, value added tax (VAT), turnover tax, excise duty, service tax, customs, goods and service tax (GST), minimum alternate tax credit



entitlement whether recognized or not, unutilized deposits or credits, benefits under the GST/ VAT / Sales Tax Law, VAT / Sales Tax set off, benefits of any unutilized MODVAT / CENVAT / Service Tax credits / input tax credit under goods and service tax etc. and others) and incentives shall be claimed by the Resulting Company and these shall relate back to the Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive scheme and policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under the incentive schemes and policies were made available to the Demerged Company.

- 17.4. Upon the coming into effect of this Scheme, any privileges, liberties, advantages, etc of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or in connection with or relating to the Demerged Company in relation to the Real Estate Business Undertaking and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company in relation to the Real Estate Business Undertaking, whether in India or abroad shall stand transferred and vested with the Resulting Company.
- 17.5. Upon the coming into effect of this Scheme and till such time that the name of the bank accounts of the Demerged Company has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company in relation to the Real Estate Business Undertaking in the name of the Demerged Company and for such time as may be determined to be necessary by the Resulting. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company in relation to the Real Estate Business Undertaking after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.
- 17.6. Upon the coming into effect of this Scheme, all agreements, options, rights, contracts (including any customer, vendor and all contractual and statutory rights in law and equity), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, exemptions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), put and/or call option agreements, statutory and regulatory permissions, environmental approvals and consents, goods and service tax registrations, or other licenses and consents, benefits of any guarantees, reversions and all other approvals of every kind, nature and description whatsoever relating to the Real Estate Business of the Demerged Company shall stand transferred and vested with the Resulting Company by operation of law and shall remain valid, effective and enforceable on the same terms and conditions.
- 17.7. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company will be entitled to all the trade and service names and marks, brands, patents, copyrights, licenses, marketing authorizations, approvals and marketing tangibles of the Real Estate Business of the Demerged Company including registered and unregistered



trademarks along with all rights of commercial nature including those attached to goodwill, title, interest, labels and brands registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature, and the Resulting Company may take such actions as may be necessary and permissible to get the same transferred and /or registered in the name of the Resulting Company.

- 17.8. Upon the coming into effect of this Scheme, amounts claimed by the Demerged Company in relation to the Real Estate Business Undertaking, whether or not so recorded in the books of account of the Demerged Company from any Governmental Authority, under any law, act or rule in force, as refund of any security deposits, tax, duty, cess or of any excess payment shall stand transferred with the Resulting Company.
- 17.9. Upon the coming into effect of this Scheme, right to any claim not preferred or made by the Demerged Company, in relation to the Real Estate Business Undertaking, in respect of any refund of tax, duty, cess, security deposit or other charge, including any erroneous or excess payment thereof made by the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses, carry forward of unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income Tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, shall stand transferred and vested with the Resulting Company.
- 17.10. The vesting of the Real Estate Business Undertaking of the Demerged Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Real Estate Business of Demerged Company or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which Demerged Company is a party) related to any assets of Real Estate Business of the Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of Resulting Company shall not extend or be deemed to extend or apply to the assets so vested; provided, however, that the foregoing shall not be applicable to any security or Encumbrance that the Real Estate Business Undertaking of the Demerged Company is required to create (subject to receipt of any Permits) over its assets as on the Effective Date.

## 18. CONSIDERATION FOR DEMERGER OF REAL ESTATE BUSINESS UNDERTAKING

- 18.1. Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the Real Estate Business Undertaking of the Demerged Company in the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Demerged Company, whose name



is registered in the Register of Members of the Demerged Company on the Effective Date or his/her/its legal heirs, executors or successors as the case may be (after giving effect to Clause 5.1 of the Scheme), shares in the Resulting Company, in the following ratio:

*5,512 (Five Thousand Five Hundred and twelve) fully paid-up Equity Shares of face Value of Rs. 10 (Ten) each of Resulting Company for every 1,000 (One Thousand) fully paid-up Equity Shares of face Value Rs. 10 (Ten) each held in Demerged Company.*

- 18.2. Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Resulting Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with this Clause. It is clarified that no special resolution under Section 42 or section 62 of the Companies Act, 2013 or any other applicable provisions of the Act shall be required to be passed by the Resulting Company separately in a general meeting for issue of shares to the members of the Demerged Company under this Scheme and on the shareholders of the Resulting Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Resulting Company to the members of the Demerged Company in the aforesaid share exchange ratio.
- 18.3. The shares issued to the members of the Demerged Company by the Resulting Company pursuant to this Clause shall be issued in dematerialised form by the Resulting Company, unless otherwise notified in writing by the members of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialised form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Resulting Company shall issue and directly credit the dematerialised shares to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in physical form to such member.
- 18.4. The equity shares to be issued and allotted under the Scheme by the Resulting Company as above shall be subject to the Memorandum of Association and Articles of Association of the Resulting Company. The equity shares issued by the Resulting Company shall rank Pari passu in all aspects, including dividends, voting and other rights, with the existing equity shares of the Resulting Company. In case the number of new shares to be issued by the Resulting Company pursuant to this Scheme is a fractional number, it shall be rounded off to the nearest whole number. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares pursuant to this Scheme.
- 18.5. The approval of this Scheme by the shareholders of the Resulting Company, under Sections 230 to 232 of the Act shall be deemed to constitute approvals under Sections 13, 14, and other applicable provisions of the Act and any other consents and approvals required in this



regard. If there are any pending transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date, to effectuate such a transfer in the records of the Demerged Company, as if such changes in the registered holder were operative as on the Effective Date, in order to remove any difficulties arising to the holder/Resulting of the shares in the Demerged Company and in relation to the equity shares to be issued by the Resulting Company after this Scheme becoming effective.

- 18.6. If necessary, the Resulting Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.

## 19. ACCOUNTING TREATMENT

### 19.1. Accounting Treatment in the Books of the Demerged Company

Notwithstanding anything to the contrary contained in any other Clause in the Scheme, the Demerged Company shall give effect to the Scheme in its books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the generally accepted accounting principles in India.

- a) Upon the Scheme becoming effective and from the Appointed Date, the Demerged Company shall reduce the carrying value of all the assets and liabilities pertaining to the Real Estate Business Undertaking as appearing in the books of accounts of the Demerged Company, being transferred to and vested in the Resulting Company from the book value of assets and liabilities of the Demerged Company.
- b) The difference, being excess of carrying value of assets over the carrying value of liabilities of the Real Estate Business Undertaking shall be adjusted against Retained earnings/ Profit and Loss account under the head "Other Equity". If, the difference is arising due to excess of carrying value of liabilities over the carrying value of assets of the Demerged Undertaking, it shall be credited to Capital Reserve account.
- c) Notwithstanding the above accounting treatment, the Board of Directors of the Demerged Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

### 19.2. Accounting Treatment in the Books of the Resulting Company

Notwithstanding anything to the contrary contained in any other Clause in the Scheme, the Resulting Company shall give effect to the Scheme in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies



(Indian Accounting Standards) Rules, 2015 and the generally accepted accounting principles in India.

- a) Upon the Scheme becoming effective and from the Appointed Date, Resulting Company shall record all the assets and liabilities pertaining to Real Estate Business Undertaking vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of the Demerged Company.
- b) The Resulting Company shall credit to its share capital account, the aggregate face value of the shares issued by it pursuant to Clause 18.1 of this Scheme.
- c) The difference between the face value of new equity shares issued by Resulting Company to the shareholders of the Demerged Company as consideration and the net book value of the assets and liabilities of the Real Estate Business Undertaking received from the Demerged Company will be credited or debited to Capital Reserve or Goodwill, as the case may be.
- d) In case of any differences in accounting policies applied to the Demerged Undertaking by the Demerged Company and the Resulting Company, the accounting policies, as may be directed by the Board of Resulting Company will prevail and the difference will be accounted for in accordance with the applicable accounting standards.
- e) Notwithstanding the above accounting treatment, the Board of Directors of the Resulting Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

## 20. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 20.1. The Demerged Company shall carry on and deemed to have carried on Real Estate Business and related activities and shall stand possessed of its Real Estate Business Undertaking, in trust for the Resulting Company and shall account for the same to the Resulting Company.
- 20.2. All profits or income arising or accruing to the Demerged Company and losses and expenditure arising or incurred by it in relation to the Real Estate Business Undertaking (including taxes, if any, accruing or paid in relation to any profits or income but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case maybe, of the Resulting Company.
- 20.3. The Demerged Company shall carry on Real Estate Business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its



respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets in relation to the Real Estate Business, except where the same is expressly provided in this Scheme or it is in the ordinary course of business or if prior written consent of the Resulting Company is obtained.

- 20.4. Except by consent of the Resulting Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Demerged Company as on the date of sanction of this Scheme by the Board, or except as contemplated in this Scheme, pending sanction of this Scheme, the Demerged Company shall not make any change in its capital structure either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of the Demerged Company.
- 20.5. All taxes (including, without limitation, income tax, minimum alternate tax, central goods and service tax, state goods and service tax of respective states, integrated goods and service tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, CENVAT credit, input tax credit, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Real Estate Business Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, central goods and service tax, state goods and service tax of respective states, integrated goods and service tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, minimum alternate tax credit, dividend distribution tax, advance tax, taxes withheld / paid in foreign country, securities transaction tax, or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Real Estate Business Undertaking with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.
- 20.6. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require to carry on the Real Estate Business of the Demerged Company and give effect to the Scheme.

## 21. LEGAL PROCEEDINGS

- 21.1. Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other governmental authorities enforceable by or against the Demerged Company in relation to Real Estate Business Undertaking, including without limitation any restraining orders pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to the Real Estate Business Undertaking of the Demerged Company, including legal and taxation proceedings, whether by or against the Demerged Company, pending as on the Effective Date, shall not abate or be discontinued or in prejudicially affected by reason of the demerger of Real Estate Business or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and





any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.

- 21.2. After the Appointed Date and until the Effective Date, the Demerged Company shall defend all legal proceedings, in relation to the Real Estate Business, with the advice and instructions of the Resulting Company.
- 21.3. The continuance of the proceedings by or against the Resulting Company shall not affect any transaction or proceeding already completed by the Demerged Company in relation to the Real Estate Business between the Appointed Date and the Effective Date to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

## 22. CONTRACTS, DEEDS, ETC.

With effect from the Appointed Date and upon the Scheme becoming effective,

- 22.1. Subject to the other provisions contained in this Scheme, all applications with regulatory authorities, contracts, deeds, bonds, agreements, letter of intent, insurance policies and other instruments of whatever nature (including any indemnity rights accruing to the Demerged Company) in relation to the Real Estate Business to which, the Demerged Company is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of the Resulting Company, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 22.2. All permits, quotas, rights, entitlements, privileges, powers, facilities, subsidies, 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 Real Estate Business of the Demerged Company, or to the benefit of which the Real Estate Business Undertaking of Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Resulting Company, as the case may be, and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.
- 22.3. Any statutory licences, permissions or approvals or consents required to carry on the Real Estate Business of the Demerged Company shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the Demerged Company therewith in favour of the Resulting Company. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licences, approvals, permissions or approvals or consents required to carry on in any manner, shall vest in and become available to the Resulting Company pursuant to the Scheme.
- 22.4. The Resulting Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the



provisions of this Scheme, if it is so required or if it becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

- 22.5. The Resulting Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Real Estate Business of the Demerged Company and the name of the Resulting Company shall be substituted as "insured" in the policies as if the Resulting Company was initially a party thereto.

### 23. SAVING OF CONCLUDED TRANSACTIONS

- 23.1. The transfer of business, assets, properties and liabilities under Clause 17 above and the continuance of proceedings by or against the Resulting Company under Clause 21 above shall not affect any transaction or proceedings already concluded by the Demerged Company in respect of the Real Estate Business Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Real Estate Business Undertaking as acts, deeds and things made, done and executed by or on behalf of the Resulting Company in accordance with this Scheme.

### 24. STAFF AND EMPLOYEES

- 24.1. All staff and employees of the Demerged Company in relation to the Real Estate Business Undertaking in service on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any interruption / break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Company on the Effective Date. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of employees of the Demerged Company and such benefits to which the employees of the Demerged Company are entitled in the Demerged Company in relation to the Real Estate Business Undertaking shall also be taken into account, and the Resulting Company agrees and undertakes to pay the same as and when payable.
- 24.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff and employees of the Demerged Company in relation to the Real Estate Business Undertaking, if any, shall become the trusts / funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such Fund or Funds shall become those of the Resulting Company. In the event the Resulting Company has its own funds in respect of any of the Employee Benefit Funds, such



contributions and investments shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, be transferred to the relevant funds of the Resulting Company and shall be held for the benefit of the concerned employees of the Demerged Company in relation to the Real Estate Business Undertaking.

- 24.3. In relation to those employees of the Demerged Company of the Real Estate Business for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees of the Demerged Company.
- 24.4. The Boards of Directors of the Demerged Company and the Resulting Company shall take such actions and execute or cause to do so and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 24.

## 25. VALIDITY OF RESOLUTIONS

Upon the coming into effect of this Scheme, the resolutions, if any, of the Demerged Company, in relation to the Real Estate Business Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

## 26. TAXES/DUTIES/CESS ETC.

- 26.1. With effect from the Appointed Date, all income tax paid (including advance tax and self-assessment tax), income tax refund due or receivable, tax deducted at source, minimum alternate tax, carried forward losses, depreciation, capital losses, pending balances of amortizations, tax holiday benefits, incentives, credits (including tax credits), minimum alternate tax credit entitlement, tax losses (if available) etc., under the Income Tax Act, 1961 in respect of any assessment and/or appeal, (whether as per books or as per the Income Tax Act, 1961) and any right including the right to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/ withheld, etc., if any under Income Tax Act, 1961 and also including applications for rectification, appeals filed with tax authorities of the Demerged Company or other provisions of the Act, without any further act or deed, in relation to the Real Estate Business Undertaking, be transferred to or be deemed to be transferred to the Resulting Company and shall be treated as paid by the Resulting Company and it shall be entitled to claim credit, refund or adjustment for the same as may be applicable.
- 26.2. Upon this Scheme being effective, the Demerged Company and Resulting Company are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax/VAT/GST returns, as may be applicable and has expressly reserved the right



to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

**27. CHANGE IN THE NAME OF THE RESULTING COMPANY**

27.1. As an integral part of the Scheme, and upon the coming into effect of the Scheme, the name of the Resulting Company shall stand changed to "Yellow Soul Realty Private Limited" or such other name as may be decided by its Board of Directors or a committee thereof and approved by the concerned registrar of companies. Further, the present name of "Yellow Soul Foods Private Limited" wherever it occurs in its Memorandum and Articles of Association be substituted by such name.

27.2. Under the accepted principle of single window clearance, it is hereby provided that the change in the name referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of Resulting company approving the scheme as a whole, have also resolved and accorded the relevant consents as required under the Act and the Resulting Company shall not be required to pass separate resolutions.

**28. CHANGE IN MAIN OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY**

28.1. With effect from the Appointed Date, the main object clause of the Memorandum of Association of the Resulting Company shall be deemed to be altered and amended, without any further act or deed, to amend the objects as required for the purpose of carrying on the business activities of the Real Estate Business of the Demerged Company pursuant to the applicable provisions of the Act. Accordingly, Clause 3(a) of the Memorandum of Association of the Resulting Company shall be altered and amended. The revised main object Clause 3(a) of the Resulting Company shall be read as under:

*"To acquire, buy, purchase, develop, renovate, improve, maintain, exchange or otherwise own property, estate, land, buildings, flats, garages, houses, halls, godowns, shops, warehouses, office premises, mills, factories, residential accommodation or other immovable properties of any other nature, by planting, paving, demolishing, constructing, reconstructing, altering, improving, furnishing, maintaining, administering, equipping or subdividing properties by leasing or otherwise disposing of the same and to enter into contracts and agreements with builders, tenants, occupiers, either in India or in any part of the world to purchase, sell, deal in land, estates, houses or other landed properties of any tenure whether freehold, leasehold or otherwise and to act as promoters, organizers and developers of land, estates, property, cooperative housing societies, residential housing schemes, shopping centres, commercial complex, farm houses, holiday resorts, hotels or any other immovable properties and to deal with and improve such properties either as owner or as agents and to join any other person, partnership firm or company in carrying the above objects."*



- 28.2. For the purposes of the amendment in the Memorandum of Association of the Resulting Company as provided in this Clause, the consent/ approval given by the members of the Resulting Company to this Scheme shall be deemed to be sufficient to give effect to this clause of the Scheme and no further resolution of members of the Resulting Company shall be required to be passed for making such change/ amendment in the Memorandum of Association of the Resulting Company.
- 28.3. The Resulting Company shall file with the Registrar of Companies, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

### **PART C – GENERAL TERMS AND CONDITIONS**

#### **29. APPLICATION TO THE TRIBUNAL**

The Companies shall, as may be required, make all necessary applications and / or petitions to Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act read with applicable Rules for sanction of this Scheme and all matters ancillary or incidental thereto.

#### **30. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 30.1. Subject to approval of Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, the Companies with the approval of their respective Board of Directors which includes the Committee of Directors, may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, may deem fit to approve of, to direct and or impose. The aforesaid powers of the Companies to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable.
- 30.2. The Companies, by their respective Board of Directors, may give such directions as they may consider necessary to settle any questions, doubts or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).



**31. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 31.1. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the Companies as may be directed by the Tribunal or any other competent authority, as may be applicable.
- 31.2. The Scheme being sanctioned by the Tribunal or any other competent authority, as may be applicable, under Sections 230 to 232 of the Companies Act, 2013.
- 31.3. Certified copies of the Orders of the Tribunal or any other competent authority, as may be applicable, being filed with the Registrar of Companies by the Companies.

**32. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Tribunal or any other competent authority, this Scheme shall stand revoked, cancelled and be of no effect. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

**33. WITHDRAWAL OF THIS SCHEME**

The Transferor Company, the Transferee Company and the Resulting Company may through mutual consent and acting through their respective Board of Directors shall be at the liberty to withdraw this Scheme from the Tribunal.

**34. SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by Tribunal or such other competent authority, or unenforceable under present or future laws, then it is the intention of the Companies 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 any of the Companies, in which case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such Part or provision.

**35. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme matters incidental thereto, shall be borne by the Transferor Company or the Transferee



Company or the Resulting Company as may be mutually agreed by the respective Board of Directors.

**36. FURTHER ASSURANCES**

The Companies shall co-operate with each other and shall take all reasonable steps, acts, deeds, and things as deemed necessary or desirable including making applications, submissions, etc., to give effect to the Scheme and the transactions contemplated hereunder.

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A circular blue ink stamp for Shree Bhagwati Flour & Foods Pvt. Ltd. Ahmedabad. The text around the perimeter reads "SHREE BHAGWATI FLOUR & FOODS PVT. LTD. AHMEDABAD". Below the stamp is a handwritten signature in blue ink.



A circular blue ink stamp for Shri Bhagwati Flour Mills Pvt. Ltd. Ahmedabad. The text around the perimeter reads "SHRI BHAGWATI FLOUR MILLS PVT. LTD. AHMEDABAD". Below the stamp is a handwritten signature in blue ink.



A circular blue ink stamp for Yellow Soul Foods Private Limited. The text around the perimeter reads "Yellow Soul Foods Private Limited" with a small star at the bottom. Below the stamp is a handwritten signature in blue ink.