
**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
HINDUSTAN FOODS LIMITED**

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

Bankim Purohit
**BANKIM PUROHIT
COMPANY SECRETARY**



सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Mumbai

Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Corporate Identity Number: L15139MH1984PLC316003

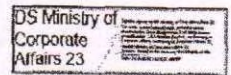
SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s HINDUSTAN FOODS LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on – altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Mumbai this Second day of May Two thousand nineteen.



URMILA PUNJA PARMAR

Registrar of Companies

RoC - Mumbai

Mailing Address as per record available in Registrar of Companies office:

HINDUSTAN FOODS LIMITED

Office No. 03, Level 2, Centrium,, Phoenix Market City, 15, Lal Bahadur
Shastri Rd, Kurla, Mumbai, Mumbai City, Maharashtra, India, 400070

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

Bankim Purohit
BANKIM PUROHIT
COMPANY SECRETARY



CERTIFIED TRUE COPY

FOR HINDUSTAN FOODS LIMITED

BANKIM PUROHIT
COMPANY SECRETARY



सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Corporate Identity Number: L15139MH1984PLC316003

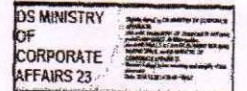
SECTION 13(5) OF THE COMPANIES ACT, 2013

Certificate of Registration of Regional Director order for Change of State

M/s HINDUSTAN FOODS LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Goa to the Maharashtra and such alteration having been confirmed by an order of Regional Director bearing the date 24/09/2018.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Mumbai this Twentieth day of October Two thousand eighteen.



VT SAJEEVAN

Registrar of Companies

RoC - Mumbai

Mailing Address as per record available in Registrar of Companies office:

HINDUSTAN FOODS LIMITED

Office No. 03, Level 2, Centrium,, Phoenix Market City, 15, Lal Bahadur
Shastri Rd, Kurla, Mumbai, Mumbai City, Maharashtra, India, 400070



CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED


BANKIM PUROHIT
COMPANY SECRETARY

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

BANKIM PUROHIT
COMPANY SECRETARY



कारखान प्रारम्भ करने के लिए प्रमाण-पत्र
Certificate for Commencement of Business
कम्पनी अधिनियम, 1956 को धारा 149(3) के अनुसरण में
Pursuant of Section 149(3) of the Companies Act, 1956

मैं निम्नलिखित प्रमाणित करता हूँ कि

जो कम्पनी अधिनियम, 1956 के अधीन तारीख को निर्मित की गई थी और जिसने आज विहित प्रारूप में सम्यक रूप से स्थापित घोषणा काइल कर दी है कि उक्त अधिनियम की धारा 149(1)(क) से लेकर (घ) तक/149(2)(क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारखान प्रारम्भ करने की इच्छा रखे।

I hereby certify that the **HINDUSTAN FOODS LIMITED**
which was incorporated under the Companies Act, 1956, on the **THIRTY FIRST** day of **DECEMBER** 19**84**, and which has this day filed a duly verified declaration in this prescribed form that the conditions of section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मैं हस्ताक्षर से यह तारीख को
में दिया गया।
Given under my hand at **PANAJI**
this **TWENTY FOURTH** day of **AUGUST** one thousand nine hundred
and **EIGHTY SEVEN**
(2 BHADRA, SAKA 1909)

(B.N. Harish)
कम्पनियों का रजिस्ट्रार
Registrar of Companies
Goa, Daman & Diu



प्रमाणित - 5/8/84 तारीख - (सी-338) - 18-1-84-7,000.
MO. 5 Civil/82-83 - (C-338) - 18-1-84-7,000.

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

Bankim Purohit
BANKIM PUROHIT
COMPANY SECRETARY



FORM I.R.

Certificate of Incorporation

No. 601/G of 1984

I hereby certify that HINDUSTAN FOODS LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at Panaji this Thirty-First day of December one thousand nine hundred and eighty four (10 Pausa, Saka 1906).

THE SEAL OF
THE REGISTRAR
OF COMPANIES
GOA, DAMAN
& DIU

Sd/-

(B. N. HARISH)

Registrar of Companies
Goa, Daman & Diu

CERTIFIED TRUE COPY

FOR HINDUSTAN FOODS LIMITED

COMPANY REGISTRAR

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
Memorandum of Association
OF
HINDUSTAN FOODS LIMITED

- I. The name of the Company is "HINDUSTAN FOODS LIMITED."
- ¹II. The Registered Office of the Company shall be situated in the STATE OF MAHARASHTRA.
- III. The objects for which the Company is established are:-
- (A) Main objects of the Company to be pursued on its incorporation.
1. To carry on business as manufacturers and packers of and dealers in foodstuffs of all description for human and animal use, including extruded foods and cereals, textured soya protein foods, frozen processed foods, all of which shall be formulated to contain fruit or vegetable products including other nutrients, including those suitable or deemed to be suitable for infants, growing children, adults, invalids and convalescents and/ or for the general public.
 2. To manufacture, buy, sell, prepare for market and deal in farinaceous foods of all kinds and in particular biscuits, breads, cakes and, confectionery and foods of every description suitable for infants and invalids.
 3. To carry on business as bakers and confectioners and to manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds both wholesale and retail and whether solid or liquid.
 4. To carry on business as manufacturers of, and importers and exporters of agricultural, farm, garden and dairy produce, provisions, stores and merchandise of all kinds including processed foods, natural and synthetic milk, casein and its allied products, and all products and substances of any description derived by processing, manipulation or treatment of agricultural, farm, garden and dairy produce in any manner whatsoever.
 5. To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as personal care, fabric care, air care, hair care, household insecticides, surface cleaning, toilet preparations, food and beverages, cosmetic and beauty products, dairy products, mineral water and Ayurveda / herbal based products of whatsoever nature in solid, liquid, gaseous, semi-solid, wax, paper, viscous emulsification or aerosol for or a combination of any such.

¹ Altered vide special resolution dated 24th July 2018 and confirmed by an order of Regional Director dated 24th September 2018

6. To carry on the business as manufacturers, producers, processors, makers, convertors, importers, exporters, traders, buyers, sellers, retailers wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, Consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds of proprietary product, hair, skin, nail and other beauty preparations, deodorants, aerosol, pump spray products, baby products, petroleum and other mineral oil products, chemicals, acids, and alkalis, all kinds of perfumery and other compounds, preparations, materials and products, bath products, care products, cotton swab, family planning appliances, hair dye pigments, varnishes, essential oils, detergents, insecticides, oils, beauty specialties, preparations, antiseptic or not, ingredients or accessories thereof and other materials or things capable of being used in connection with such manner, factor or business.
7. To manufacture, sell and distribute all types of mosquito coils, repellants, liquid vaporizers, active card etc. and other related and allied products.
8. To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as related to foot care, foot wear and other allied products.

²(B) Objects incidental or ancillary to the attainment of main objects.

1. To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for Market and otherwise deal in all kinds of plant, machinery, apparatus, testing equipment, instruments for measuring and recording data, tools; utensils, receptacles, substances, materials, articles, and things as are conducive to the attainment of the foregoing main objects.
2. To buy, sell, manufacture, pack, refine, manipulate, import, export, and deal in substances, apparatus and things capable of being used in attainment of the foregoing main objects.
3. To carry on business as manufacturers, processors, dealers, importers and exporters of all kinds of packing materials and media required for carrying out of the business .of the Company.
4. To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
5. In conformity with the object specified herein to carry on any other; business as are conducive to the attainment' of the foregoing main objects.
6. To act as stockists, commission agents, manufacturers representatives or agents, selling and purchasing agents, 'distributors,' brokers, trustees , attorneys, and generally to undertake and 'carry' out.; agency work of -any kind whatsoever for any other company, firm, corporation or person.
7. To manufacture, buy, sell, export, trade in and deal in and with, whether as wholesalers or retailers, principals or agents or otherwise, plant machinery, containers, syphons, filters, bottles, baskets, cardboard boxes, appliances and receptacles of all kinds in connection with or for any of the business of the Company.

² Altered vide Special Resolution through postal ballot on 6th April, 2019.

8. To manufacture, buy, sell, import, export, trade in and deal in and with, whether as wholesalers or retailers, principals or agents or otherwise, chemicals, essences, malt, glucose, sugar and other articles and things required for or in connection with any of the businesses of the company.
9. To prepare, manufacture, process, bottle, buy, sell, import, export, trade in and deal in and with, whether as wholesalers, retailers, principals or agents or' otherwise, chocolate, candies, chutneys, pickles, sauces, jams, jellies, peppermints, squashes, syrups, juices and any preparation whatsoever from milk, fruits and vegetables for or in connection with any of the businesses of the company..
10. To prepare, manufacture, buy, sell, import, ex-port, trade in and deal in and with whether as wholesalers or retailers, principals or agents or otherwise, aerated or mineral waters, cordials, liquors, wines, beer, broth, tea, coffee, cocoa and other beverages and instant feeds of any kind for or in connection with any of the businesses of the company..
11. To carry on business of manufacture of meals, oils, flour and protein concentrates from soyabean, cotton-seed, castor, linseed; sunflower, rice-bran, , groundnut and other types of edible arid 'non-edible seeds by any type of processing viz. ordinary crushing, solvent extraction, chemical or any other process and techniques and to etilise, sell the oils and cakes to be produced or acquired for edible purposes or in any industry in the manufacture of nutrition foods, soaps, cattle feed manure, fatty acids, perfumes, chemical and all other products in which such oils, cakes, etc. are utilized for or in connection with any of the businesses of the company..
12. To carry on in India or elsewhere the business of Consultants and Advisers to and for the benefit of any individual, firm, trust, association, society, company, corporation, 'body corporate, organisation or institution and to render consultancy, advisory and other services in which the Company is authorised to carry on business.
13. To engage in and conduct the business of research in the field of foods and drinks of every description and to carry on investigations and experiments of all kinds, to originate, develop and improve any discoveries, inventions, processes and formulate with a view to putting the same to commercial and/or industrial use and particularly to manufacture, operate, sell or' otherwise transfer, lease, licence the use of, distribute or otherwise dispose of and generally to deal in ,proprietary interests of every kind and description as a result thereof.
14. To undertake the custody and warehousing of merchandise goods and materials and to provide cold storage and other special storage facilities
15. To build, construct, maintain and provide lodging and boarding, restaurants, eating houses, bars and other facilities to the public including tourists and visitors.
16. To search for, get, win, work, raise, make merchantable, buy, sell or otherwise deal in metals, minerals, oils, gases and fuels whether found in a natural state or obtained by processing from other substances and to carry on business relating to the winning, production, working, manufacture and preparation of any materials used in the manufacture of any of the above mentioned items or which may usefully or conveniently be combined with the manufacturing or engineering business of the Company or any contracts undertaken by the Company and either for only such purposes or as an independent business.
17. To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to 'carry 'on or possessed of property suitable for the purposes 'of

'this Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

18. To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit' this Company.
19. To establish branches or appoint agencies for or in connection with any of the objects of the Company,' to carry on any business or branch of a business which this Company is authorised to carry on try means,. or through the agency of, any , subsidiary company or companies, and to enter into any arrangement with such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seek desirable with reference to any business or branch so carried on' including power at any time and either temporarily or permanently, to close any such branch of business.
20. To purchase, take on lease or in exchange, hire or 'otherwise acquire any immovable or movable property, and any rights or privileges which the' Company may think necessary or convenient for the purpose of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade, and either to retain any property so acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
21. To construct, improve, maintain, develop, work, manage, carry out or control any buildings, factories or works, or any roads, ways, warehouses, and conveniences of all kinds which may seem calculated, directly or indirectly, to advance the Company's interests and to contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, development, working management, carrying out or control thereof.
22. Subject to the provisions of the Companies Act, 2013, to end and advance money or to give credit to such persons or companies and on. such terms as may seem expedient and in particular to ,customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to' give guarantee' and indemnities.
23. To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d'invention, trade marks, designs, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem 'calculated, directly or indirectly, to benefit the Company, and to user exercise, develop or grant licences in respect of or otherwise turn to account the property, rights, or information so acquired and to expend money in experimenting upon, testing or improving any' such patents, inventions or rights.
24. To establish, provide, maintain and conduct, or `otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments, and tests of all kinds and to promote studies and research, both scientific and technical, investigations and invention by providing subsidising, endowing or assisting laboratories workshops, libraries, lectures, meetings and conferences and by providing for the remunerations of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise, and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

25. To adopt such means of making known the business of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
26. To enter into any arrangement with any Government, or authority supreme, municipal, local or otherwise, or any person or company that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority person or company rights, any privileges, charters, contracts, licences and concessions which the Company may think it desirable, to obtain, and to carry out, exercise, and comply therewith.
27. To apply for, promote, obtain any act, charter, privilege, concession, licence, authorisation of any Government, State or Municipality, provisional order or licence of any authority for enabling the Company to carry any of its objects into effect, or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests
28. To improve, manage, develop, sell, exchange, lease, mortgage, grant licences, easements and other rights over and in any other manner deal with, turn to account or dispose of, the undertaking, property, assets, rights and effects of the Company, or any part thereof, for such consideration as, the Company may think fit, and in particular for shares, debentures, or securities of any other company.
29. To amalgamate enter into any partnership or partially amalgamate with or acquire an interest in the business of any other company; person or firm carrying on or engaging in or about to carry on or engage in any business or transaction included in the objects of the Company, or enter into any arrangement for sharing profits or losses or for any union of interest, joint adventure, reciprocal concession or for co-operation, or for mutual assistance, with any such person, firm or company, or to acquire and carry on any other business (whether manufacturing or otherwise) auxiliary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property, and to give or accept by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
30. To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other Company.
31. Subject to provisions of Section 180, 181, 182 and 183 of the Companies Act, 2013, to make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient, and in particular to remunerate any person or corporation introducing business to the Company and to subscribe, contribute or 'otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public or political or other institutions, objects or for any exhibition or for any public, general or other objects and to establish and support or aid the establishment and support of associations, institutions, funds, trusts and convenience for the benefit of the employees or

ex-employees (including Directors) or of persons having dealings with the Company or the dependents, relatives or connection of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lumpsum and to make payments towards insurance, and to form and contribute to provident and benefit funds of or for such persons.

32. To refer or agree to refer any claims, demands, disputes' or any' other question, by or against the Company, or in which the Company is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the Company and third party, to arbitration in India or at any place outside India, and to observe and perform and do all acts, deeds, matters and things to carry out or enforce the awards.
33. To payout of the funds of the Company all expenses which the Company may, lawfully pay with respect to the formation and registration of the' Company or the issue of its Capital including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
34. To invest and deal with the moneys of the Company in such manner as may from time to time be determined.
35. Subject to provisions of Section 73 of the Companies Act, 2013 and rules framed there under and directions of Reserve Bank, of India from time to time, to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and, future), including its uncalled capital, and also by a similar mortgage, charge on lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company, as the case may be.
36. To undertake and execute any trusts the undertaking of which 'may seem to the Company desirable and either gratuitously or otherwise.
37. To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading warrants, debentures and other negotiable or transferable instruments or securities.
38. To pay for any rights or property acquired by the Company and to remunerate any person or company for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company, or the conduct of its , business whether by cash payment or by the allotment of shares, debentures or other securities of the company, credited as paid up in full or, in part or otherwise
39. To distribute among the members in specie any property, of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law.
40. To, insure the whole or any part of the property of the Company either fully or partially, to protect and indemnify the Company from liability or loss, in respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.

41. To carry out in any part of the world all or any part of the foregoing objects as principals, agents, factory, trustee, contractor, or otherwise either alone or in conjunction with any other person, firm, association, corporate body, municipality, province, state, body, politic or Government or colony or dependency thereof.
 42. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possession, colonies and dependencies thereof and in any or all foreign countries and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
 43. To do all or any of the above things either as principals, agents, trustees, contractors or otherwise, and by or through agents, sub-contractors, trustees or otherwise, and either along or in conjunction with others and
 44. To do all such other things as may be incidental or conducive to the attainment of the above objects.
- ³IV . The liability of the members is limited to the amount unpaid, if any, on the shares held by them.
- ⁶V. The Authorized Share Capital of the Company is Rs. 55,15,22,530/- (Fifty Five Crores Fifteen Lakhs Twenty Two Thousand Five Hundred and Thirty Only) divided into 26,57,61,265 (Twenty Six Crores Fifty Seven Lakhs Sixty One Thousand Two Hundred and Sixty Five) Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lakh) 9% Redeemable Preference Shares of Rs. 100/- (Rupees Hundred Only) each

³ Altered pursuant to Special Resolution through Postal Ballot on 6th April 2019.

⁴ Altered pursuant to Special Resolution through Postal Ballot on 6th April 2019.

⁵ Altered pursuant to the Order of the Hon'ble NCLT Mumbai Bench (dated 21st December, 2021) sanctioning the Composite Scheme of Arrangement and Amalgamation of Avalon Cosmetics Private Limited (the Demerged Company), ATC Beverages Private Limited (the Transferor Company) with Hindustan Foods Limited (the Resulting Company) under Sections 230 to 232 of the Companies Act, 2013, the Authorized Share Capital of the Company stands increased from Rs. 24,00,00,000/- to Rs. 55,15,22,530/-.

⁶ Altered pursuant to Special Resolution through Postal Ballot on 1st July, 2022 for Sub-division of Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each to Equity Shares of face value of Rs. 2/- (Rupees Two Only) each and accordingly amendment in Clause V of the Memorandum of Association of the Company.

The several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company, set opposite to our respective names:

Signature, Name, address, description and occupation of Subscribers	Number of equity shares taken by each Subscriber	Signature, Name , address, description and occupation of witnesses to the Signature of Subscribers
<p>Sd/- Marmagao Shipping & Stevedoring Co. Pvt. Ltd. 4, Dayanand Bandodkar Marg, Panaji- Goa Through its Director Shri Purushottam Shantaram S. Kundaikar</p> <p>Sd/- Prakash Gopal Virgincar 1st floor, Silimkhan Bldg. , Altinho, Panaji-Goa (Business) s/o Gopal N. Virgincar.</p> <p>Sd/- Keshav Givagi Kundaikar S/o Givagi S. Kundaikar A-F-2 Mandovi Apartment, Dr. Dada Vadiya Road, Panaji-Goa (Landlord)</p> <p>Sd/- Purushottam Pandurang Kenkre S/o Pandurang K. Kenkre Bondir, St.Cruz, Goa (Business)</p> <p>Sd/- Shivaji Jagannath Kenkre S/o Jagannath B.S.Kenkre Bharadwaj Bldg Dr. Dada Vaidya Road, Panaji Goa (Business)</p> <p>Sd/- Purushottam Shantaram S. Kundaikar S/o Shantaram S. S. Kundaikar 4/5 Kundaikar Nagar, Panaji Goa (Business)</p> <p>Sd/- Arvind Rajaram Kundaikar S/o Rajaram G. Kundaikar D-6, Kundaikar Nagar, Panaji-Goa. (Service)</p>	<p>One</p> <p>One</p> <p>One</p> <p>One</p> <p>One</p> <p>One</p> <p>One</p>	<p>Sd/- Chitaranjan Nilakanth Kenkre S/o Nilakant Ramchandra Kenkre Shivkripa, Bondir, St.Cruz- Goa (Service)</p>
Total number of shares taken	Seven Equity Shares	

Panaji-Goa, Dated the 26th day of December 1984

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(INCORPORATED UNDER THE COMPANIES ACT, 1956)
ARTICLES OF ASSOCIATION
OF
HINDUSTAN FOODS LIMITED

PRELIMINARY

These Articles of Association were proposed in substitution for and to the entire exclusion of the earlier regulations comprised in the existing Articles of Association of the Company for consideration by members at the proposed vide special resolution through postal ballot on 6th April 2019

CONSTITUTION OF THE COMPANY

1. The Regulations contained in Table 'F' in Schedule 1 to the Companies Act, 2013 as are applicable to a public company limited by shares, shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table 'F' the provisions of the Articles shall prevail.

INTERPRETATION

2. In the interpretation of these Articles, the following words and expressions shall have the following meanings, unless repugnant to the subject or context.

"Act" means the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
"Articles" means these articles of association of the Company or as altered from time to time.
"Board" or "Board of Directors" in relation to a Company, means the collective body of the directors of the Company;
"Company" means HINDUSTAN FOODS LIMITED
"Directors" means a director appointed to the Board of a company
"Debentures" include debenture-stock

"Depository" shall mean a Depository as defined in Section 2 of the Depositories Act, 1996.
"Dividend" includes bonus.
"Gender" Words importing the masculine gender also include the feminine gender
"Persons" include corporations and firms as well as individuals.
"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
"Seal" means the common seal of the Company.
"Share" means a share in the share capital of a company and includes stock;
"Year" shall mean calendar year.
<p>The marginal notes used in these Articles shall not affect the construction hereof.</p> <p>Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine gender.</p> <p>Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.</p>

Share capital and variation of rights				
3.			The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.	Capital
4.	i.		Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the Company either at par, at a premium or otherwise, such option being exercisable at such time and for such consideration as the Board thinks fit.	Shares under control of Board

	ii.		The Board shall also be entitled to issue, from time to time, subject to any other legislation for the time being in force, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.	
5.			Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the Company.	Shares for consideration other than cash
6.	i.	a.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: Equity Share Capital: with voting rights; and / or with differential rights as to dividend, voting or otherwise in accordance with the Rules; and Preference share capital	Kinds of share capital
7.		a.	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue provide: one certificate for all his shares without payment of any charges; or several certificates, each for one or more of his shares, upon payment of such fees as may be prescribed under the Rules and fixed by the Board, for each certificate after the first.	Issue of Certificate
	i.		Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary: Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.	Certificate to bear seal

	ii.		In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	One certificate for shares held jointly
8.	i.		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act, for each certificate.	Issue of new share certificate in place of one defaced, lost or destroyed
	ii.		The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.
9.			Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
10.	i.		The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
	ii.		The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.	Rate of commission in accordance with the Rules
	iii.		The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or securities or combination thereof.	Mode of payment of commission

11.	i.	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.	Variation of the members right
	ii.	To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.	Provisions as to general meetings to apply mutatis mutandis to each meeting
12.	i.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
	ii.	Except as far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise in all respects as if it had been the original capital.	Provisions to apply mutatis mutandis to further capital raised
13.		Subject to the provisions of the Act, any preference shares may be issued or re-issued on the terms that they are to be redeemed on such terms and in such manner as the Company/Board before the issue of the shares may determine.	Power to issue redeemable preference shares
14.	i.	The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to: <ul style="list-style-type: none"> a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person; or b. employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution. 	Further issue of Share Capital

	ii.	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.	Mode of further issue of shares
15.		Subject to the provisions of the Act and other applicable provisions of law, the Company may issue sweat equity shares / ESOPS in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.	Sweat equity shares/ESOPS
16.		Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by way of a special resolution.	Terms of issue of debentures or other securities
Joint holders			
17.	i.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:	Joint-holders
	ii.	The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.	Liability of joint-holders
	iii.	On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	Death of one or more joint holders
	iv.	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	Receipt of one sufficient

	v.		Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	Delivery of certificate and giving of notice to first named holder
	vi.	a.	Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint- holders shall be entitled to vote in preference to a joint holder present	Vote of joint-holders
		b.	Several executors or administrators of a deceased member (in whose (deceased member), sole name any share stands shall for the purpose of this clause be joint-holders	Executors or administrators as joint holders
	vii.		The provisions of these Articles relating to joint holder of shares shall mutatis mutandis apply to any other securities including debentures of the company registered in the joint names	Provisions as to joint holders as to shares to apply mutatis mutandis to debentures etc.
Lien				
18.	i.	a.	The Company shall have a first and paramount lien – on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and	Company's lien on shares
		b.	on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.	
	ii.		The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.	Lien to extend to dividends, etc.

19.		<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made:</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.</p>	As to enforcing lien by sale
20.	i.	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	ii.	The purchaser shall be registered as the holder of the shares comprised in any such transfer.	Purchaser to be registered holder
	iii.	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Purchaser not affected
21.		The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's receipt
22.	i.	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	ii.	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of residual money
23.		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to effect Company's lien

24.			The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc.
Dematerialization of Securities				
25.			Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.	Company entitled to dematerialize its shares, debentures and other securities
26.			Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.	Option to hold shares in electronic or physical form
27.			Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures & other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.	Beneficial owner deemed as absolute owner

28.			In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable.	Shares, debentures and other securities held in electronic form
29.			Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.	Information about transfer of securities
30.			Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.	Provisions to apply to shares in electronic form
Calls on shares				
31.	i.		The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for payment of the last preceding call.	Board may make calls
	ii.		Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	iii.		The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend time for payment
	iv.		A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
32.			A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	Call to take effect from date of resolution

33.			The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
34.	i.		If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.	When interest on call payable
	ii.		The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
35.	i.		Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	Sums deemed to be calls
	ii.		In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
36.		i.	The Board: may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and	Payment in anticipation of calls may carry interest
		ii.	upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.	
37.			If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Installments on shares to be duly paid

38.			All calls shall be made on a uniform basis on all shares falling under the same class.	Calls on shares of same class to be on uniform basis
39.	i.		Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	Partial payment not to preclude forfeiture
	ii.		<p>Subject to provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares:</p> <p>a. It shall be sufficient to prove that:</p> <ul style="list-style-type: none"> - the name of the member in respect of whose shares the money is sought to be recovered, appears in the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due on such shares; - the resolution making the call is duly recorded in the minute book; and - notice of such call was duly given to the member or his representatives sued in pursuance of these articles <p>b. It shall not be necessary to prove (a) validity of the appointment of the directors who made such calls, or (b) quorum was present at the Board meeting at which such calls were made, or (c) the meeting at which such call were made was duly convened or constituted or (d) any other matters whatsoever, and the proof of the matters aforesaid in clause (i) shall be conclusive evidence of the debt.</p>	
40.			The provisions of these Articles relating to calls on shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to calls to apply <i>mutatis mutandis</i> to debentures etc.
Transfer of shares				
41.	i.		The instrument of transfer of any share in the Company which is in physical form shall be executed by or on behalf of both the transferor and transferee.	Instrument of transfer to be executed by transferor and transferee
	ii.		The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	

42.			The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company within a period of 60 days along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures:	Transfer not to be registered except on production of instrument of transfer
			Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit:	
			Provided further that nothing in this Article shall prejudice any power of the Company to register any person as a shareholder to whom the right to any shares in the Company has been transmitted by operation of law.	
43.			The Board may, subject to the right of appeal conferred by the Act decline to register any transfer of shares on which the Company has a lien or whilst any monies in respect of the shares desired to be transferred or any of them remain unpaid, and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.	Board may refuse to register transfer
44.			A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.	Transfer by legal representative
45.			Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.	Transfer of partly paid shares

46.			In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless:	Board may decline to recognize instrument of transfer
	i.		the instrument of transfer is in the form as prescribed in the Rules or under the Act,	
	ii.		the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and	
	iii.		the instrument of transfer is in respect of only one class of shares.	
47.			If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer or intimation of transmission was delivered to the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission and thereupon the provisions of the Act shall apply.	Notice of refusal to be given to transferor and transferee
48.			No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.	No transfer to minor
49.			All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same. The Board may cause to destroy all transfer deeds lying with the Company after such period as they may determine	When transfers to be retained
50.			The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.	Power to close Register of Members or other security-holders
51.			The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.

Transmission of shares				
52.	i.		On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.	Title to shares on death of a member
	ii.		Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Estate of deceased member liable
53.	i.		Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –	Transmission Clause
		a. b.	to be registered himself as holder of the share; or to make such transfer of the share as the deceased or insolvent member could have made.	
	ii.		The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	Board's right unaffected
54.			The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity to the Company
55.	i.		If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.	Right to election of holder of share
	ii.		If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	Manner of testifying election
	iii.		All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	Limitations applicable to notice

56.	i.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:	Claimant to be entitled to same advantage
	ii.	Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	
57.		The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.
Nomination of Shares and Transfer thereof			
58.	i	Every Holder of Securities of the Company may, at any time nominate, in the prescribed manner under Section 72 of the Act and Rules made thereunder, a person to whom his shares, in or Debentures of the Company shall vest in the event of his death.	
	ii.	Where the Securities of the Company are held by more than one person, jointly, the joint holders may together nominate, in the prescribed manner under Section 72 of the Act and Rules made thereunder, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all joint holders.	
	iii.	Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the prescribed manner under Section 72 of the Act and Rules made thereunder, purports to confer on any person the right to vest the securities of the Company, the nominees shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such Securities, to the exclusion of all other persons, unless the nomination is varied, or cancelled in the prescribed manner under the Act.	

	iv.		Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner under Section 72 of the Act and Rules made thereunder, any person to become entitled to securities of the Company, in the event of his death, during the minority.	
Forfeiture of shares				
59.			If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses (Legal or otherwise) that may have been incurred by the Company by reason of such non-payment.	If call or installment not paid notice must be given
60.			The notice aforesaid shall:	Form of notice
	i.		name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and	
	ii.		state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	
61.			If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited share and not actually paid before the forfeiture.	In default of payment, shares to be forfeited
62.			When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
63.			The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share and all other rights incidental to the share.	Effect of forfeiture

64.	i.	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
	ii.	At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
65.	i.	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Member still liable to pay money owing at time of forfeiture
	ii.	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
	iii.	The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.	Cessation of liability
66.	i.	A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
	ii.	The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;	Title of purchaser and transferee of forfeited shares
	iii.	The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
	iv.	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.	Transferee not affected

67.			Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of the sales
68.			Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
69.			The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates
70.			The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
71.			The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.
Alteration of capital				
72.			The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	Power to alter share capital
73.			Subject to the provisions of the Act, the company may, by ordinary resolution:	
	i.		consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;	

	ii.	convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;	
	iii.	sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;	
	iv.	cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
74.		Where shares are converted into stock-	Shares may be converted into stock
	i.	the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:	
		Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	
	ii.	the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Right of stockholders
	iii.	Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.	
75.		The Company may, in accordance with the provisions of the Act and passing appropriate resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:	Reduction of capital
	i.	its share capital;	
	ii.	any capital redemption reserve account; or	
	iii.	any share premium account; or	
	iv.	any other reserve in the nature of share capital	

Capitalization of profits				
76.	i.		The Company in general meeting may, upon the recommendation of the Board, resolve –	Capitalization
		a.	that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and	
		b.	that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	
	ii.		The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision of the Act, either in or towards –	Sum how applied
		a	paying up any amounts for the time being unpaid on any shares held by such members respectively;	
		b.	paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;	
		c.	partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);	
		d.	A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;	
		e.	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
77.	i.		Whenever such a resolution as aforesaid shall have been passed, the Board shall:	Powers of the Board for capitalization
		a.	make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and	
		b.	generally do all acts and things required to give effect thereto.	
	ii.		The Board shall have power:	Board's power to issue fractional certificate/coupon etc.

		a.	to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and	
		b.	to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;	
	iii.		Any agreement made under such authority shall be effective and binding on such members.	Agreement binding on members
Buy-back of shares				
78.			Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
79.			The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.	Restrictions on purchase by Company of its own shares
Share Warrants				
80.			The Company may issue Share warrants on such terms and conditions as may be determined by the board to, and in accordance with, the provisions of the Act and the applicable rules/ regulations/ guidelines. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.	
81.	i.		The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the	

			depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.	
	ii.		Not more than one person shall be recognised as the depositor of the Share warrant.	
	iii.		The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.	
82.	i.		Except as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company.	
	ii.		The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder.	
83.			The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	
General meetings				
84.	i.		All general meetings other than annual general meeting shall be called extraordinary general meeting.	Extraordinary general meeting
	ii.		The Company shall, in addition to any other meetings, hold a general meeting (hereinafter called an "Annual General Meeting") at the intervals and in accordance with the provisions of the Act.	Annual General Meeting
	iii.		In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to: a. The consideration of Financial Statements and the Report of the Board and of the Auditors; b. The declaration of dividend; c. The appointment of directors in the place of those retiring; and d. The appointment of and the fixing of the remuneration of the Auditors In the case of any other meeting all business shall be deemed special.	Ordinary and Special Business
	iv.	a.	A general meeting of the Company may be called by giving not less than 21 (twenty-one) days' notice in writing. However, a general meeting may be called after giving shorter notice than 21 (twenty-one) days, if the consent is accorded thereto by such number of members as provided in the Act or any other law for the time being in force.	Notice of General Meeting

		b.	<p>Subject to the provisions of the Act and these Articles, notice of the general meetings shall be given to:</p> <p>i. every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;</p> <p>ii. the Auditor or Auditors of the Company; and</p> <p>iii. every director of the Company.</p> <p>Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.</p>	
85.	i.		The Board may, whenever it thinks fit, call an extraordinary general meeting.	Powers of Board to call extraordinary general meeting
	ii.		If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	
Proceedings at General meetings				
86.	i.		<p>No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the meeting, if called upon at the requisition of the members, shall stand cancelled.</p> <p>In any other case, the meeting shall stand adjourned in accordance with the provisions of Section 103 or any other provision of the Act.</p>	Presence of Quorum
	ii.		Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.	Quorum for general meeting.
	iii.	a.	The Board shall, on the requisition of such number of members of the Company who holds in regard to any matter, at the date of deposit of the requisition, not less than one - tenth of such of the paid - up share capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an extra-ordinary general meeting of the Company and the provisions of the Act shall be applicable.	Meeting on requisition

		b.	Where two or more distinct matters are specified in the requisition, the provisions of clause (a) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that Clause is fulfilled.	
87.			The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	Chairperson of the meetings
88.			No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except election of Chairperson.	Business confined to election of Chairperson whilst chair vacant
89.			If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Co-Chairman, or in the absence of the Co-Chairman, the Vice Chairman, of the Board shall preside as Chairman of such meeting and in such event the Co-Chairman or Vice Chairman (as applicable) shall assume all the powers, authorities and responsibilities of the Chairman as set out in these Articles. In the absence of Chairman, Co-Chairman or Vice Chairman, the Directors present shall elect one of their members to be Chairperson of the meeting.	
90.			If at any meeting, pursuant to Article 89 above, no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically choose one of their members to be Chairperson of the meeting.	Members to elect chairperson
91.			The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Power of Chairperson
93.			On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
94.		i.	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot

	ii.	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:	Certain matters not to be included in the minutes books
		a. is, or could reasonably be regarded, as defamatory of any person; or	
		b. is irrelevant or immaterial to the proceedings; or	
		c. is detrimental to the interests of the Company.	
	iii.	iii. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of the chairperson in relation to Minutes
	iv.	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be evidence
95.	i	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:	Inspection of minute books of general meeting
		a. be kept at the registered office of the Company; and	
		b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.	
	ii.	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to above.	Members may obtain copy of the minutes
Adjournment of meeting			
96.	i.	The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.	Chairperson may adjourn the meeting
	ii.	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Business at adjourned meeting
	iii.	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	Notice of adjourned meeting

	iv.		Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Notice of adjourned meeting not required
Voting rights				
97.			Subject to any rights or restrictions for the time being attached to any class or classes of shares, — on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company. A member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes, or cast, in the same way all the votes he uses.	Entitlement to vote on show of hands and on poll
98.			Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him.	Scrutineers at poll
99.			The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.	
100.			A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
101.		i.	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	Vote of joint-holders
		ii.	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Seniority of names
102.			A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members <i>non compos mentis</i> and minor may vote
103.			Subject to the provisions of the Act and other provisions of these Articles, any person entitled to any shares, pursuant to the provisions related to <i>Transmission</i> in these Articles, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time	Votes in respect of shares of deceased or insolvent members, etc.

			of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	
104.			Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
105.			No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
106.			A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
107.	i.		No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	Validity of the vote
	ii.		Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	
108.			Any member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
Proxy				
109.			Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. However, a proxy shall not be entitled to vote on a show of hands. However, an attorney or representative of a body corporate duly authorised under the provisions of the Act shall be entitled to vote on a show of hands as if he were an individual member of the Company.	Member may vote in person or otherwise
110.			The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or	Proxies when to be deposited

			adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	
111.			An instrument appointing a proxy shall be in the form as prescribed in the Rules and under the Act.	Form of proxy
112.			<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	Proxies to be valid notwithstanding death of the principal
Board of Directors				
113.	i.		The first Directors of the Company shall be (1) Shri Shivaji Jagannath Kenkre (2) Shri Purushottam Pandurang Kenkre (3) Shri Keshav Givagi KundaiKar	Board of directors
	ii.		Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).	
114.			Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments/securities to, any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies, government companies or any other body corporate ("Lender(s)/Investors") and so long as any monies with respect to such loan(s) granted by such Lender(s)/Investors to the Company remain outstanding by the Company to any Lender(s)/Investors or so long as the Lender(s)/Investors continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s)/Investors hold equity shares in the Company as a result of conversion of such loans/debentures, or if the agreement with the respective Lender(s)/Investors provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint any person as a director pursuant to any agreement, (which Director or Directors is / are herein after referred to as "Nominee Director(s) / Observer(s)") on the Board, the Company may appoint such person nominated by such Lender(s)/Investors as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender/Investor.	Nominee Directors

115.			The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.	Same individual may be Chairperson and Managing Director / Chief Executive Officer
116.			The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors
117.	i.		The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution/special resolution, as the case may be, passed by the Company in general meeting.	Remuneration to require members' consent
	ii.		In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—	Travelling and other expenses
		a.	in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or	
		b.	in connection with the business of the company.	
	iii.		If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his ordinary place or residence for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a committee of the Board then, the Board may remunerate the Director so doing whether by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.	
118.	i.		The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.	Appointment of directors and proportion to retire by rotation
	ii.		Not less than two-thirds of the total number of Directors of the Company shall:	

		a.	be persons whose period of office is liable to determination by retirement of Directors by rotation; and	
		b.	save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting. Explanation:- for the purposes of this Article "total number of Directors" shall not include Independent Directors appointed on the Board of the Company.	
	iii.		The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.	
119.	i.		Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.	Provision regarding Directors retiring by rotation
	ii.		The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election. Subject to the provisions of the Act, a retiring director shall retain office until the dissolution of the meeting at which his re-appointment is decided or his successor is appointed.	
	iii.	a.	At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.	
		b.	If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.	
		c.	If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-	

		(i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;	
		(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;	
		(iii) he is not qualified or is disqualified for appointment;	
		(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act; or	
		(v) Section 162 is applicable to the case.	
120.		The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.	Removal of Director
121.		The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.	Meeting fees
122.		All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board or a committee thereof shall from time to time by resolution, determine.	Execution of negotiable instruments
123.		Every Director present at any meeting of the Board or of a committee thereof shall sign his name in the attendance book or attendance sheet kept for that purpose.	
124.	i.	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the rules or as permitted under prevailing law.	Appointment of Additional director
	ii.	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.	Duration of the office of the additional director

125.			<p>The Board may appoint an alternate director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India.</p> <p>No person shall be appointed as an alternate director for an independent director.</p>	Appointment of alternate director
126.			An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of alternate director
127.			If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provisions applicable to Original Director
128.	i.		If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by the members in the immediate next general meeting in accordance with the provisions of the Act.	Appointment of director to fill casual vacancies
	ii.		The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.	Duration of office of Director appointed to fill casual vacancies
Power of Board				
129.			The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	General powers of the Company vested in Board
130.			The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already	Power to borrow

			borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution in general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and securities premium	
131.			The Directors, with shareholders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.	Conditions on which money may be borrowed
			Proceedings of the Board	
132.	i.		The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	When meeting to be convened
	ii.		Any director of the Company may, at any time, summon a meeting of the Board and the company secretary, or where there is no company secretary, any person authorised by the Board in this behalf, on requisition of a director, shall convene a meeting of the Board, in consultation with the Chairman or in his absence, the managing director or in his absence, the whole-time director, where there is any.	Who may summon Board meeting
133.			A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.	
134.			Notice of every meeting of the Board of Directors of the Company shall be given in writing, not less than seven days prior to the meeting, to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to provisions of the Act, meeting of the Board may be called at shorter notice to transact urgent business.	Notice of Meetings
135.			The quorum for a Board meeting shall be as provided in the Act. If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the	Quorum for Board meetings

		Chairman or directors present at the meeting may fix. The notice of the adjournment of the meeting shall be given to all the directors in the manner prescribed under the Act or rules made thereunder	
136.		The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Board meetings
137.	i.	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	ii.	In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
138.		The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
139.	i.	The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at meetings of the Board
	ii.	The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles.	Directors to elect a Co - Chairperson
	iii.	The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co-Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles.	Directors to elect a Vice Chairman
	iv.	If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if at any meeting the Chairperson, Co-Chairperson and Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of them to be Chairperson of the meeting.	Absence of Chairperson
140.	i.	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.	Delegation of powers

	ii.	Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to Board regulations
141.		The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Committee meetings
142.	i.	A committee may elect a Chairperson of its meetings.	Chairperson of Committee
	ii.	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Who to preside at meetings of Committee
143.	i.	A committee may meet and adjourn as it thinks fit.	Committee to meet
	ii.	Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Questions at Committee meeting how decided
144.		All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.	Acts of Board or Committee valid notwithstanding defect of appointment
145.		Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.	Passing of resolution by circulation
Notices and Service of Documents			
146.	i.	It shall be imperative on every member or notify to the Company for registration his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him.	Members to notify Address for registration

	ii.	A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode.	
	iii.	The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.	
147.		Subject to Section 20 of the said Act, a document may be served by the Company on any member thereof by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address (within India) supplied by him to the company for the service of notices to him. The term courier means person or agency who or which delivers the document and provides proof of its delivery.	Notice
148.		Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the register shall have been duly given to the person from whom he derives his title to such share.	Transfer of successors in title of members bound by notice given to previous holders
149.		Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate.	When notice may be given by advertisement
150.		Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered instead as the holder or joint-holder thereof and such service, for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all person (if any) jointly interested with him in any such shares.	Service of notice good notwithstanding death of member
151.		Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Directors and the signature thereto may be	Signature to notice

			written, facsimile, printed, lithographed, photostat.	
152.			A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the relevant Rules.	Service of documents on company
Chief Executive Officer, Manager, Company Secretary, Whole Time Director, Chief Financial Officer				
153.			Subject to the provisions of the Act, –	
	i.		A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;	Chief Executive Officer, etc
	ii.		A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	Director may be chief executive officer, etc.
154.			A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.	Same person not authorized to act in different capacity
155.	i.		Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules.	Managing Director
	ii.		A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.	
Registers				
156.	i.		The Company shall keep and maintain at its registered office all statutory registers including, register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board	Statutory registers

			may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	
	ii.		The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	Foreign register
	iii.		The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, <i>mutatis mutandis</i> , as is applicable to the register of members.	
The Seal				
157.			The Board shall have the authority to adopt a Seal and provide for the safe custody thereof. The Seal shall not be affixed to any instrument except:	Seal
	i.		By the authority of a resolution of the Board of Directors or a committee of the Board authorized in that behalf, and	
	ii.		In the presence of any one Director or the secretary of the Company or such other person as the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.	
Dividends and Reserve				
158.			The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Company in general meeting may declare dividends
159.			Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim dividends
160.	i.		The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and	Dividends only to be paid out of profits

			pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.	
	ii.		The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Carry forward of profits
161.	i.		Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	Division of profits
	ii.		No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in advance
	iii.		All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
162.			The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom
163.			<p>The Board may retain dividends payable upon shares in respect of which any person is, under the <i>Transmission</i> clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</p> <p>A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.</p>	
164.	i.		Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through post or courier directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	

	iii.		Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to have made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
165.			Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient
166.			Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	Notice of Dividend
167.			The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividend
168.			No dividend shall bear interest against the Company.	No Interest on Dividend
Accounts				
169.	i.		The Directors shall keep or cause to be kept at the Registered Office of the Company or at such place in India as the Board thinks fit proper books of accounts in respect of:	
		a.	all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place;	
		b.	all sales and purchase of goods by the Company; and	
		c.	the assets and liabilities of the Company.	
		d.	The items of cost, if any- as specified in the relevant Rules.	
	ii.		Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarized returns made up to dates at intervals of not more than three months shall be sent by each branch office to the Company at its Registered Office of the Company or the other place referred to in clause (1) hereof.	

	iii.		The books of account referred to in clause (1) and (2) shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transaction.	
	iv.		The books of accounts and other Books and Papers shall be open to inspection by any Directors during business hours.	
	v.		The Directors shall comply in all respects with Sections 128, 129, 133, 134, 136, to 138 of the said Act and any statutory modifications thereof.	
170.			The Directors shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors; and no member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorized by the Directors.	Inspection to members when allowed
171.			Subject to Section 129 of the Act at every Annual General Meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year.	Financial Statements to be laid before the member
172.			The Financial Statements shall give a true and fair view of the state of affairs of the Company at the end of the period of the account. Financial Statements shall comply with the provisions of Section 129 and 133 of the said Act.	Contents of Financial Statements
173.			The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act.	Financial Statements how to be signed
174.			The Directors shall make out and attach to every Balance Sheet laid before the Company in General Meeting a Report of the Board of Directors which shall comply with the requirements of and shall be signed in the manner provided by Section 134 of the said Act.	
175.	i.		A copy of every Financial Statements (including consolidated Financial Statements, the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, to the Financial Statement) which is to be laid before the Company in General Meeting shall not less than twenty one days before the date of meeting be sent to every member, every trustee for the debenture holder of any debentures	Right of Members to copies of Financial Statements and Auditors' Report

		<p>issued by the Company, to the Auditors of the Company, and every director of the Company.</p> <p>If the copies of the documents aforesaid are sent less than twenty one days before the date of the meeting they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by ninety five percent of the members entitled to vote at the meeting.</p> <p>The accidental omission to send the documents aforesaid, to or the non-receipt of the documents aforesaid by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.</p>	
	ii.	Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Financial Statements sent to him, shall on demand, be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit shall on demand accompanied by the payment of a fee of fifty rupees, be entitled to be furnished with a copy of the last Financial Statements and every other documents required by law to be annexed or attached thereto.	
176.	i.	A copy of the Financial Statement, including consolidated Financial Statement, if any, along with all the documents which are required to be or attached to such Financial Statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the registrar within thirty days of the annual general meeting.	Copies of Financial Statements etc. be filed
	ii.	If the Annual General Meeting before which a Financial Statement is laid as aforesaid does not adopt the Financial Statements, the un-adopted Financial Statements together with the other documents that are required to be attached to the financial statements shall be filed with the registrar within thirty days of the annual general meeting. Thereafter, the Financial Statements adopted at the adjourned annual general meeting shall be filed with the Registrar within thirty days of such adjourned annual general meeting.	
177.		Every account when audited and approved by a General Meeting shall be conclusive.	When accounts to be deemed finally settled
178.		Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 148 of the Act and the relevant rules.	Accounts to be audited

Winding up			
179.		Subject to the provisions of Chapter XX of the Act and Rules thereunder –	Winding up of Company
	i.	If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.	
	ii.	For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.	
	iii.	For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members	
	iv.	The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
Indemnity and Insurance			
180.		Subject to the provisions of the Act, every Director, managing director, whole- time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.	Directors and officers right to indemnity
181.		Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority.	

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

Bankim Purohit
BANKIM PUROHIT
COMPANY SECRETARY

182.			The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	Insurance
General Power				
183.	i.		Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	General Power
	ii.		Whenever there is an amendment in the Act, rules and regulations allowing what were not previously allowed under the statute, these Articles herein shall be deemed to have been amended to the extent that has been allowed under the provisions of the Act, due to an amendment after registration of these Articles.	
Secrecy Clause				
184.			Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.	Secrecy clause

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

Bankim Purohit
BANKIM PUROHIT
COMPANY SECRETARY

We the several persons whose names and addresses are subscribed hereto are desirous of being formed into a Company in pursuance of this Article of Association, and respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names :

Name of Subscribers	Address, Occupation and Description of Subscribers	Number of equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness and address, description and occupation
Marmagoa Shipping & Stevedoring Co. Pvt. Ltd. Through its Director Shri Purushottom Shantaram S. Kundaikar	4, Dayanand Bhandodkar Marg Panaji- Goa	One	Sd/-	Sd/- Chitaranjan Nilakanth Kenkre S/o Nilakant Ramchandra Kenkre Shivkripa, Bondir, St.Cruz- Goa (Service)
Prakash Gopal Virgincar S/o Gopal N. Virgincar	1 st floor, Silimkhan Bldg, Panaji-Goa (Busines)	One	Sd/-	
Keshav Givagi Kundaikar S/o Givagi S. Kundaikar	A-F-2 Mandovi Apartment, Dr. Dada Vadiya Road, Panaji-Goa (Landlord)	One	Sd/-	
Purushottam Pandurang Kenkre S/o Pandurang K. Kenkre	Bondir, St. Cruz Panaji-Goa (Business)	One	Sd/-	
Shivaji Jagannath Kenkre S/o Jagannath B.S.Kenkre	Bharadwaj Bldg Dr. Dada Vaidya Road, Panaji Goa (Business)	One	Sd/-	
Arvind Rajaram Kundaikar S/o Rajaram G. Kundaikar	D-6, Kundaikar Nagar, Panaji Goa. (Service)	One	Sd/-	
Purushottam Shantaram Kundaikar S/o Shantaram S. S. Kundaikar	A/D, Kundaikar Nagar, Panaji Goa. (Business)	One	Sd/-	
Total number of shares taken		Seven Equity Shares		

CERTIFIED TRUE COPY

For HINDUSTAN FOODS LIMITED

**BANKIM PUROHIT
COMPANY SECRETARY**

Panaji, Goa, Dated 26th day of December 1984

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

C.P.(CAA) No. 1331 of 2019

In

C.A.(CAA) 1669 of 2018

In the matter of

Avalon Cosmetics Private Limited
(CIN: U24246MH2003PTC140203)

..... First Petitioner Company
(Demerged Company or ACPL)*

Hindustan Foods Limited
(CIN: L15139MH1984PLC316003)

.... Second Petitioner Company
(Resulting Company or HFL)

Date of hearing :- 27.09.2019

Order delivered on: 25.11.2019

Coram:

Hon'ble SH.M.K Shrawat, Member (Judicial)

Hon'ble SH.Chandra Bhan Singh, Member (Technical)

For the Petitioner(s): Mr. Rajesh Shah and Mr. Ahmed Chunawala i/b.
Rajesh Shah & Co.

For the Regional Director: Ms. R. N. Sutar, Dy. Regional Director.

Per: Chandra Bhan Singh, Member (Technical)

ORDER

1. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, In the matter of Scheme of Arrangement of Avalon Cosmetics Private Limited ('the Demerged Company' or 'the First Applicant Company') with Hindustan Foods Limited ('the Resulting



Company' or 'the Second Applicant Company') and their respective shareholders

2. The Demerged Company is engaged in the manufacturing of cosmetic and personal care products as a contract manufacturer for reputed FMCG marketing companies. The Demerged Undertaking of the Demerged Company is engaged in manufacturing of fabric cleaning product including detergent powders on contract basis. The Resulting Company is engaged in the FMCG segment for manufacture of high-quality cereal based food products and a range of instant mixes, baby foods, instant porridges, breakfast cereals and health drinks. It further manufactures leather products and accessories.
3. The proposed Scheme will have the following benefits:
 - a. *Concentrated management focus on the businesses in a more professional manner and to create a more competitive business both in scale and operations. The Resulting Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business;*
 - b. *Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;*
 - c. *Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth; and*
 - d. *Creation of value for various stakeholders and shareholders.*
4. The Authorised Share Capital of the Demerged Company is Rs.1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs. 10/- each whereas the Issued, Subscribed and Paid-up Share Capital is Rs.11,87,090/- comprising of 1,18,709 Equity Shares of Rs.10/- each.
5. The Authorised Share Capital of the Resulting Company is Rs.24,00,00,000/- comprising of 2,20,00,000 Equity Shares of Rs.10/- each.



each and 2,00,000 9% Redeemable, Non-convertible Preference Shares of Rs.100/- each Whereas the Issued, Subscribed and Paid-up Share Capital of the Resulting Company is Rs.15,09,25,000/- comprising of 1,34,92,500 Equity Shares of Rs.10/- each and 1,60,000 9% Redeemable, Non-convertible Preference Shares of Rs.100/- each.

6. The Board of Directors of the Demerged Company have in their meetings held on 24th May, 2018 and 23rd November, 2018 approved the Scheme.
7. The Board of Directors of the Resulting Company have in their respective meeting held on 24th May, 2018 approved the Scheme.
8. Pursuant to the order dated 1st February, 2018 passed by this Tribunal, in C.A.(CAA)/1669/MB/2018, the meeting of the Equity Shareholders of the Demerged Company was convened and held at Unit No. 03, Level - 01, Centrium, Phoenix Market City, 15 LBS Marg, Kurla (W), Mumbai - 400070 on Thursday, 28th March, 2019 at 03.00 p.m. The meeting of the Equity Shareholders of the Resulting Company was convened and held at Unit No. 03, Level -01, Centrium, Phoenix Market City, 15 LBS Marg, Kurla (W), Mumbai - 400070 on Thursday, 28th March, 2019 at 11.00 a.m. and the meeting of the 9% Redeemable, Non-convertible Preference Shareholders was convened and held at Unit No. 03, Level 01, Centrium, Phoenix Market City, 15 LBS Marg, Kurla (W), Mumbai - 400070 on Thursday, 28th March, 2019 at 02.00 p.m. The Scheme was approved by the shareholders present and voted without any modifications.
9. The Learned Advocate for the Petitioner Companies further state that as per Clause 4 of the Scheme, the shareholders of the Demerged Company will be allotted shares as under:

4.1 Upon the Scheme becoming effective and upon vesting of the Contract Manufacturing (Hyderabad) Business of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company



as on the Record Date as may be stipulated by the Board of Directors of HFL, his/her heirs, executors, administrators or the successors in title, as the case may be and to the members who shall produce details of their account with a depository participant to the Resulting Company on or before such date as may be stipulated by the Board of Directors, in the following proportion viz:

" 42.15 fully paid up Equity Share of Rs. 10 of the Resulting Company shall be issued and allotted as fully paid up for every 1 Equity Share of Rs. 10 fully paid up held in the Demerged Company."

- 4.2 Any fraction arising on issue of shares as above will be rounded off to the nearest integer.
- 4.3 The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 4.4 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company.
- 4.5 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the resulting Company.
- 4.6 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 4.7 The consideration in the form of equity shares shall be issued and allotted by the Resulting Company in dematerialized form

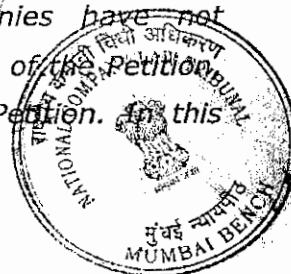


subject to clause 4.1 above to all the shareholders of the Demerged Company holding such shares as on the Record Date. Further, the Resulting Company shall ensure that the shares so allotted pursuant to this clause are listed on the stock exchanges where existing shares of the Resulting Company are listed.

10. The learned Counsel for the Petitioner Companies further states that the Petitioner Companies have complied with all the directions passed in Company Scheme Application No. 1669 of 2018 of the Hon'ble Tribunal dated 1st February, 2019 and that the Company Scheme Petition have been filed in consonance with the orders passed in Company Scheme Application.
11. The learned Counsel for the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of the Tribunal and have filed necessary Affidavits of compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
12. The Regional Director has filed his Report dated 3rd day of April, 2019 stating therein that save and except the observations as stated in paragraph IV (a) to (f) of the report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said affidavit, the Regional Director has stated that:-

a) *The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).*

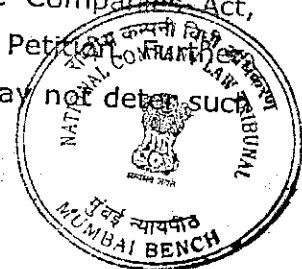
b) *It is observed that the Petitioner companies have not submitted a Chariman's Report, admitted copy of the Petition and Minutes of Order for admission of the Petition. In this*



regard, the Petitioner has to submit the same for the record of Regional Director.

- c) The Hon'ble NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy or deviation.
- d) As per Definition of the Scheme, Appointed Date means the 1st day of April, 2018 or such other date as may be approved by the NCLT or such other competent authority as may be applicable. In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall become effective and the scheme shall be deemed to be effective from such date and not a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.
- e) In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.
- f) As per Director's Affidavit dated 25.02.2019, there are certain auditors qualifications/reservations/adverse comments in the financial year 2018 and 2017 and 2016. In this regard, petitioner companies have to undertake to provide the suitable justification to the Hon'ble Bench against the qualifications made by the auditor.

13. Apropos the observations made in paragraph IV (a) of the Report of Regional Director is concerned, the Petitioner Companies hereby submit that an affidavit, stating that the notices have been served to concerned authorities as required under Section 230(5) of the Companies Act, 2013, has been annexed with the Company Scheme Petition. Further, the approval of the Scheme by the Hon'ble Tribunal may not deter such



authorities to deal with any of the issues arising after giving effect to the Scheme. The decision of such authorities will be binding on the Petitioner Companies.

14. Apropos the observations made in paragraph IV (b) of the Report of Regional Director is concerned, the Petitioner Companies submits that a copy of the admitted petition along with the Chairman's report of the Demerged Company and Resulting Company as Annexure G4, H4, H6 and draft minutes of order for admission of petition has been filed with the office of Regional Director.
15. Apropos the observations made in paragraph IV (c) of the Report of Regional Director is concerned, the Petitioner Companies submits that the Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition is one & same and there is no discrepancy or deviation.
16. Apropos the observations made in paragraph IV (d) of the Report of Regional Director is concerned, the Learned Advocate for Petitioner Companies submit that as per clause 1.2 of the Scheme, *"Appointed Date means 1st April, 2018 or such other date as the Board of Directors of the Demerged Company or the Resulting Company or the NCLT or any other competent authority may approve for the purposes of demerger of Contract Manufacturing (Hyderabad) Business of Avalon Cosmetics Private Limited into Hindustan Foods Limited"*. Further, as per clause 1.6 of the Scheme, *"Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme" means the date on which the certified copies of the orders of Tribunal NCLT sanctioning this Scheme of Arrangement, is received and filed by ACPL and HFL with the Registrar of Companies, Mumbai"*. As per Section 232 (6) of the Companies Act, 2013 the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. It is clearly indicated in the Scheme that the Scheme shall be effective from Appointed Date i.e. 1st April, 2018 and not at a date subsequent to the appointed date.



17. Apropos the observations made in paragraph IV (e) of the Report of Regional Director is concerned, it is stated that in addition to complying with IND AS-103, the Petitioner Companies undertake that the Petitioner Companies shall pass such accounting entries which are necessary to comply with all other applicable Accounting Standards such as IND AS-5 (AS-8) etc.
18. Apropos the observations made in paragraph IV (f) of the Report of Regional Director in respect to the qualifications/reservations/adverse comments made by the Auditor of the Demerged Company, the Demerged Company's responses to the qualifications/reservations/adverse comments of the Auditor are as under:

2018:

Auditor's qualifications/reservations/adverse comments:

- a. "Basis of qualified opinion: Refer Note No. 32 of the financial statements regarding non-provision for Gratuity and Leave encashment on the basis of Actuarial Valuation, which is non-compliance of recommendations of Accounting Standard-15, Employee Benefits. Consequent monetary impact on the Employee cost, Provisions and Profit for the year is presently unascertainable"

Response: The Company was following Cash basis of Accounting for Gratuity and Leave encashment payments. Further, the Company was of the view that, there would not be any material variance in comparison to AS 15 – Employee Benefits. However, for financial year 2018-19, the Company has obtained a Valuation report from independent third party valuer for the valuation of Gratuity and Leave encashment provision. The appropriate accounting treatment in this respect has been given in the financial statements for the year ended 31.03.2019. The Company has also obtained a valuation for the gratuity and leave encashment for FY 2017-18 and there is no material variance with respect to the actual provision made in the books of accounts for FY 2017-18.



2017:

Auditor's qualifications/reservations/adverse comments

- a. "Basis of qualified opinion: Refer Note no. 29(a) of the financial statements regarding non-provision for Gratuity and Leave Encashment on the basis of Actuarial Valuation, which is which is non-compliance of recommendations of Accounting Standard-15, Employee Benefits. Consequent monetary impact on the Employee cost, Provisions and Profit for the year is presently unascertainable"

Response: The Company was following Cash basis of Accounting for Gratuity and Leave encashment payments. Further the Company was of the view that, there would not be any material variance in comparison to AS 15 – Employee Benefits. However, for financial year 2018-19, the Company has obtained a Valuation report from independent third party valuer for the valuation of Gratuity and Leave encashment provision. The appropriate accounting treatment in this respect has been given in the financial statements for the year ended 31.03.2019. The Company has also obtained a valuation for the gratuity and leave encashment for FY 2017-18 and there is no material variance with respect to the actual provision made in the books of accounts for FY 2017-18.

- b. "Basis of qualified opinion: Refer Note No. 30 of the financial statements regarding non-provision in the accounts towards doubtful recovery of an Insurance claim receivable amounting to Rs.100.00 lacs, since the Company is hopeful of its recovery, thus having consequential monetary impact the respective assets, Provisions and Profit for the year"

Response: With respect to the amount of insurance claim receivable pertaining to earlier years, the Company was of the opinion that the said amount would be receivable in full in the near future and accordingly no provision in respect of the same was made in FY2016-17. However, in FY 2017-18 the Company concluded that the amount is not receivable/ cannot be recovered and subsequently was written off in FY 2017-18.

2016:

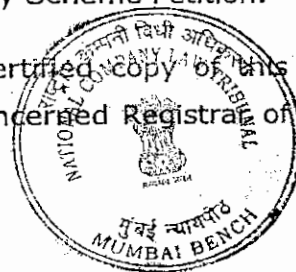
Auditor's qualifications/reservations/adverse comments



- a. *"Basis of qualified opinion: As stated in Note No. 29(a) of the financial statements regarding non-provision for Gratuity and Leave encashment on the basis of Actuarial Valuation, which is non-compliance of recommendations of Accounting Standard-15. The amount for the same is unascertainable"*

Response: The Company was following Cash basis of Accounting for Gratuity and Leave encashment payments. Further, the Company was of the view that, there would not be any material variance in comparison to AS 15 – Employee Benefits. However, for financial year 2018-19, the Company has obtained a Valuation report from independent third party valuer for the valuation of Gratuity and Leave encashment provision. The appropriate accounting treatment in this respect has been given in the financial statements for the year ended 31.03.2019. The Company has also obtained a valuation for the gratuity and leave encashment for FY 2017-18 and there is no material variance with respect to the actual provision made in the books of accounts for FY 2017-18.

19. The observation made by the Regional Director has been explained by the Petitioner Companies in Para 13 to 18 above. The clarifications and undertaking given by the Petitioner Companies is accepted.
20. The clarifications and undertakings given by the Learned Advocate for the Petitioner Companies to the observations made in the Report of the Regional Director are considered by this Bench and those are hereby accepted. Subsequently, this Bench hereby directs the Petitioner Companies to comply with the provisions / statements which the Petitioner Companies undertake herein.
21. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
22. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA)/1331/MB/2019 filed by the Petitioner Companies is made absolute in terms of prayer clause 58 of the Company Scheme Petition.
23. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of



companies, electronically, along with E-form INC 28 in addition to the physical copy, within 30 days from the date of receipt of the order by the Registry, duly certified by the Deputy Director or the Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.


24. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Deputy Director or Assistant Registrar, as the case may be, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.
25. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. These costs to be paid within four weeks from the date of receipt of order.
26. All authorities concerned, to act on a certified copy of this order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
27. Any person interested in this Scheme, is at liberty to apply to the Tribunal in these matters for any directions or modification that may be necessary.
28. The Scheme is sanctioned and the appointed date of the Scheme is fixed as 1st April, 2018.
29. Ordered accordingly.

Sd/-
CHANDRA BHAN SINGH
MEMBER (TECHNICAL)

Sd/-
M.K. SHRAWAT
MEMBER (JUDICIAL)

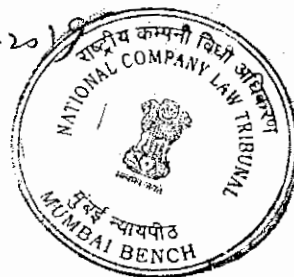
Original True Copy
Date of Application 29.11.2019
Date: **25.11.2019** No. of Pages 11
Fee Paid Rs. 55
Applicant called for collection copy on 02.12.2019
Copy prepared on 02.12.2019
Copy Issued on 02.12.2019

A.M.


Assistant Registrar

National Company Law Tribunal, Mumbai Bench

Page 11 of 11



SCHEME OF ARRANGEMENT

BETWEEN

AVALON COSMETICS PRIVATE LIMITED ('THE DEMERGED COMPANY' OR 'ACPL')

AND

HINDUSTAN FOODS LIMITED ('THE RESULTING COMPANY' OR 'HFL')

AND

THEIR RESPECTIVE SHAREHOLDERS

A) Preamble

1. This Scheme of Arrangement ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for Demerger of Contract Manufacturing (Hyderabad) Business ('the Demerged Undertaking') of Avalon Cosmetics Private Limited (the 'Demerged Company' or 'ACPL') into Hindustan Foods Limited (the 'Resulting Company' or 'HFL').
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B) Rationale for the Scheme

HFL is engaged in the FMCG segment for manufacture of high quality cereal based food products and a range of instant mixes, baby foods, instant porridges, breakfast cereals and health drinks. It further manufactures leather products and accessories. The Contract Manufacturing (Hyderabad) Undertaking of ACPL is engaged in manufacturing of fabric cleaning product including detergent powders on contract basis. In order to enable greater focus on this segment, this Scheme provides for the demerger of the Contract Manufacturing (Hyderabad) Business of ACPL into HFL.

Amongst others, the demerger of Contract Manufacturing (Hyderabad) Business of ACPL into HFL would result in the following benefits:-

- Concentrated management focus on the businesses in a more professional manner and to create a more competitive business both in scale and operations. The Resulting Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.
- Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
- Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth; and
- Creation of value for various stakeholders and shareholders;



c) Parts of the Scheme

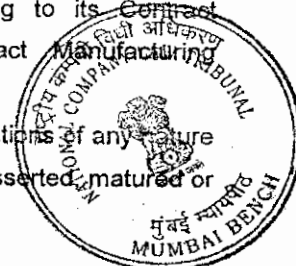
The Scheme is divided into following parts:

- a) **Part A** deals with the Definitions and Share Capital;
- b) **Part B** deals with demerger of Contract Manufacturing (Hyderabad) Business of Avalon Cosmetics Private Limited ('the Demerged Company') into Hindustan Foods Limited (the 'Resulting Company' or 'MFL');
- c) **Part C** deals with the Other Terms and Conditions.

PART A: DEFINITIONS AND SHARE CAPITAL

1. In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. "Act" or "the Act" means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;
- 1.2. "Appointed Date" means 1st April, 2018 or such other date as the Board of Directors of the Demerged Company or the Resulting Company or the NCLT or any other competent authority may approve for the purposes of demerger of Contract Manufacturing (Hyderabad) Business of Avalon Cosmetics Private Limited into Hindustan Foods Limited;
- 1.3. "Board of Directors" means the Board of Directors of Avalon Cosmetics Private Limited or Hindustan Foods Limited, as the case may be, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the board of directors or by any such committee.;
- 1.4. "Contract Manufacturing (Hyderabad) Business" or the "Demerged Undertaking" shall mean undertaking, business, activities and operations pertaining to Hyderabad unit of ACPL and related business, and comprising of all the assets (moveable, incorporeal and immoveable) and liabilities which relate thereto, or are necessary therefore and including specifically the following:
 - (a) All assets, title, properties, interests, investments, loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Demerged Company in, or otherwise identified for use in business, activities and operations pertaining to its Contract Manufacturing (Hyderabad) Business, including but not limited to all land, factory building, equipments, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, cash, balances with banks, investments, all customer contracts, contingent rights or benefits, etc, pertaining to its Contract Manufacturing (Hyderabad) Business (collectively, the "Contract Manufacturing (Hyderabad) Assets")
 - (b) All debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or



unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), or pertaining to the Contract Manufacturing (Hyderabad) Business activities (collectively, "Contract Manufacturing (Hyderabad) Liabilities")

- (c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the undertaking, business, activities and operations pertaining to its Contract Manufacturing (Hyderabad) Business or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Contract Manufacturing (Hyderabad) Business, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Contract Manufacturing (Hyderabad) Business, and all other rights, title, interests, privileges and benefits of every kind in relation to its Contract Manufacturing (Hyderabad) Business (collectively, "Contract Manufacturing (Hyderabad) Contracts");
- (d) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Contract Manufacturing (Hyderabad) Business, (collectively, "Contract Manufacturing (Hyderabad) IP")
- (e) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Contract Manufacturing (Hyderabad) Business (collectively, "Contract Manufacturing (Hyderabad) Licenses"); and
- (f) all such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Contract Manufacturing (Hyderabad) Business, at its respective offices, branches etc, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the Demerged Undertaking,

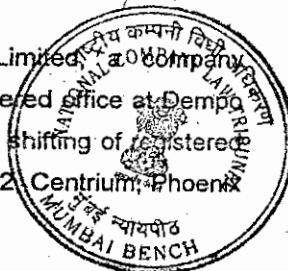


business, activities and operations pertaining to the Contract Manufacturing (Hyderabad) Business (collectively, "**Contract Manufacturing (Hyderabad) Employees**");

- (g) all liabilities present and future (including contingent liabilities pertaining to or relatable to the Contract Manufacturing (Hyderabad) Business of the Demerged Company), as may be determined by the Board of the Demerged Company;
- (h) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Contract Manufacturing (Hyderabad) Business of the Demerged Company;
- (i) all books, records, files, papers, directly or indirectly relating to the Contract Manufacturing (Hyderabad) Business of the Demerged Company; but shall not include any portion of the Remaining Business of Avalon Cosmetics Private Limited; and
- (j) Any other asset / liability which is deemed to be pertaining to the Contract Manufacturing (Hyderabad) Business by the Board of the Demerged Company

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Contract Manufacturing (Hyderabad) Business or whether it arises out of the activities or operations of the Contract Manufacturing (Hyderabad) Business shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

- 1.5. "**Demerged Company**" or "**ACPL**" means Avalon Cosmetics Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Unit No 03, level 02, Centrium, Phoenix Market City, Kurla, Mumbai – 400070,
- 1.6. "**Effective Date**" or "**coming into effect of this Scheme**" or "**upon the scheme becoming effective**" or "**effectiveness of the scheme**" means the date on which the certified copies of the orders of Tribunal NCLT sanctioning this Scheme of Arrangement, is received and filed by ACPL and HFL with the Registrar of Companies, Mumbai;
- 1.7. "**NCLT**" or "**Tribunal**" means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;
- 1.8. "**Remaining Avalon Cosmetics Private Limited**" means Avalon Cosmetics Private Limited as it stands on the Appointed Date i.e. 1st April, 2018 subsequent to demerger of the Contract Manufacturing (Hyderabad) Business of Avalon Cosmetics Private Limited (as defined under Clause 1.4 of this Scheme of Arrangement)
- 1.9. "**Resulting Company** or "**HFL**" means Hindustan Foods Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Dempo House Campal, Panaji, Goa 403001. The Board has approved the shifting of registered office of HFL from aforementioned address to Office No. 03, Level 2, Centrium, Phoenix



Market City, 15, Lal Bahadur Shastri Rd, Kurla, Mumbai, Maharashtra 400070, subject to requisite approvals from the shareholders and relevant regulatory authorities

1.10. **"Record Date"** means in respect of demerger of the Contract Manufacturing (Hyderabad) Business of the Demerged Company into the Resulting Company, the date to be fixed by the Board of Directors of the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom shares would be issued in accordance with Clause 4 of this Scheme.

1.11. **"Scheme" or "the Scheme" or "this Scheme" or "this Scheme of Arrangement"** means the Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 12 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws.

1.12. **"Stock Exchange"** means The Bombay Stock Exchange Limited.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and *vice versa* and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted;
- (iv) any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;
- (v) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- (vi) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- (vii) the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub Clause, paragraph or other provision) in which the expression occurs;
- (viii) references to Clauses and Schedules are to Clauses of and Schedules to this Scheme;
- (ix) references to the words "include" or "including" shall be construed without limitation.



(x) references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and

(xi) where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.

DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 12 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date.

SHARE CAPITAL

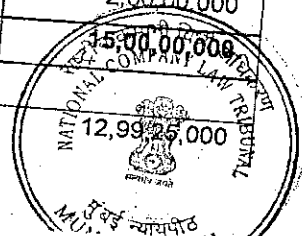
2.1. The authorized, issued, subscribed and paid-up share capital of the Demerged Company as per its last audited balance sheet for the financial year ended March 31, 2017 is as under :

Particulars	Amount in INR
Authorised Capital	
10,00,000 Equity Shares of Rs. 10 each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-up	
1,18,709 Equity Shares of Rs. 10 each fully paid up	11,87,090
Total	11,87,090

31, 2017 until the date of the Scheme being approved by the Board of Directors of the Demerged Company and the Resulting Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company.

2.2. The authorized, issued, subscribed and paid-up share capital of the Resulting Company as per its last audited balance sheet for the financial year ended March 31, 2017 is as

Particulars	Amount in INR
Authorised Capital	
1,30,00,000 Equity Shares of Rs. 10 each	13,00,00,000
2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	2,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
1,29,92,500 Equity Shares of Rs. 10 each	12,99,25,000



1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	1,60,00,000
Total	14,59,25,000

From March 31, 2017 until the date of the Scheme being approved by the Board of Directors of the HFL, there has been no change in the authorised, issued, subscribed and paid up share capital of HFL, except for the preferential allotment of 5,00,000 equity shares of face value Rs. 10 each approved by the Board vide resolution dated 24th day of May 2018.

Subsequent to the above preferential allotment, share capital of the HFL shall be as under:

Particulars	
Authorised Capital	
1,95,00,000 Equity Shares of Rs. 10 each	19,50,00,000
2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	2,00,00,000
Total	21,50,00,000
Issued, Subscribed and Paid-up	
1,34,92,500 Equity Shares of Rs. 10 each	13,49,25,000
1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	1,60,00,000
Total	15,09,25,000

PART B:

DEMERGER OF THE CONTRACT MANUFACTURING (HYDERABAD) BUSINESS INTO THE RESULTING COMPANY

3. TRANSFER AND VESTING OF CONTRACT MANUFACTURING (HYDERABAD) BUSINESS OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

3.1. The Contract Manufacturing (Hyderabad) Business of the Demerged Company as defined in Clause 1.4 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

3.1.1. All Contract Manufacturing (Hyderabad) Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery, or by endorsement and delivery, or by mere operation of the vesting order and its recordal or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property

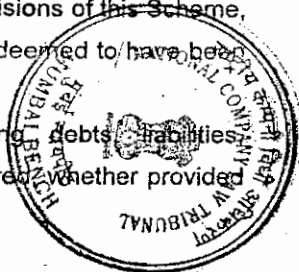


vested. Upon the scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

3.1.2. All Contract Manufacturing (Hyderabad) Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Contract Manufacturing (Hyderabad) Business shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

3.1.3. All immovable properties of the Contract Manufacturing (Hyderabad) Business, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Contract Manufacturing (Hyderabad) Business, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Contract Manufacturing (Hyderabad) Business in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.

3.1.4. All Contract Manufacturing (Hyderabad) Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured whether provided

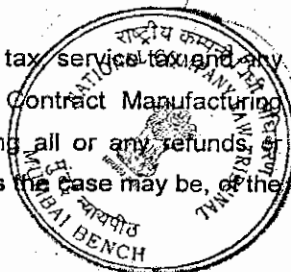


for or not in the books of account or disclosed in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- 3.1.5. All Contract Manufacturing (Hyderabad) Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Contract Manufacturing (Hyderabad) Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, or to the benefit of which, Contract Manufacturing (Hyderabad) Business of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is and successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Contract Manufacturing (Hyderabad) Business, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.



- 3.1.6. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Contract Manufacturing (Hyderabad) Business of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue 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.
- 3.1.7. All the Contract Manufacturing (Hyderabad) Employees shall become employees of and be engaged by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.
- 3.1.8. All Contract Manufacturing (Hyderabad) IP including registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trade marks, appertaining to the Contract Manufacturing (Hyderabad) Business of The Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. The other intellectual property rights presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Contract Manufacturing (Hyderabad) Business, shall be deemed to constitute separate intellectual property rights and the necessary substitution/endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.
- 3.1.9. All taxes (including but not limited to value added tax, sales tax, service tax and any other indirect tax etc.) payable by or refundable to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, including all or any refunds, or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the



Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Contract Manufacturing (Hyderabad) Business of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.

3.1.10. All Contract Manufacturing (Hyderabad) Licenses including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, or to the benefit of which the Contract Manufacturing (Hyderabad) Business of the Demerged Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Contract Manufacturing (Hyderabad) Business, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights,



entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

3.1.11. Benefits of any and all corporate approvals as may have already been taken by The Demerged Company with respect to the Contract Manufacturing (Hyderabad) Business, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 98, 109, 111, 180, 185, 186, 188 etc, of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.

3.1.12. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Contract Manufacturing (Hyderabad) Business shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

4. ISSUE OF SHARES BY THE RESULTING COMPANY PURSUANT TO DEMERGER

4.1. Upon the Scheme becoming effective and upon vesting of the Contract Manufacturing (Hyderabad) Business of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date as may be stipulated by the Board of Directors of HFL, his/her heirs, executors, administrators or the successors in title, as the case may be and to the members who shall produce details of their account with a depository participant to the Resulting Company on or before such date as may be stipulated by the Board of Directors, in the following proportion viz:

" 42.15 fully paid up Equity Share of Rs. 10 of the Resulting Company shall be issued and allotted as fully paid up for every 1 Equity Share of Rs. 10 fully paid up held in the Demerged Company."

4.2. Any fraction arising on issue of shares as above will be rounded off to the nearest integer.

4.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

4.4. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company.

4.5. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the resulting Company.

4.6. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and



allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

4.7. The consideration in the form of equity shares shall be issued and allotted by the Resulting Company in dematerialized form subject to clause 4.1 above to all the shareholders of the Demerged Company holding such shares as on the Record Date. Further, the Resulting Company shall ensure that the shares so allotted pursuant to this clause are listed on the stock exchanges where existing shares of the Resulting Company are listed.

5. ACCOUNTING TREATMENT

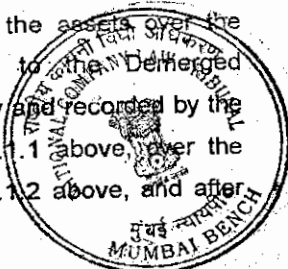
5.1. IN THE BOOKS OF DEMERGED COMPANY

- 5.1.1. Upon the scheme becoming effective, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Contract Manufacturing (Hyderabad) Business of the Demerged Company as on the Appointed Date from its books of accounts.
- 5.1.2. The difference, between the book value of assets pertaining to the Contract Manufacturing (Hyderabad) Business demerged from the Demerged Company pursuant to this Scheme and the book value of the liabilities and reserves pertaining to the Contract Manufacturing (Hyderabad) Business demerged from the Demerged Company pursuant to this Scheme shall be adjusted in reserves of the Demerged Company.

5.2. IN THE BOOKS OF THE RESULTING COMPANY

5.2.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, HFL shall account for the Demerged Undertaking in its books in accordance with 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under Section 133 of the Companies Act, 2013, which is applicable to HFL since this is a common control business combination. It would Inter alia include the following :

- 5.2.1.1. The Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value appearing in the books of Demerged Company.
- 5.2.1.2. The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 4 of this Scheme.
- 5.2.1.3. The identity of the reserves pertaining to Demerged Undertaking of ACPL shall be preserved and shall appear in the financial statements of HFL in the same form and manner, in which they appeared in the financial statements of ACPL, prior to this Scheme becoming effective.
- 5.2.1.4. The difference, being the excess of book value of the assets over the liabilities of the Demerged Company pertaining to the Demerged Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 5.2.1.1 above, over the amount credited as share capital as per Clause 5.2.1.2 above, and after



giving effect to 5.2.1.3 above, shall be adjusted in capital reserve in accordance with the accounting principles prescribed under Ind AS-103.

- 5.2.1.5. In case of any differences in accounting policy between ACPL and HFL, the accounting policies followed by HFL will prevail and the difference till the Appointed Date shall be adjusted in Capital Reserves of HFL, to ensure that the financial statements of HFL reflect the financial position on the basis of consistent accounting policy.

6. CONDUCT OF BUSINESS 'UNTIL THE EFFECTIVE DATE

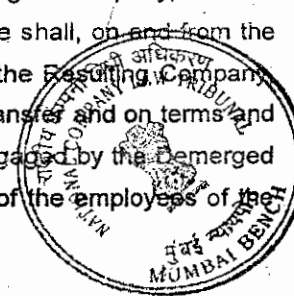
6.1. With effect from the Appointed Date and up to and including the Effective Date

- (a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Contract Manufacturing (Hyderabad) Business and shall stand possessed of their properties and assets relating to Contract Manufacturing (Hyderabad) Business for and in trust for the Resulting Company and all the profits / losses accruing on account of the Contract Manufacturing (Hyderabad) Business shall for all purposes be treated as profits / losses of the Resulting Company.
- (b) The Demerged Company shall not utilize the profits or income, if any, relating to the Contract Manufacturing (Hyderabad) Business for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
- (c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Contract Manufacturing (Hyderabad) Business or any part thereof except in the ordinary course of its business.
- (d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Contract Manufacturing (Hyderabad) Business except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.

6.2. 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 pursuant to this Scheme.

7. STAFF, WORKMEN & EMPLOYEES

7.1. All the permanent employees of the Demerged Company engaged in or in relation to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date. Services of the employees of the



Demerged Company shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.

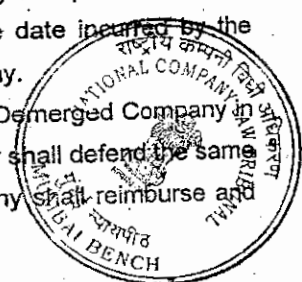
It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Contract Manufacturing (Hyderabad) Business for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Contract Manufacturing (Hyderabad) Business of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.

7.2. With effect from the first of the dates of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, except with written consent of the Resulting Company.

8. LEGAL PROCEEDINGS

8.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Contract Manufacturing (Hyderabad) Business, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.

8.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the sub-clause 8.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and



indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

8.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 8.1 or 8.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

9. CONTRACTS, DEEDS, ETC.

9.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Contract Manufacturing (Hyderabad) Business of the Demerged Company, shall continue in full force and effect against or in favour of the Resulting Company and may be enforced effectively 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.

9.2. The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf 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.

10. SAVING OF CONCLUDED TRANSACTIONS

10.1. The transfer of properties and liabilities under Clause 3.1 above and the continuance of proceedings by or against the Resulting Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Demerged Company 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 Contract Manufacturing (Hyderabad) Business in respect thereto as done and executed on behalf of itself.

PART C:

GENERAL TERMS AND CONDITIONS

11. APPLICATION TO NCLT

11.1. The Demerged Company and the Resulting Company shall make Applications / Petitions under Sections 290 to 292 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

12. MODIFICATION OR AMENDMENTS TO THE SCHEME



12.1. The Demerged Company and the Resulting Company, with approval of their respective Board 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 said 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 NCLT or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of the Demerged Company and the Resulting Company 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 NCLT or any other authorities under the applicable law.

13. CONDITIONALITY OF THE SCHEME

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

- 13.1. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including Stock Exchange and/or Securities and Exchange Board of India which by law may be necessary for the implementation of this Scheme.
- 13.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company and the Resulting Company as may be directed by NCLT.
- 13.3. Approval of the shareholders of the Resulting Company and the Demerged Company through e-voting and/ or postal ballot and/ or any other mode as may be required under any applicable law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of the Resulting Company against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under the Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 13.4. The sanction of NCLT under Sections 230 to 232 in favour of the Demerged Company, and the Resulting Company under the said provisions and the necessary Order under Section 232 of the Companies Act, 2013 of the said Act being obtained;
- 13.5. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Demerged Company and the Resulting Company as may be applicable.

14. 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 NCLT or such other competent authority and / or the Order not being passed as aforesaid before 31st December 2019 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand



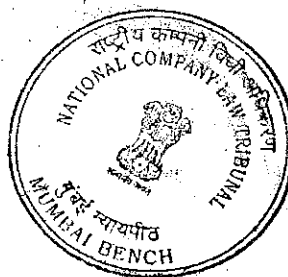
revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

15. COSTS, CHARGES & EXPENSES

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

16. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case Demerged Company and the Resulting Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part.





BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI

COMPANY SCHEME PETITION NO. 1331 OF 2019

IN

COMPANY SCHEME APPLICATION NO. 1669 OF 2018

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies
Act, 2013 and other applicable provisions of the
Companies Act, 2013

AND

In the matter of Scheme of Arrangement of Avalon
Cosmetics Private Limited ('the Demerged Company' or
'ACPL') with Hindustan Foods Limited ('the Resulting
Company' or 'HFL') and their respective shareholders
(('Scheme')).

HINDUSTAN FOODS LIMITED

..... Petitioner Company

Copy of the Minutes of order dated 25th November, 2019
along with Scheme of Arrangement.

RAJESH SHAH & CO

ADVOCATES FOR PETITIONER

16, ORIENTAL BUILDING,
30, NAGINDAS MASTER ROAD,
FLORA FOUNTAIN, FORT,
MUMBAI - 400 001



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

Avalon Cosmetics Private Limited

a Company Incorporated under the provisions of
Companies Act, 1956 having its Registered Office at
Unit No.3, Level 02, Centrium, Phoenix Market City,
Kurla (W), Mumbai – 400070, Maharashtra
CIN: U24246MH2003PTC140203

*... Demerged / First Petitioner
Company*

ATC Beverages Private Limited

a Company Incorporated under the provisions of
Companies Act, 1956 having its Registered Office at
Unit No.3, Level 01, Centrium, Phoenix Market City,
Kurla (W), Mumbai – 400070, Maharashtra
CIN: U01554MH2004PTC339661

... Transferor / Second Petitioner Company

Hindustan Foods Limited

a Company Incorporated under the provisions of
Companies Act, 1956 having its Registered Office at
Office No. 03, Level 2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Rd, Kurla (W),
Mumbai 400070, Maharashtra
CIN: L15139MH1984PLC316003

... Resulting / Transferee / Third Petitioner Company



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

(hereinafter collectively referred to as the "Petitioner Companies")

Order delivered on :- 21.12.2021

Coram:

Hon'ble Member (Judicial) : Justice P.N. Deshmukh (Retd.)

Hon'ble Member (Technical) : Mr. Shyam Babu Gautam

Appearances (via videoconferencing):

For the Petitioner Companies : Mr Ahmed M Chunawala, i/b
Rajesh Shah & Co, Advocates

ORDER

Per: Shyam Babu Gautam, Member (Technical)

1. The Bench is conveyed through videoconference.
2. Heard the Learned Counsel for the Petitioner Companies and the representative of the Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition to the said Scheme.
3. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 ('the Act') and other relevant provisions of



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

the Companies Act, 2013 and the rules framed there under for the Composite Scheme of Arrangement and Amalgamation between Avalon Cosmetics Private Limited ('the Demerged Company' or 'the First Petitioner Company') and ATC Beverages Private Limited ('the Transferor Company' or 'the Second Petitioner Company') and Hindustan Foods Limited ('the Resulting Company' or 'the Transferee Company' or 'the Third Petitioner Company') and their respective Shareholders ('the Scheme').

4. The Petitioner Companies submits the Board of Directors approved the Scheme in their respective meetings held on 16th March, 2020 which are annexed to the Company Scheme Petition.
5. The Learned Advocate appearing on behalf of the Petitioner Companies states that the Petition has been filed in consonance with the Order passed in the Company Scheme Application No. 1069 of 2020 of the Hon'ble Tribunal.
6. The Learned Advocate appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.

- Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
- Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;
- Creation of value for shareholders and various stakeholders;

In case of merger:

- Enhancement of net worth of the combined business to capitalize on future growth potential since both entities are engaged in similar areas of business;
- Achieve optimal utilization of resources, better administration and cost reduction;
- Expansion and diversification of business, foraying into new product line and broadening the customer base;
- Creating synergies in operational process and enhancing competitive strength and



/

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. I069/MB-II/2020

necessary Compliance Reports in the National Company Law Tribunal, Mumbai Bench.

7. The Counsel for the Petitioner Companies further submits that the First Petitioner Company is engaged in the manufacturing of cosmetic, Malt beverages, Home care and personal care products as a contract manufacturer for reputed FMCG marketing companies. The Second Petitioner Company is engaged in the business of manufacture of beverages like soft drinks, juices, energy drinks and is also carrying on the business of contract manufacturing of carbonated beverages and fruit juices. The Third Petitioner Company is engaged in the FMCG segment of manufacture of high quality cereal based food products and a range of instant mixes, baby foods, instant porridges, breakfast cereals and health drinks and also further manufactures Pest repellents, disinfectants, Home care, Fabric care, Personal care, leather products and accessories.
8. The Counsel for the Petitioner Companies further submits that the Composite Scheme of Arrangement and amalgamation would result in the following benefits:

In case of demerger:

- Concentrated management focus on the businesses in a more professional manner and to create a more competitive business both in scale and operations. The Resulting Company would



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

- Connected with

C.A.(CAA) No. 1069/MB-II/2020

- Creating value for various stakeholders and shareholder.

9. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its Report dated 6th September, 2021 *inter-alia* making the following observations in Paragraphs IV(a) to (s) and the Petitioner Companies have filed the rejoinder on 20th September, 2021. The same are reproduced as hereunder:

Para	Observation by the Regional Director	Undertaking of the Petitioner Companies/ Rejoinder
IV(a)	<i>In addition to compliance of AS-14 (IND AS-103), the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.</i>	As far as the observation of the Regional Director, as stated in IV(a) of the Report and reproduced hereinabove is concerned, the Transferee Company undertakes that it shall pass such accounting entries as may be necessary in connection with the Scheme to comply with all the applicable Indian



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		Accounting Standards (Ind-AS) including Ind AS 103 and Ind AS 8.
IV(b)	<p><i>As per Part-A- Definitions 1(1.2(a) & (b), clause 1(1.6) & 1(1.9) of the Scheme,</i></p> <p><i>"Appointed Date" means</i></p> <p><i>(a) means 1st April, 2020 or such other date as the Board of Directors of the Demerged Company or the Resulting Company or the NCLT or any other competent authority may approve for the purposes of demerger of Contract Manufacturing (Coimbatore) Business of Avalon Cosmetics Private Limited into Hindustan Foods Limited;</i></p> <p><i>(b) means 1st April, 2020 or such other date as the Board of Directors of the Transferor</i></p>	<p>As far as the observation of the Regional Director, as stated in IV(b) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that the Appointed date i.e. 1st April 2020 has been clearly indicated in the Scheme in accordance with the provisions of Section 232(6) of the Companies Act, 2013 and the Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.</p> <p>Further, the Petitioner Companies undertakes that the aforesaid Appointed</p>



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<i>Company or the Transferee Company or the NCLT or any other competent authority may approve for the purposes of merger of ATC Beverages Private Limited with Hindustan Foods Limited.</i>	Date complies with the requirements as specified in the Ministry of Corporate Affairs ('MCA') Circular F.No.7112/2019/CL -1 ('Circular') dated August 21, 2019.
<i>"Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme" means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme of Arrangement, is received and filed by ACPL, ABPL and HFL with the Registrar of Companies, Mumbai;</i>	
<i>"Record Date" means in respect of demerger of the</i>	



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<p><i>Contract Manufacturing (Coimbatore) Business of the Demerged Company into the Resulting Company and with respect to the amalgamation of the Transferor Company into the Transferee Company, the date to be fixed by the Board of Directors of the Transferee Company for the purposes of determining the shareholders of the Demerged Company and the Transferor Company to whom shares would be issued in accordance with Clause 4 and Clause 11 of this Scheme.</i></p> <p><i>In this regard it is submitted that Section 232 (6) of the Companies Act, 2013 states that the Scheme under this section shall clearly indicate an</i></p>	
--	--



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	<p><i>appointed date from which it shall be effective and the Scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	
IV(c)	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230 (6) of the Act in</i></p>	<p>As far as the observation of the Regional Director, as stated in IV(c) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that the</p>



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<i>meetings duly held in terms of Section 230 (1) read with subsection (3) to (5) of Section 230 of the Act and the minutes thereof are duly placed before the Tribunal.</i>	Scheme is approved by requisite majority of members as required under Section 230(6) of the Companies Act, 2013 and Meetings of the members were convened as per Hon'ble Tribunal's order dated 26 th April 2021 in terms of Section 230(1) read with subsections (3) to (5) of Section 230 of the Companies Act, 2013 and the Chairman's Report thereof are duly placed before the Hon'ble Tribunal. The Hon'ble NCLT vide order dated 26 th April 2021 had dispensed with the requirement of holding of the meeting of the Equity Shareholders of the First Petitioner Company and
--	--



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		Preference Shareholders of the Third Petitioner Company in view of the consent provided by all the Equity Shareholders of the First Petitioner Company and Preference Shareholders of the Third Petitioner Company. The Hon'ble NCLT vide order dated 26 th April 2021 had dispensed with the requirement of holding the Meeting of the creditors of the Petitioner Companies with the direction that the notices be sent to all the creditors of the Petitioner Companies intimating them regarding ongoing Scheme. The Petitioner Companies had issued notices to all such creditors and Compliance
--	--	--



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		Report was filed with Hon'ble Tribunal on 18 th June, 2021 regarding compliance with issuances of notices to all the creditors.
IV(d)	<i>Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/changes are made, for changes if any, liberty be given to Central Government to file further report if any required.</i>	As far as the observation of the Regional Director, as stated in IV(d) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that the Scheme enclosed to the Company Scheme Application No. 1069 of 2020 and Company Scheme Petition No.118 of 2021 are one and same and there in no discrepancy or changes in the Scheme.
IV(e)	<i>The Petitioners under provisions of Section 230 (5) of</i>	As far as the observation of the Regional Director, as



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

IV (f)	<i>The Petitioner Companies be directed to place on record of this Tribunal this list of assets and liabilities to be demerged with complete and its respective valuation.</i>	As far as the observation of the Regional Director, as stated in IV(f) of the Report and reproduced hereinabove is concerned, the First Petitioner Company submits list of assets and liabilities that will be demerged has been submitted to the office of Regional Director, Western Region, Mumbai.
IV(g)	<i>Since the Demerged Company, Transferor Company and Transferee/Resulting Company have foreign/nonresident shareholders, therefore, it is subject the compliance of section 55 of the Companies Act, 2013 the FEMA Regulations/RBI Guidelines by the Transferee Company.</i>	As far as the observation of the Regional Director, as stated in IV(g) of the Report and reproduced hereinabove is concerned, the Transferee Company submits that it will comply with the applicable provisions of the Companies Act, 2013 and FEMA Regulations/ RBI Guidelines, if applicable



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<i>the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).</i>	stated in IV(e) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that it has served notices under the provisions of section 230(5) of the Companies Act, 2013 to all the concerned authorities as directed by the Hon'ble Tribunal which are likely to be affected by the Scheme. Further, the Petitioner Companies submits that the approval of the Scheme by the Hon'ble Tribunal would not deter such authorities to deal with any of the issues arising after giving effect to the Scheme and the decision of such authorities would be binding on the Petitioner Companies.
--	---



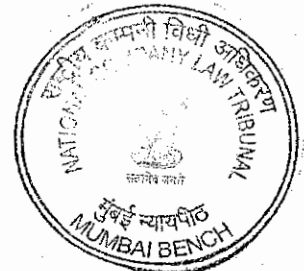
IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		with regards to issuance of shares to foreign/ non-resident shareholders.
IV(h)	<p><i>As per Part B Clause 3(3.1) of the Scheme (Transfer and Vesting of Contract Manufacturing (Coimbatore) Business of the Demerged Company into the Resulting Company. The Contract Manufacturing (Coimbatore) Business of the Demerged Company as defined in Clause 1.4 of the shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961.</i></p> <p><i>The Petitioner Companies be directed to place on record as to how the Scheme is in compliance of the Section 2 (19AA) of the Income Tax Act, 1961. The Hon'ble Tribunal may consider the same and decide matter on merit.</i></p> <p><i>Response:</i></p> <p>As far as the observation of the Regional Director, as stated in IV(h) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits below the conditions laid down under section 2(19AA) of the Income Tax Act, 1961 and how the Petitioner Companies will comply with the said conditions.</p>	



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

Conditions under section 2(19AA) of the Income Tax Act, 1961	Compliance Status
"demerger", in relation to companies, means the transfer, pursuant to a scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 (1 of 1956), by a demerged company of its one or more undertakings to any resulting company in such a manner that—	
(i) all the property of the undertaking, being transferred by the demerged company, immediately before the demerger, becomes the property of the resulting company by virtue of the demerger;	The Petitioner Companies submits that all the property/assets related the Demerged Undertaking are getting transferred to the Resulting Company pursuant to the Scheme.
(ii) all the liabilities relatable to the undertaking, being	The Petitioner Companies submits that all the liabilities related to the



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	transferred by the demerged company, immediately before the demerger, become the liabilities of the resulting company by virtue of the demerger;	Demerged Undertaking are getting transferred to the Resulting Company pursuant to the Scheme.
	(iii) the property and the liabilities of the undertaking or undertakings being transferred by the demerged company are transferred at values appearing in its books of account immediately before the demerger: Provided that the provisions of this sub-clause shall not apply where the resulting company records the	The Petitioner Companies submits that all the property/ assets and liabilities related to the Demerged Undertaking getting transferred to the Resulting Company pursuant to the Scheme are at values appearing in its books of account immediately before the demerger.



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	value of the property and the liabilities of the undertaking or undertakings at a value different from the value appearing in the books of account of the demerged company, immediately before the demerger, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015;	
	(iv) the resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis	On the Scheme being effective, as a consideration, the Resulting Company will issue its equity shares to the shareholders of the Demerged Company as per the share exchange ratio



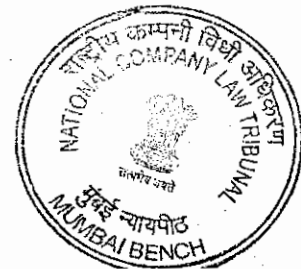
IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	value of the property and the liabilities of the undertaking or undertakings at a value different from the value appearing in the books of account of the demerged company, immediately before the demerger, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015;	
	(iv) the resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis	On the Scheme being effective, as a consideration, the Resulting Company will issue its equity shares to the shareholders of the Demerged Company as per the share exchange ratio



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	except where the resulting company itself is a shareholder of the demerged company;	mentioned in the Scheme.
	(v) the shareholders holding not less than three-fourths in value of the shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or, its subsidiary) become shareholders of the resulting company or companies by virtue of the demerger, otherwise than as a result of the acquisition of the	The Petitioner Companies submits that the shareholders holding not less than three-fourths in value of the shares in the Demerged Company will become shareholders of the Resulting Company by virtue of the demerger.



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	property or assets of the demerged company or any undertaking thereof by the resulting company;	
	(vi) the transfer of the undertaking is on a going concern basis;	The Petitioner Companies submits that the transfer of the Demerged Undertaking is on a going concern basis.
	(vii) the demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A by the Central Government in this behalf.	No such conditions are notified under sub-section (5) of section 72A by the Central Government in this behalf.
Based on the above table all the conditions of section 2(19AA) will be complied with by the Petitioner Companies. Thus, the Scheme is in compliance with the provisions of section 2(19AA) of the Income Tax Act, 1961.		



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

IV (i)	<i>As per Part B Clause 4(4.1 to 4.7) of the Scheme (Issue of Shares by the Resulting Company Pursuant to Demerger. In this regard it is submitted that the fee payable by the Resulting/Transferee Company shall be in accordance with the provisions of Section 42, Section 62, and Section 232 (3) (i) of the Companies Act, 2013 further if any stamp duty is payable the same should be paid in accordance with applicable laws of the state.</i>	As far as the observation of the Regional Director, as stated in IV(i) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that the fee payable, if any, by the Transferee Company/ Resulting Company shall be in accordance with the provisions of Section 42, Section 62 and Section 232(3)(i) of the Companies Act, 2013 if applicable and further, if any stamp duty is payable the same shall be paid in accordance with applicable laws of the State.
IV (j)	<i>As per Part B Clause 5(5.1)(5.2) of the Scheme (Accounting Treatment)</i>	As far as the observation of the Regional Director, as stated in IV(j) of the Report



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<p>Books of the Demerged Company), The difference, between the book value of assets Demerged Company Petitioner Company/ the Demerged Company submits that the surplus, if any credited to "Capital Reserve" shall not be available for distribution of dividend and other similar purposes.</p>	<p>(Accounting Treatment in the Demerged Company), The difference, between the book value of assets Demerged Company Petitioner Company/ the Demerged Company submits that the surplus, if any credited to "Capital Reserve" shall not be available for distribution of dividend and</p>
--	--



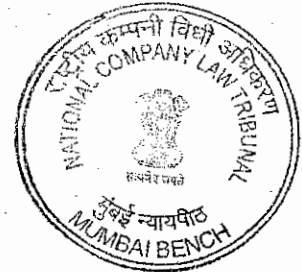
IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	<i>other similar purposes.</i>	
IV(k)	<i>As per Part B Clause 5(5.2) of the Scheme (Accounting Treatment) (Accounting Treatment in the Books of the Resulting Company), Notwithstanding anything to the contrary, upon the coming into effect of this Composite Scheme and with effect from the Appointed Date, HFL shall account for, the Demerged Undertaking in its books of accounts in accordance with "Appendix C" of the "Indian Accounting Standard (Ind-AS) -103-Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, (as</i>	<i>As far as the observation of the Regional Director, as stated in IV(k) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that upon the coming into effect of the Composite Scheme and with effect from the Appointed Date, it shall account for, the Demerged Undertaking in its books of accounts in accordance with "Appendix C" of the "Indian Accounting Standard (Ind-AS) -103-Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act, read with the</i>



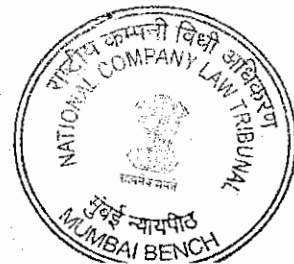
IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	amended) and other generally accepted accounting principles as applicable. It is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account. In this regard, it is submitted that the surplus so credited to "Capital Reserve" shall not be available for distribution of dividend and other similar purposes.	Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable. It is submitted that the surplus if any arising out of the Scheme shall be credited to the Capital Reserve and such surplus, if any, credited to "Capital Reserve" shall not be available for distribution of dividend and other similar purposes.
IV(l)	As per Part C Clause 11(11.1 to 11.7) of the Scheme (Merger of The Transferor Company Into the Transferee Company) (Issue of Shares By the Transferee Company	As far as the observation of the Regional Director, as stated in IV(l) of the report and reproduced hereinabove is concerned, the Third Petitioner Company



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P (CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	<i>Pursuant to Merger); In this regard it is submitted that the fee payable by the Resulting/Transferee Company shall be in accordance with the provisions of Section 42, Section 62, and Section 232 (3)(i) of the Companies Act, 2013 further if any stamp duty is payable the same should be paid in accordance with applicable laws of the State.</i>	submits that the fee payable, if any, by the Transferee Company/ Resulting Company shall be in accordance with the provisions of Section 42, Section 62 and Section 232(3)(i) of the Companies Act, 2013 if applicable and further, if any stamp duty is payable the same shall be paid in accordance with applicable laws of the State.
IV(m)	<i>As per Part C Clause 12 of the Scheme (Accounting Treatment) (Merger of Transferor Companies into Transferee Company), Notwithstanding anything to the contrary, Upon the coming into effect of this Scheme and with effect from the Appointed</i>	As far as the observation of the Regional Director, as stated in IV(m) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that upon the coming into effect of this Scheme and with effect



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<p><i>Date, HFL shall give effect to the accounting treatment in its books of accounts in accordance with the "Indian Accounting Standard (Ind-AS) -103-Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable to HFL. It is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account. In this regard, it is submitted that the surplus so credited to "Capital Reserve</i></p>	<p>from the Appointed Date, it shall give effect to the accounting treatment in its books of accounts in accordance with the "Indian Accounting Standard (Ind-AS) -103-Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable. It further submits that the surplus, if any, credited to "Capital Reserve" shall not be available for distribution of dividend and other similar purposes.</p>
---	---



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	arising out of Amalgamation" shall not be available for distribution of dividend and other similar purposes.	
IV(n)	As per Part C Clause 13 (13.1 to 13.6) of the Scheme (Consolidation/Re- Classification of Authorised Capital/Main Objects Clause of Memorandum And Articles of Association); In this regard it is submitted that the fee payable by the Transferee Company shall be in accordance with the provisions of Section 13, Section 14, Section 61, and Section 232 (3)(i) of the Companies Act, 2013 further if any stamp duty is payable the same should be paid in accordance with	As far as the observation of the Regional Director, as stated in IV(n) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that the fee payable, if any, by the Transferee Company/ Resulting Company shall be in accordance with the provisions of Section 13, Section 14, Section 61 and Section 232(3)(i) of the Companies Act, 2013 if applicable, and further, if any stamp duty is payable



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	<i>applicable laws of the State;</i>	the same shall be paid in accordance with applicable laws of the State.
IV(o)	<i>As regards the complaints indicated at para 22 above, under the head – Status of Complaint as per MCA-e Service – Screen Shot, it is submitted that petitioners be directed to mention all the facts in this regard about complaints explain about the allegation made therein and resolve complaints before approval of the scheme.</i>	As far as the observation of the Regional Director, as stated in IV(o) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that: (i) With regards to the miscellaneous complainant of Minaxiben Paatel vide SRN J00058545 dated 25-02-2021 regarding non-receipt of duplicate share certificate has been already resolved. Email dated 17 th August, 2021 has been received from MCA regarding closure of the said complaint.



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		(ii)With regards to the miscellaneous complainant of Mohan Chandiramani vide SRN 100060895 dated 04-07-2021 regarding non-receipt of physical/ hard copy of Court Convened Meeting held on 30-6-2021, the Third Petitioner Company stated that on account of on-going Covid-19 pandemic, MCA vide its Circular dated 13 th April, 2020 has stated that the notices to members for convening any extra ordinary general meeting may be given only through e-mails registered with the company or with the depository participant. Accordingly, as per the said MCA Circular and as per
--	--	--



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		<p>directions given by Hon'ble NCLT vide its order dated 26th April, 2021, the Third Petitioner Company has served copy of notice of Court Convened Meeting held on 30-6-2021 to all the shareholders as on the cut-off date in electronic form only via email addresses already registered with the company or the depository participant. Further, the Petitioner Companies state that the said compliant was not brought to the notice of the Third Petitioner Company by the MCA before and now on receipt of the said information, the Third Petitioner Company will suo-moto reply to the Complainant in the due</p>
--	--	---



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		course of time. As this being a procedural issue, this kind of complaint will not have any adverse impact on the Scheme under consideration.
IV(p)	<i>Since the Hindustan Foods Limited the Transferee Company or Resulting Company limited by shares, is listed on the Bombay Stock Exchange, the Petitioner Company be directed to place on record whether necessary approval from SEBI and the concerned Stock Exchange have been obtained and whether the meeting of the Shareholders/class of shareholders have been convened as per the listing/SEBI guidelines.</i>	As far as the observation of the Regional Director, as stated in IV(p) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that the BSE Limited in consultation with SEBI has given their no objection letter dated 29 th July, 2020 for the Scheme and the same was attached along with Company Scheme Application as Exhibit 'G' and as Exhibit 'F' in Company Scheme



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		<p>Petition. Further, the Meeting of the Equity Shareholders of the Transferee/Resulting Company for approving the Scheme was held on 30th June, 2021 as directed by the Hon'ble Tribunal vide its order dated 26th April 2021. Further, the Scheme has also been approved by the requisite majority of the public shareholders in compliance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as stated in Scrutinizer Report dated 1st July, 2021. Scrutinizer Report by M/s. Prashant - Sharma & Associates dated 1st July 2021 was attached along</p>
--	--	--



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		with Chairman Report filed by the Transferee/Resulting Company on 7 th July, 2021. Copy of no objection letter issued by BSE Limited dated 29 th July, 2020 and Scrutinizer Report dated 1 st July, 2021 are filed before the Tribunal..
IV(q)	<i>The Petitioner Companies to place on record and to provide details regarding meeting of Shareholders other than Promoters has been convened or not and results thereof.</i>	As far as the observation of the Regional Director, as stated in IV(q) of the Report and reproduced hereinabove is concerned, the Third Petitioner Company submits that the meeting of Equity Shareholders of the Transferee/Resulting Company for approving the Scheme was held on 30 th June, 2021 as directed by the Hon'ble Tribunal on 26 th



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		April 2021. Further, the Scheme has also been approved by the requisite majority of the public shareholders (other than Promoters) in compliance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 th March, 2017 as stated in Scrutinizer Report dated 1 st July, 2021. Scrutinizer Report by M/s. Prashant Sharma & Associates dated 1 st July 2021 was attached along with Chairman Report filed by the Transferee/Resulting Company on 7 th July, 2021. Copy of Scrutinizer Report dated 1 st July, 2021 has been filed before the Tribunal.
IV(r)	<i>It is observed that in the</i>	As far as the observation of



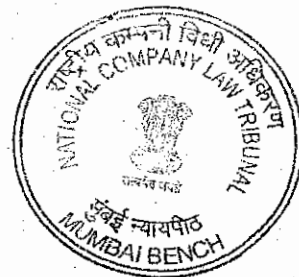
IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<p><i>Auditors report of the Demerged Company (Avalon Cosmetics Private Limited) is qualified for year ended 31-03-2018. As per the Auditors qualified opinion which stated that "Refer Note No.32 of the financial statement regarding non-provision for Gratuity and Leave Encashment on the basis of Actuarial Valuation, which is not-compliance of recommendations of Accounting Standard - 15, Employee Benefits. Consequent monetary impact on the Employee cost Provisions and Profit for the year is presently unascertainable". In this regard Petitioner Company (Avalon Cosmetics Private Limited) may be directed to</i></p>	<p>the Regional Director, as stated in IV(r) of the Report and reproduced hereinabove is concerned, the First Petitioner Company submits that the First Petitioner Company was following cash basis of accounting for Gratuity and Leave encashment payments until March 31, 2018. The First Petitioner Company was of the view that, there will not be any material variance in comparison to AS 15 - Employee Benefits. However, from the financial year 2018-19 onwards, the Company has obtained a valuation report from an independent third party valuer for the valuation of</p>
---	---



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

		<p>Petitioner Companies further submits that from the financial year 2018-19 onwards, the Demerged Company has obtained a valuation report from an independent third party valuer for the valuation of Gratuity and Leave encashment provision and the same has been already rectified thereafter and accounted in the books as per AS-15 from FY 2018-19 onwards. Thus, as on date there is no non-compliance of AS-15 by the Demerged Company. Further, in future if required under the relevant law, the Demerged Company and/or the Transferee Company undertakes to get it</p>
--	--	---



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

<i>place on record full facts in this regard or the Hon'ble NCLT may pass appropriate order/orders as deem fit.</i>	<p>Gratuity and Leave encashment provision and the same has been thereafter accounted in the books as per Accounting Standard-15, Employee Benefits and as confirmed by the First Petitioner Company by way of an Affidavit filed with Regional Director vide letter dated 6th August, 2021.</p> <p>In response to the above, the Regional Director in its Supplementary Report dated 21st September, 2021 filed with the Tribunal has further stated that "there is non-compliance of AS-15, hence the Transferee Company to undertake get it compounded".</p> <p>The Counsel for the</p>
---	--



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CA A) No. 1069/MB-II/2020

compounded.

IV(s)

In view of the observation raised by the ROC Mumbai, mentioned at para 23 above Hon'ble NCLT may pass appropriate order/orders as deem fit.

Response

As far as the observation of the Regional Director, as stated in IV(s) of the Report read with ROC Report dated 13.08.2021 is concerned, the Petitioner Companies submit that:

- (i) the interest of the creditors will be protected as the rights of creditors will not be affected as there is no compromise or arrangement with creditors pursuant to the Scheme.
- (ii) As far as capital structure of the Transferor Company is concerned, there is no mismatch in the details of Authorized, Issued, Subscribed and Paid-up Share Capital as mentioned in the Scheme and as per MCA master data. Below are the details of Authorized, Issued, Subscribed and Paid-up Share Capital as mentioned in the Scheme:

Particulars	INR	INR
Authorised Capital		



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

2,11,50,000 Equity Shares of Rs.10/- each		21,15,00,000
1,00,02,253 Preference Shares of Rs.10/- each		10,00,22,530
Total		31,15,22,530
<u>Issued, Subscribed and Paid-up</u>		
2,05,42,933 Equity Shares of Rs.10/- each fully paid up		20,54,29,330
6,00,000 Equity Shares of Rs.10/- each, partly paid up	60,00,000	
Less: Call in arrears on above	(45,00,000)	15,00,000
Total Equity Share Capital (A)		20,69,29,330
87,21,263 9% Convertible Preference Shares of Rs.10/-each		8,72,12,630
12,80,990 11.5% Convertible Preference Shares of Rs.10/-each		1,28,09,900
Total Preference Share Capital (B)		10,00,22,530
Total (A) + (B)		30,69,51,860

As per the above table, total of Issued, Subscribed and Paid-up equity share capital is INR 20,69,29,330/-.

Master data available on MCA reflecting Authorised Capital as INR 31,15,22,530/- and Paid up Capital as INR 20,69,29,330/- which includes details of only paid-



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

up Equity Share Capital. The Annual Accounts of the Transferor Company is prepared under IND – AS and as per IND-AS Preference Share Capital are not part of the Equity Capital and Reserves and as the details of the Authorised, Issued, Subscribed and Paid-up capital in master data is updated automatically while filing the Annual Accounts, it does not consider details of paid-up Preference Share Capital.

As far as capital structure of the Transferee Company/ Resulting Company is concerned, there is no mismatch in the details of Authorized, Issued, Subscribed and Paid-up Share Capital as mentioned in the Scheme and as per MCA master data. Below are the details of Authorized, Issued, Subscribed and Paid-up Share Capital as mentioned in the Scheme:

Particulars	INR
Authorised Capital	
2,20,00,000 Equity Shares of Rs. 10 each	22,00,00,000
2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	2,00,00,000
Total	24,00,00,000



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

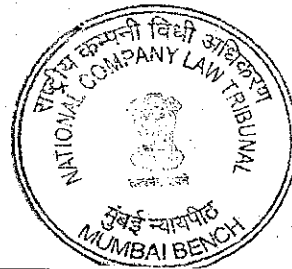
C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

Issued, Subscribed and Paid-up	
2,11,98,078 Equity Shares of Rs. 10/- each	
1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	21,19,80,780
Total	1,60,00,000
	22,79,80,780
	0

The financial figures reported in the Annual Accounts of the Transferee Company/ Resulting Company were 'Rs. in lakhs' and the Accounts were prepared as per IND-AS. The Transferee Company / Resulting Company being the Listed Company the Annual Accounts are required to be filed with MCA in XBRL format only. To be in line with the Annual Accounts adopted by the Shareholders, the XBRL file was also prepared with the figures represented in Lakhs and not the actual Values. Whereas the MCA taxonomy validation tool had technical glitch and those Company's whose XBRL financials were filed with rounded figures, their master data were updated with changes in share capital pursuant to rounding-off. Screen shot from the pre-scrutiny of the e-form AOC-4 XBRL showing a message that, "Any reduction in Share Capital value due to rounding off issue may route



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

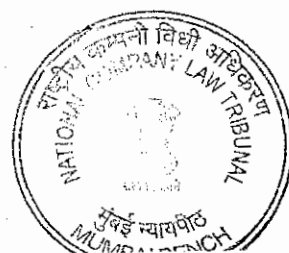
C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

	<p>the form to BO Processing". The Master data on the MCA website was updated which inadvertently showed changes in capital which is not the correct and there has been no mismatch in the Authorised, Issued, Subscribed and Paid-up capital of the Transferee/ Resulting Company. As this being a technical glitch, this kind of error/mismatch will not have any adverse impact on the Scheme under consideration.</p> <p>(iii) With regards to two complaints received against Hindustan Foods Limited, responses have been mentioned in para IV (o) above.</p>
--	---

10. Thereafter, the Regional Director, Western Region had filed its Supplementary Report dated 21.09.2021 with the National Company Law Tribunal, Mumbai bench. The Observations made by the Regional Director in its Supplementary Report dated 21.09.2021 have been explained and the clarifications and undertakings given by the Petitioner Companies have been explained in above table. The clarifications and undertakings given by the Petitioner Companies in response to the said Report are accepted by this Tribunal.



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

11. The Official Liquidator has filed its report dated 22nd September, 2021 in the Company Scheme Application No.1069 of 2020, inter alia, stating therein that the affairs of the Transferor Company have been conducted in a proper manner.
12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
13. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 118 of 2021 is made absolute in terms of prayer made in clauses (a) to (d) of the said Company Scheme Petition.
14. The Scheme with the Appointed Date fixed as 1st April, 2020 is hereby sanctioned. It shall be binding on the Petitioners Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors and Employees.
15. The Transferor/Second Petitioner Company be dissolved without winding up.
16. The Registrar of this Tribunal shall issue the certified copy of this Order along with the Scheme forthwith. Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II**

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy within 30 days from the date of receipt of the Order from the Registry.

17. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the Order, if any.
18. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai.
19. The Petitioner Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P.(CAA)/118/MB-II/2021

Connected with

C.A.(CAA) No. 1069/MB-II/2020

20. The Appointed Date is 1st April, 2020.

21. Ordered Accordingly. Pronounced in open court today.

Sd/-

SHYAM BABU GAUTAM
(MEMBER TECHNICAL)

Sd/-

JUSTICE P.N. DESHMUKH
(MEMBER JUDICIAL)

Certified True Copy _____
Date of Application 22/12/2021
Number of Pages 47
Fee Paid Rs. 235
Applicant called for collection copy on 24/01/2022
Copy prepared on 24/01/2022
Copy issued on 24/01/2022

P. S. Sonawale
Deputy Registrar

National Company Law Tribunal, Mumbai Bench



EXHIBIT- E

320

SCHEME OF ARRANGEMENT AND AMALGAMATION

BETWEEN

AVALON COSMETICS PRIVATE LIMITED ('THE DEMERGED COMPANY' OR 'ACPL')

AND

ATC BEVERAGES PRIVATE LIMITED ('THE TRANSFEROR COMPANY' OR 'ABPL')

AND

HINDUSTAN FOODS LIMITED ('THE TRANSFEREE COMPANY' OR 'THE RESULTING COMPANY' OR 'HFL')

AND

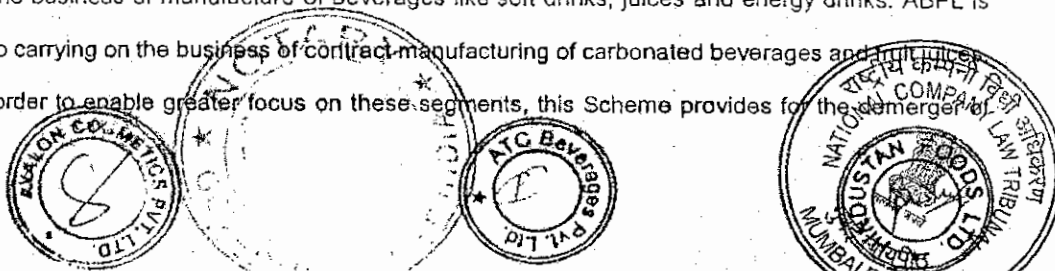
THEIR RESPECTIVE SHAREHOLDERS

A) Preamble

1. This Scheme of Arrangement and Amalgamation ('Scheme') is presented under Sections 230 — 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for:
 - (a) Demerger of Contract Manufacturing (Coimbatore) Business ('the Demerged Undertaking') of Avalon Cosmetics Private Limited (the 'Demerged Company' or 'ACPL') into Hindustan Foods Limited (the 'Resulting Company' or 'HFL').
 - (b) Merger of ATC Beverages Private Limited ('the Transferor Company' or 'ABPL') with Hindustan Foods Limited (the 'Transferee Company' or 'HFL')
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B) Rationale for the Scheme

HFL is engaged in the contract manufacturing of various FMCG segment products such as extruded foods, cereals, frozen processed foods, farinaceous foods, fabric care, hair care, household insecticides, surface cleaning, food and beverages, aerosol, pump spray products, baby products, all type of mosquito coils, repellants, liquid vaporizers, other products related to foot care, foot wear and allied products. The Contract Manufacturing (Coimbatore) Undertaking of ACPL is engaged in Malt based foods and food products and energy drinks. HFL holds 45.40% of the paid-up equity share capital of ATC Beverages Private Limited ('ABPL'), which is engaged in the business of manufacture of beverages like soft drinks, juices and energy drinks. ABPL is also carrying on the business of contract manufacturing of carbonated beverages and fruit juices. In order to enable greater focus on these segments, this Scheme provides for the demerger of



the Contract Manufacturing (Coimbatore) Business of ACPL into HFL and amalgamation of ABPL into HFL.

Amongst others, the demerger of Contract Manufacturing (Coimbatore) Business of ACPL into HFL would result in the following benefits: -

- Concentrated management focus on the businesses in a more professional manner and to create a more competitive business both in scale and operations. The Resulting Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.
- Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
- Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth; and
- Creation of value for shareholders and various stakeholders;

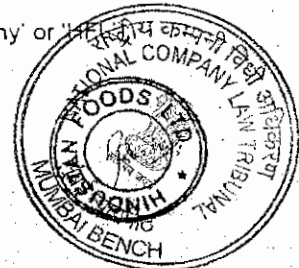
Amongst others, the amalgamation of ABPL into HFL would result in the following benefits: -

- Enhancement of net worth of the combined business to capitalize on future growth potential since both entities are engaged in similar areas of business;
- Achieve optimal utilization of resources, better administration and cost reduction;
- Expansion and diversification of business, foraying into new product line and broadening the customer base;
- Creating synergies in operational process and enhancing competitive strength and
- Creating value for various stakeholders and shareholder.

c) Parts of the Schema

The Schema is divided into following parts:

- a) Part A deals with the Definitions and Share Capital;
- b) Part B deals with demerger of Contract Manufacturing (Coimbatore) Business of Avalon Cosmetics Private Limited ('the Demerged Company') into Hindustan Foods Limited (the 'Resulting Company' or 'HFL');
- c) Part C deals with merger of ATC Beverages Private Limited ('the Transferor Company' or 'ABPL') with Hindustan Foods Limited (the 'Transferee Company' or 'HFL');
- d) Part D deals with the Other Terms and Conditions.



PART A: DEFINITIONS AND SHARE CAPITAL

1. In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

1.1. "Act" or "the Act" means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

1.2. "Appointed Date" means

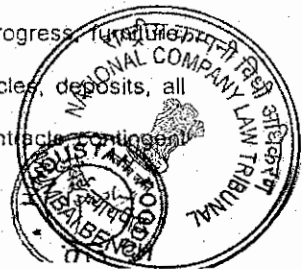
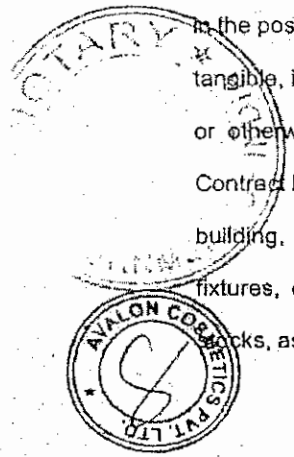
(a) means 1st April, 2020 or such other date as the Board of Directors of the Demerged Company or the Resulting Company or the NCLT or any other competent authority may approve for the purposes of demerger of Contract Manufacturing (Coimbatore) Business of Avalon Cosmetics Private Limited into Hindustan Foods Limited;

(b) means 1st April, 2020 or such other date as the Board of Directors of the Transferor Company or the Transferee Company or the NCLT or any other competent authority may approve for the purposes of merger of ATC Beverages Private Limited with Hindustan Foods Limited.

1.3. "Board of Directors" means the Board of Directors of Avalon Cosmetics Private Limited or ATC Beverages Private Limited or Hindustan Foods Limited, as the case may be, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the board of directors or by any such committee.;

1.4. "Contract Manufacturing (Coimbatore) Business" or the "Demerged Undertaking" shall mean undertaking, business, activities and operations pertaining to Coimbatore unit of ACPL situated at 195/1A, 195/1B, Kalangal Road, Appanaikenpatti Sullur, Coimbatore, Tamil Nadu and related business, and comprising of all the assets (moveable, incorporeal and immoveable) and liabilities which relate thereto, or are necessary therefore and including specifically the following:

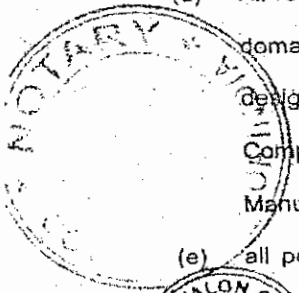
(a) All assets, title, properties, interests, investments, loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Demerged Company in, or otherwise identified for use in business, activities and operations pertaining to its Contract Manufacturing (Coimbatore) Business, including but not limited to all land, factory building, equipments, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, cash, balances with banks, investments, all customer contracts, contingent



rights or benefits, etc, pertaining to its Contract Manufacturing (Coimbatore) Business (collectively, the "Contract Manufacturing (Coimbatore) Assets")

- (b) All debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), or pertaining to the Contract Manufacturing (Coimbatore) Business activities (collectively, "Contract Manufacturing (Coimbatore) Liabilities")
- (c) All contracts, agreements, licenses, leases, linkages, memorandum of undertakings, memorandum of agreement, memorandum of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the undertaking business, activities and operations pertaining to its Contract Manufacturing (Coimbatore) Business or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Contract Manufacturing (Coimbatore) Business, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Contract Manufacturing (Coimbatore) Business, and all other rights, title, interests, privileges and benefits of every kind in relation to its Contract Manufacturing (Coimbatore) Business (collectively, "Contract Manufacturing (Coimbatore) Contracts");
- (d) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Contract Manufacturing (Coimbatore) Business, (collectively, "Contract Manufacturing (Coimbatore) IP")

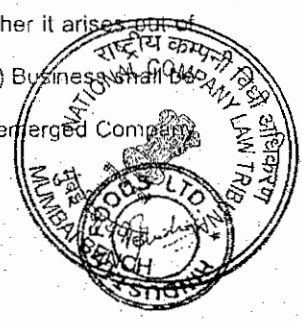
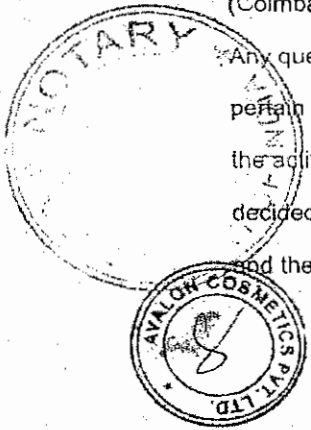
- (e) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, concessions, exemptions, advantages, no-objection



certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Contract Manufacturing (Coimbatore) Business (collectively, "Contract Manufacturing (Coimbatore) Licenses"); and

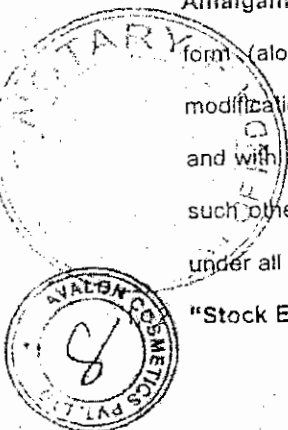
- (f) all such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Contract Manufacturing (Coimbatore) Business, at its respective offices, branches etc, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Contract Manufacturing (Coimbatore) Business (collectively, "Contract Manufacturing (Coimbatore) Employees");
- (g) all liabilities present and future (including contingent liabilities pertaining to or relatable to the Contract Manufacturing (Coimbatore) Business of the Demerged Company), as may be determined by the Board of Directors of the Demerged Company;
- (h) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Contract Manufacturing (Coimbatore) Business of the Demerged Company;
- (i) all books, records, files, papers, directly or indirectly relating to the Contract Manufacturing (Coimbatore) Business of the Demerged Company; but shall not include any portion of the Remaining Business of Avalon Cosmetics Private Limited; and
- (j) Any other asset / liability which is deemed to be pertaining to the Contract Manufacturing (Coimbatore) Business by the Board of Directors of the Demerged Company

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Contract Manufacturing (Coimbatore) Business or whether it arises out of the activities or operations of the Contract Manufacturing (Coimbatore) Business shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.



- 1.5. **"Demerged Company" or "ACPL"** means Avalon Cosmetics Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Unit No 03, level 02, Centrium, Phoenix Market City, Kurla, Mumbai – 400070.
- 1.6. **"Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme"** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme of Arrangement, is received and filed by ACPL, ABPL and HFL with the Registrar of Companies, Mumbai;
- 1.7. **"NCLT" or "Tribunal"** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;
- 1.8. **"Remaining Avalon Cosmetics Private Limited"** means Avalon Cosmetics Private Limited as it stands on the Appointed Date i.e. 1st April, 2020 subsequent to demerger of the Contract Manufacturing (Coimbatore) Business of Avalon Cosmetics Private Limited (as defined under Clause 1.4 of this Scheme of Arrangement and Amalgamation)
- 1.9. **"Resulting Company or the "Transferee Company" or "HFL"** means Hindustan Foods Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Office No. 03, Level 2, Centrium, Phoenix Market City, 15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra 400070.
- 1.10. **"Record Date"** means in respect of demerger of the Contract Manufacturing (Coimbatore) Business of the Demerged Company into the Resulting Company and with respect to the amalgamation of the Transferor Company into the Transferee Company, the date to be fixed by the Board of Directors of the Transferee Company for the purposes of determining the shareholders of the Demerged Company and the Transferor Company to whom shares would be issued in accordance with Clause 4 and Clause 11 of this Scheme.
- 1.11. **"Scheme" or "the Scheme" or "this Scheme" or "this Scheme of Arrangement and Amalgamation"** means the Scheme of Arrangement and Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 22 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws.

"Stock Exchange" means BSE Limited



1.13. "Transferor Company" or "ABPL" means ATC Beverages Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Plot No. 11B and 11C, KIADB Industrial Area, Nanjangud, Karnataka 571301. The Board has vide resolution dated 11.10.2019 approved the shifting of registered office of ABPL from aforementioned address to Office No. 03, Level 2, Centrium, Phoenix Market City, 15, Lal Bahadur Shastri Rd, Kurla, Mumbai, Maharashtra 400070. Further, the shareholders of the Company have vide special resolution dated 19.10.2019 approved the shift of registered office of ABPL. The Regional Director (South East Region – Hyderabad) has vide order dated 13th February, 2020 allowed the application for shifting the registered office of the Company from State of Karnataka to the State of Maharashtra. The order of the Regional Director (South East Region – Hyderabad) filed with the Registrar of Companies vide e-form INC -28 on 02.03.2020 is pending for their approval.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and *vice versa* and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted;
- (iv) any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;
- (v) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- (vi) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- (vii) the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;
- (viii) references to Clauses and Schedules are to Clauses of and Schedules to this Scheme;
- (ix) references to the words "include" or "including" shall be construed without limitation.



- (x) references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme and not to any particular provision of this Scheme; and
- (xi) where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.

DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 22 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date.

2. SHARE CAPITAL

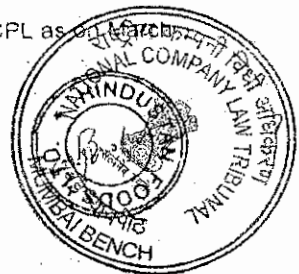
- 2.1. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Demerged Company as per its last audited balance sheet for the financial year ended March 31, 2019 is as under:

Particulars	Amount in INR
Authorised Capital	
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-up	
1,18,709 Equity Shares of Rs. 10/- each fully paid up	11,87,090
Total	11,87,090

From March 31, 2019 until the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the Authorised, Issued, Subscribed and Paid up share capital of the Demerged Company except for:

- (i) Increase in Authorised Share Capital of the Demerged Company to Rs. 1,50,00,000 (Rupees One Crore Fifty Lakhs only) divided into 15,00,000 (Fifteen lakh only) Equity Shares of Rs.10/- (Rupees Ten only) each approved by the Board of Directors in their meeting held on January 16, 2020 and vide Ordinary Resolution passed by the Shareholders of the Demerged Company at their Extra-Ordinary General held on January 27, 2020.
- (ii) the Rights Issue of 9,00,000 Equity Shares approved by the Board of Directors in their meeting held on January 10, 2020 and allotted said Rights Issue by the Board of Directors in their meeting held on February 13, 2020.

The Authorized, Issued, Subscribed and Paid-up Share capital of the ACPL as on March 31, 2020 is as under:



Particulars	Amount in INR
Authorised Capital	
15,00,000 Equity Shares of Rs. 10/- each	1,50,00,000
Total	1,50,00,000
Issued, Subscribed and Paid-up	
10,18,709 Equity Shares of Rs. 10/- each fully paid up	1,01,87,090
Total	1,01,87,090

2.2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Resulting Company or Transferee Company as per its last audited balance sheet for the financial year ended March 31, 2019 is as under:

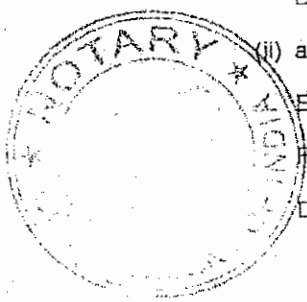
Particulars	Amount in INR
Authorised Capital	
2,20,00,000 Equity Shares of Rs. 10/- each	22,00,00,000
2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	2,00,00,000
Total	24,00,00,000
Issued, Subscribed and Paid-up	
1,34,92,500 Equity Shares of Rs. 10/- each	13,49,25,000
1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	1,60,00,000
Total	15,09,25,000

From March 31, 2019 until the date of the Scheme being approved by the Board of Directors of the HFL, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of HFL, except for:

- (i) Issue of 49,27,799 Equity Shares of face value Rs. 10/- each pursuant to the Scheme of Arrangement between Avalon Cosmetics Private Limited and HFL approved by the Board of Directors of both companies in their meeting held on May 24, 2018 and allotted by the Share Allotment Committee of the Board of Directors in their meeting held on January 16, 2020; and
- (ii) allotment of 27,77,779 Equity Shares pursuant to conversion of warrants into Equity Shares approved by the Board of Directors in their meeting held on February 27, 2019 and allotted by the Share Allotment Committee of the Board of Directors in their meeting held on January 16, 2020.

The Authorized, Issue, Subscribed Share Capital of the HFL as on March 13, 2020 is as under:

Particulars	Amount in INR
Authorised Capital	
2,20,00,000 Equity Shares of Rs. 10 each	22,00,00,000



324

2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	2,00,00,000
Total	24,00,00,000
Issued, Subscribed and Paid-up	
2,11,98,078 Equity Shares of Rs. 10/- each	21,19,80,780
1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	1,60,00,000
Total	22,79,80,780

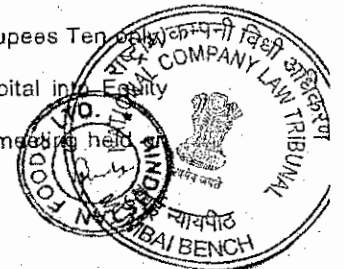
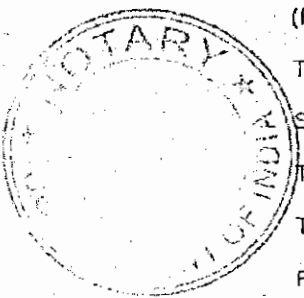
2.3. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on March 31, 2019 is as under:

Particulars	Amount in INR	Amount in INR
Authorised Capital		
1,95,00,000 Equity Shares of Rs.10/- each		19,50,00,000
1,10,00,000 Preference Shares of Rs.10/- each		11,00,00,000
Total		30,50,00,000
Issued, Subscribed and Paid-up		
1,87,92,933 Equity Shares of Rs.10/- each fully paid up		18,79,29,330
6,00,000 Equity Shares of Rs.10/- each, partly paid up	60,00,000	
Less: Call in arrears on above	(45,00,000)	15,00,000
87,21,263 9% Convertible Preference Shares of Rs.10/-each		8,72,12,630
12,80,990 11.5% Convertible Preference Shares of Rs.10/-each		1,28,09,900
Total		28,94,51,860

From March 31, 2019 until the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company except for:

- (i) Reclassification of the Authorized Share Capital of the Company from Rs.30,50,00,000/- (Rupees Thirty Crore Fifty Lakhs only) to Rs. 30,50,00,000 (Rupees Thirty Crores Fifty Lakhs only) consisting of Rs.20,49,77,470/- (Rupees Twenty Crore Forty-Nine Lakh Seventy-Seven Thousand Four Hundred and Seventy only) divided into 2,04,97,747 (Two Crore Four Lakh Ninety-Seven Thousand Seven Hundred and Forty-Seven) Equity shares of Rs. 10/- (Rupees Ten only) each and Rs.10,00,22,530/- (Rupees Ten Crore Twenty-Two Thousand Five Hundred and Thirty only) divided into 1,00,02,253 (One Crore Two Thousand Two Hundred and Fifty-Three) Preference Shares of Rs. 10/- (Rupees Ten only) each by reclassifying the un-issued Preference Authorized Capital into Equity.

The Board of Directors in their meeting held on 14.03.2019 approved the above.



March 20, 2019 and vide Ordinary Resolution passed by the Shareholders of the Company at their Extra-Ordinary General held on April 17, 2019.

- (ii) Increase in the Authorized Share Capital of the Company from Rs. 30,50,00,000 (Rupees Thirty Crores Fifty Lakhs only) consisting of Rs.20,49,77,470/- (Rupees Twenty Crore Forty-Nine Lakh Seventy-Seven Thousand Four Hundred and Seventy only) divided into 2,04,97,747 (Two Crore Four Lakh Ninety-Seven Thousand Seven Hundred and Forty-Seven) Equity shares of Rs. 10/- (Rupees Ten only) each and Rs.10,00,22,530/- (Rupees Ten Crore Twenty-Two Thousand Five Hundred and Thirty only) divided into 1,00,02,253 (One Crore Two Thousand Two Hundred and Fifty-Three) Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 31,15,22,530 (Rupees Thirty-One Crore Fifteen Lakhs Twenty-Two Thousand Five Hundred and Thirty only) divided into 2,11,50,000 (Two Crore Eleven Lakh Fifty Thousand) Equity shares of Rs. 10/-(Rupees Ten Only) each and 1,00,02,253 (One Crores Two Thousand and Fifty-Three) Preference Shares of Rs. 10 each (Rupees Ten) by creation of additional 65,22,530 (Sixty-Five Lakhs Twenty-Two Thousand Five Hundred and Thirty) Equity shares of Rs. 10/-(Rupees Ten) each ranking pari-passu in respects with the existing equity shares of the Company approved by the Board of Directors in their meeting held on March 20, 2019 and vide Ordinary Resolution passed by the Shareholders of the Company at their Extra-Ordinary General held on April 17, 2019.
- (iii) The Board of Directors of the Company in their meeting held on June 30, 2019 and the Shareholders vide resolutions dated May 20, 2019 have approved, Conversion of unsecured loan taken by the Company from Resulting Company, amounting to Rs. 1,75,00,000/- (Rupees One Crore Seventy-Five Lakhs only) into 17,50,000 Equity shares of Rs. 10/- (Rupees Ten) each on private placement basis.

The Authorized, Issue, Subscribed Share Capital of the ABL as on March 13, 2020 is as under:

Particulars	Amount in INR	Amount in INR
Authorised Capital		
2,11,50,000 Equity Shares of Rs.10/- each		21,15,00,000
1,00,02,253 Preference Shares of Rs.10/- each		10,00,22,530
Total		31,15,22,530
Issued, Subscribed and Paid-up		
2,05,42,933 Equity Shares of Rs.10/- each fully paid up		20,54,29,330
6,00,000 Equity Shares of Rs.10/- each, partly paid up	60,00,000	



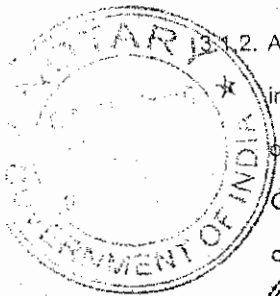
Less: Call in arrears on above	(45,00,000)	15,00,000
87,21,263 9% Convertible Preference Shares of Rs.10/-each		8,72,12,630
12,80,990 11.5% Convertible Preference Shares of Rs.10/-each		1,28,09,900
Total		30,69,51,860

PART B:**DEMERGER OF THE CONTRACT MANUFACTURING (COIMBATORE) BUSINESS INTO THE RESULTING COMPANY****3. TRANSFER AND VESTING OF CONTRACT MANUFACTURING (COIMBATORE) BUSINESS OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

3.1. The Contract Manufacturing (Coimbatore) Business of the Demerged Company as defined in Clause 1.4 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

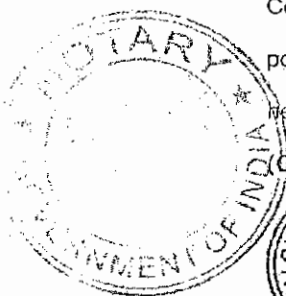
3.1.1. All Contract Manufacturing (Coimbatore) Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery, or by endorsement and delivery, or by mere operation of the vesting order and its recordal or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

3.1.2. All Contract Manufacturing (Coimbatore) Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and



title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Contract Manufacturing (Coimbatore) Business shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

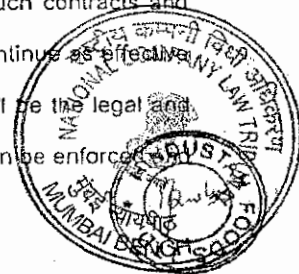
3.1.3. All immovable properties of the Contract Manufacturing (Coimbatore) Business, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Contract Manufacturing (Coimbatore) Business, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Contract Manufacturing (Coimbatore) Business in any leasehold properties shall, pursuant to Section 22 of the



Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.

3.1.4. All Contract Manufacturing (Coimbatore) Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

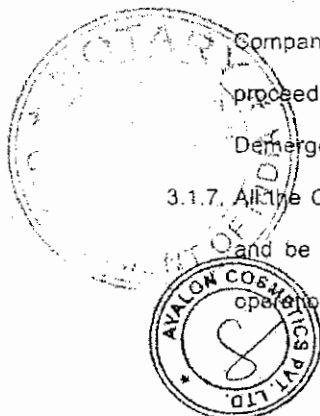
3.1.5. All Contract Manufacturing (Coimbatore) Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Contract Manufacturing (Coimbatore) Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Contract Manufacturing (Coimbatore) Business of the Demerged Company, or to the benefit of which, Contract Manufacturing (Coimbatore) Business of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced



acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is and successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf 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. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Contract Manufacturing (Coimbatore) Business, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.

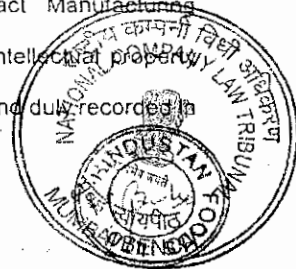
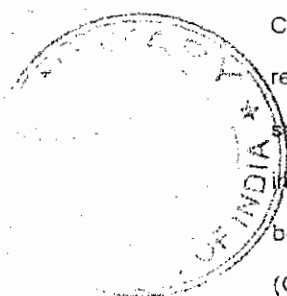
3.1.6. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Contract Manufacturing (Coimbatore) Business of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Contract Manufacturing (Coimbatore) Business of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue 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. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.

3.1.7. All the Contract Manufacturing (Coimbatore) Employees shall become employees of the Resulting Company and be engaged by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as



are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. Services of the employees of the Demerged Company shall be considered from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. With regard to provident fund, gratuity, pension and/ or superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Contract Manufacturing (Coimbatore) Business of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.

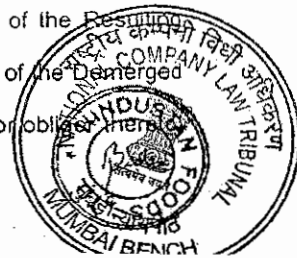
3.1.8. All Contract Manufacturing (Coimbatore) IP including registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Contract Manufacturing (Coimbatore) Business of The Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. The other intellectual property rights presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Contract Manufacturing (Coimbatore) Business, shall be deemed to constitute separate intellectual property rights and the necessary substitution/endorsement shall be made and duly recorded in



the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.

3.1.9. All taxes (including but not limited to income tax, value added tax, sales tax, service tax, goods and service tax or any other tax deduction/ collection at source etc.) payable by or refundable to the Contract Manufacturing (Coimbatore) Business of the Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, holidays, remissions, reductions, credits for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc., credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, if any, the brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961) etc, as would have been available to Contract Manufacturing (Coimbatore) Business of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.

3.1.10. All Contract Manufacturing (Coimbatore) Licenses including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Contract Manufacturing (Coimbatore) Business of the Demerged Company, or to the benefit of which the Contract Manufacturing (Coimbatore) Business of the Demerged Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company was a party or beneficiary or obligor or obligee.



Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Contract Manufacturing (Coimbatore) Business, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

3.1.11. Benefits of any and all corporate approvals as may have already been taken by The Demerged Company with respect to the Contract Manufacturing (Coimbatore) Business, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 98, 109, 111, 180, 185, 186, 188 etc, of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme



becoming effective, be deemed to have been taken/complied with by the Resulting Company.

- 3.1.12. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Contract Manufacturing (Coimbatore) Business shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

4. ISSUE OF SHARES BY THE RESULTING COMPANY PURSUANT TO DEMERGER

- 4.1. Upon the Scheme becoming effective and upon vesting of the Contract Manufacturing (Coimbatore) Business of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date as may be stipulated by the Board of Directors of HFL, his/her heirs, executors, administrators or the successors in title, as the case may be and to the members who shall produce details of their account with a depository participant to the Resulting Company on or before such date as may be stipulated by the Board of Directors, in the following proportion viz:

~~1 fully paid-up Equity Shares of the face value of Rs. 10/- each of the Company shall be issued and allotted for 0.755 equity share of face value Rs. 10/- each fully paid up held by such shareholder in the Demerged Company pursuant to the Demerger."~~

- 4.2. Any fraction arising on issue of shares as above will be rounded off to the nearest integer.

- 4.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

- 4.4. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company.

- 4.5. The Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the resulting Company.

- 4.6. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable.



and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

4.7. The consideration in the form of Equity Shares shall be issued and allotted by the Resulting Company in dematerialized form subject to Clause 4.1 above to all the shareholders of the Demerged Company holding such shares as on the Record Date. Further, the Resulting Company shall ensure that the shares so allotted pursuant to this clause are listed on the Stock Exchange where existing shares of the Resulting Company are listed.

5. ACCOUNTING TREATMENT

5.1 IN THE BOOKS OF DEMERGED COMPANY

5.1.1. Upon the scheme becoming effective, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Contract Manufacturing (Coimbatore) Business of the Demerged Company as on the Appointed Date from its books of accounts.

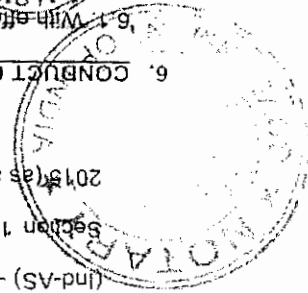
5.1.2. The difference, between the book value of assets pertaining to the Contract Manufacturing (Coimbatore) Business demerged from the Demerged Company pursuant to this Scheme and the book value of the liabilities and reserves pertaining to the Contract Manufacturing (Coimbatore) Business demerged from the Demerged Company pursuant to this Scheme shall be adjusted in reserves of the Demerged Company.

5.2 IN THE BOOKS OF THE RESULTING COMPANY

Notwithstanding anything to the contrary, upon the coming into effect of this Scheme and with effect from the Appointed Date, HFL shall account for, the Demerged Undertaking in its books of accounts in accordance with "Appendix C" of the "Indian Accounting Standard (Ind-AS) -103-Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable.

6. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

6.1. With effect from the Appointed Date and up to and including the Effective Date



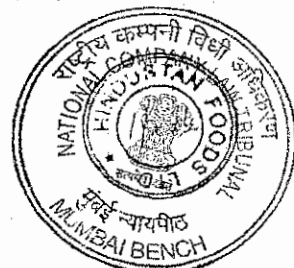
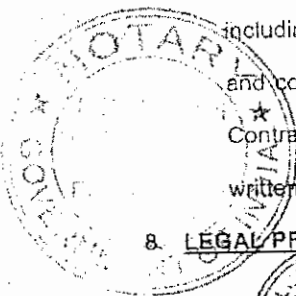
- (a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Contract Manufacturing (Coimbatore) Business and shall stand possessed of their properties and assets relating to Contract Manufacturing (Coimbatore) Business for and in trust for the Resulting Company and all the profits / losses accruing on account of the Contract Manufacturing (Coimbatore) Business shall for all purposes be treated as profits / losses of the Resulting Company.
- (b) The Demerged Company shall not utilize the profits or income, if any, relating to the Contract Manufacturing (Coimbatore) Business for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
- (c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Contract Manufacturing (Coimbatore) Business or any part thereof except in the ordinary course of its business.
- (d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Contract Manufacturing (Coimbatore) Business except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.

6.2. 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 pursuant to this Scheme.

7. STAFF, WORKMEN & EMPLOYEES

7.1. With effect from the first of the dates of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Contract Manufacturing (Coimbatore) Business of the Demerged Company, except with written consent of the Resulting Company.

8. LEGAL PROCEEDINGS



8.1. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the sub-clause 3.1.6 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

8.2. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 8.1 or 8.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

9. SAVING OF CONCLUDED TRANSACTIONS

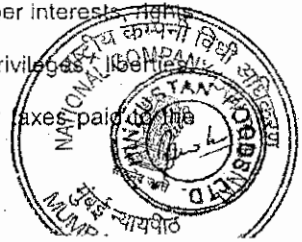
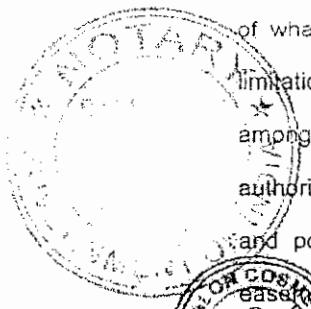
9.1. The transfer of properties and liabilities under Clause 3.1 above and the continuance of proceedings by or against the Resulting Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective 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 Contract Manufacturing (Coimbatore) Business in respect thereto as done and executed on behalf of itself.

PART C:

MERGER OF ATC BEVERAGES PRIVATE LIMITED OR THE TRANSFEROR COMPANY INTO HINDUSTAN FOODS LIMITED OR THE TRANSFEREE COMPANY

10. TRANSFER AND VESTING

10.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of ABPL including all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the receivables, advances, deposits etc including, without limitation, all the movables and immovable properties and assets of ABPL comprising amongst others all plant and machinery, investments, and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, licences, easements, advantages, benefits and approvals, advance and other taxes paid up to the



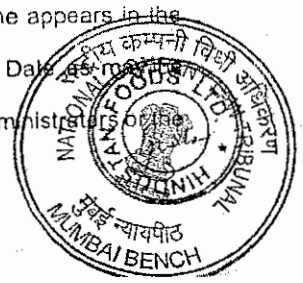
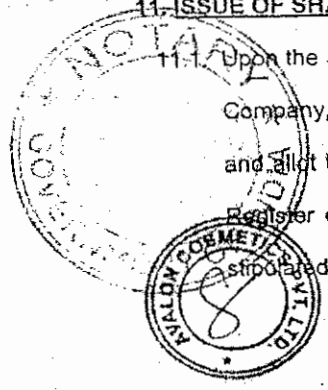
authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc, credit for service tax, sales tax / value added tax / goods and service act and / or any other statutes, incentives, if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind and description, agreements shall, pursuant to the Order of NCLT and pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in HFL on a going concern basis so as to become the assets of HFL.

10.2. The liabilities shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

10.3. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date, over the assets of the Transferor Company to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.

11. ISSUE OF SHARES BY THE TRANSFEE COMPANY PURSUANT TO MERGER

11.1. Upon the Scheme becoming effective and upon vesting of the undertaking of Transferor Company, the Transferee Company shall, without any further application or deed, issue and allot to the Shareholders of the Transferor Company whose name appears in the Register of Members of the Transferor Company as on the Record Date as mentioned herein, shares of the Transferee Company as may be determined by the Board of Directors of the Transferee Company or its other heirs, executors, administrators or assigns.



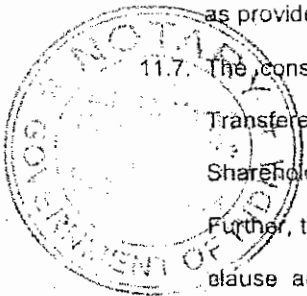
successors in title, as the case may be and to the members who shall produce details of their account with a depository participant to the Resulting Company on or before such date as may be stipulated by the Board of Directors, in the following proportion viz:

~~fully paid-up Equity Shares of the face value of Rs. 10/- each of the Company shall be issued and allotted for 16,228 Equity Shares of face value Rs. 10/- each fully paid up held by such shareholder in the Transferor Company pursuant to the Amalgamation. For the purpose of this, partly paid-up Equity Shares held by such shareholder in the Transferor Company will not be considered as the calls have not been paid up fully and the value per Equity Shares is less than the unpaid value of such calls.~~

~~fully paid-up Equity Share of the face value of Rs. 10/- each of the Company shall be issued and allotted for 16,228 Preference Shares of face value Rs. 10/- each fully paid up held by such shareholder in the Transferor Company pursuant to the Amalgamation.~~

- 11.2. Any fraction arising on issue of shares as above will be rounded off to the nearest integer.
- 11.3. The Transferee Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 11.4. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Transferee Company.
- 11.5. The Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing Equity Shares of the Transferee Company.
- 11.6. The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Transferee Company to the Shareholders of the Transferor Company, as provided in this Scheme.

- 11.7. The consideration in the form of Equity Shares shall be issued and allotted by the Transferee Company in dematerialized form subject to Clause 4.1 above to all the Shareholders of the Transferor Company holding such shares as on the Record Date. Further, the Resulting Company shall ensure that the shares so allotted pursuant to this clause are listed on the Stock Exchange where existing shares of the Transferee Company are listed.



13.6. The Transferee Company shall file the amended Memorandum and Articles of Association with the concerned Registrar of Companies.

14. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

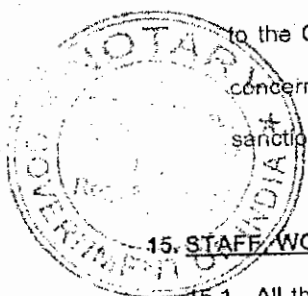
14.1. With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and deemed to have carried on its business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
- (c) The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.
- (d) The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.

14.2. 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 pursuant to this Scheme.

15. STAFF WORKMEN & EMPLOYEES

15.1. All the permanent employees of the Transferor Company who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date

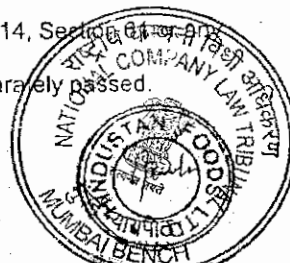


12. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary, Upon the coming into effect of this Scheme and with effect from the Appointed Date, HFL shall give effect to the accounting treatment in its books of accounts in accordance with "Indian Accounting Standard (Ind-AS) -103 – Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable to HFL.

13. CONSOLIDATION/ RE-CLASSIFICATION OF AUTHORIZED CAPITAL / MAIN OBJECTS CLAUSE OF MEMORANDUM AND ARTICLES OF ASSOCIATION

- 13.1. Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company shall automatically stand increased and re-classified without any further act, instrument or deed on the part of the Transferee Company.
- 13.2. The stamp duty or filing fees paid on the Authorized Share Capital of the Transferor Company shall be set-off against any fees payable by the Transferee Company on its Share Capital subsequent to amalgamation.
- 13.3. The Transferee Company will also suitably enhance / modify / reorganize its Authorized Share Capital at an appropriate time to inter-alia enable it to issue shares in terms of this Scheme.
- 13.4. Upon the Scheme becoming effective Clause V of the Memorandum of Association of Transferee Company shall, without any further act, instrument or deed, be substituted as follows:
- The Authorized Share Capital of the Company is Rs. 55,15,22,530 (Rupees Fifty Five Crore Fifteen Lakhs Twenty Two Thousand Five Hundred and Thirty only) Divided into 5,31,52,253 (Five Crore Thirty One Lakh Fifty Two Thousand Two Hundred and Fifty Three) Equity Shares of Rs.10/- (Rupees Ten) each and 2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each
- 13.5. The Memorandum of Association and Articles of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be stand altered, modified and amended, and the consent of the Shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 17 or any other applicable provisions of the Act, would be required to be separately passed.

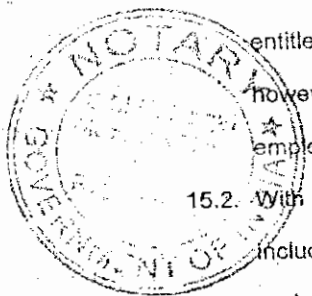


become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be considered from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be considered.

The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company;

It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees so transferred for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

15.2. With effect from the first of the dates of filing of this Scheme with NCLT and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with written consent of the Transferee Company.



16. LEGAL PROCEEDINGS

16.1. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date and relating to the Transferor Company, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Transferor Company shall be reimbursed by the Transferee Company.

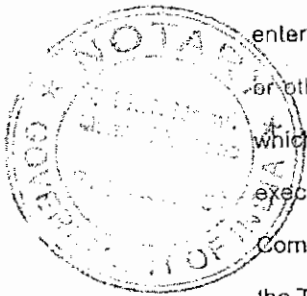
16.2. After the Effective Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in the sub-clause 16.1 above, they shall defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

17. CONTRACTS, DEEDS, ETC.

17.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Company, shall continue in full force and effect against or in favour of the Transferee Company and may be enforced effectively 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.

17.2. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf 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.



17.3. It is expressly clarified that upon the Scheme becoming effective all taxes payable by the Transferor Company from the Appointed Date onwards shall be treated as the tax liability of Transferee Company; similarly all credits for tax deduction at source, credit of MAT paid and advance tax paid on the income of Transferor Company shall be available to Transferee Company; or obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with as if so made by the Transferee Company.

17.4. All cheques and other negotiable instruments, payment orders received in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by Transferor Company for payment after the Effective Date

18. SAVING OF CONCLUDED TRANSACTIONS

18.1. The transfer of properties and liabilities under Clause 11 above and the continuance of proceedings by or against the Transferor Company under Clause 16 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 in respect thereto as done and executed on behalf of the Transferee Company.

19. WINDING UP

19.1. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

PART D:

GENERAL TERMS AND CONDITIONS

20. APPLICATION TO NCLT

20.1. The Demerged Company, the Transferor Company, the Resulting Company / the Transferee Company shall make Applications / Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.



21. MODIFICATION OR AMENDMENTS TO THE SCHEME

21.1. The Demerged Company, the Transferor Company, the Resulting Company / Transferee Company, with approval of their respective Board 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 said 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 NCLT or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of the Demerged Company, the Transferor Company, the Resulting Company / Transferee Company 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 NCLT or any other authorities under the applicable law.

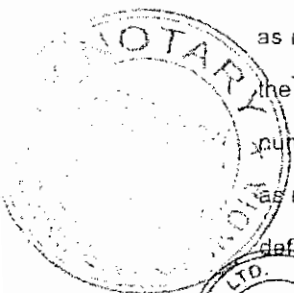
22. CONDITIONALITY OF THE SCHEME

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

22.1. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including Stock Exchange and/or Securities and Exchange Board of India which by law may be necessary for the implementation of this Scheme.

22.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company, the Transferor Company, the Resulting Company / the Transferee Company as may be directed by NCLT.

22.3. Approval of the shareholders of the Resulting Company, the Demerged Company and the Transferee Company through e-voting and/ or postal ballot and/ or any other mode as may be required under any applicable law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of the Resulting Company against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under the Rule 2 of Securities Contracts (Regulation) Rules, 1957.



22.4. The sanction of NCLT under Sections 230 to 232 in favour of the Demerged Company, the Transferor Company and the Resulting Company / Transferee Company under the said provisions and the necessary Order under Section 232 of the Companies Act, 2013 of the said Act being obtained;

22.5. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Demerged Company, the Transferor Company and the Resulting Company / Transferee Company, as may be applicable;

23. EFFECT OF NON-RECEIPT OF APPROVALS

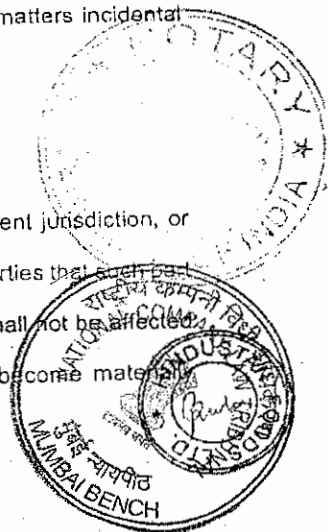
In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by NCLT or such other competent authority and / or the Order not being passed as aforesaid before 30th June, 2021 or within such further period or periods as may be agreed upon between the Demerged Company, the Transferor Company and the Resulting Company / the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

24. COSTS, CHARGES & EXPENSES

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

25. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become material



adverse to any party, in which case the Transferor Company, Demerged Company and the Transferee Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part.



Certified True Copy _____
 Date of Application 22/12/2021
 Number of Pages 33
 Fee Paid Rs. 165
 Applicant called for collection copy on 24/01/2022
 Copy prepared on 24/01/2022
 Copy issued on 24/01/2022

P. S. Sonawale
 Deputy Registrar
 National Company Law Tribunal, Mumbai Bench

