

SCHEME OF AMALGAMATION

OF

GG REAL ESTATE PRIVATE LIMITED

WITH

SITASHREE FOODS PRODUCTS LIMITED

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This Scheme of Amalgamation provides for the Amalgamation of GG Real Estate Private Limited with Sitashree Foods Products Limited pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, the following expressions shall have the following meanings: -

- 1.1 **“Act”** means the Companies Act, 1956 and any amendments and/or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means 1st April, 2012.

- 1.3 **“Appropriate Authority”** means any governmental, statutory, regulatory, departmental or public body or authority of the relevant jurisdiction, including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Company Law Board, National Company Law Tribunal and High Court.
- 1.4 **“GG Real Estate” or “the Transferor Company”** means *GG Real Estate Private Limited*; a company incorporated under the provisions of the Act, having its registered office at 385 Janki Nagar, Indore-452001, Madhya Pradesh.
- 1.5 **“Sitashree Foods” or “the Transferee Company”** means *Sitashree Foods Products Limited*; a company incorporated under the provisions of the Act, having its registered office at 332/4/2, R.D. Udyog Nagar, Palda, Indore-452001, Madhya Pradesh.
- 1.6 **“Effective Date”** means the last of the dates on which all conditions, matters and filings referred to in Clause 18 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained.

References in this Scheme to the date of **“Coming into effect of this Scheme”** or **“Upon the Scheme being effective”** shall mean the Effective Date.

- 1.7 **“High Court”** means the Hon’ble High Court of Madhya Pradesh, Bench at Indore. The term High Court shall also mean and include the jurisdictional Bench of the National Company Law Tribunal, if before coming into effect of this scheme, the provisions of the Companies Act, 1956 are amended and the powers of the High Court are delegated to the National Company Law Tribunal.
- 1.8 **“The Scheme”** or **“This Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court.
- 1.9 **“Business of the Transferor Company”** means the entire business of the Transferor Company and shall include (without limitation):
- (i) All the properties, assets and liabilities of the Transferor Company as on the Appointed Date.
 - (ii) Without prejudice to the generality of the foregoing clause, the Business of the Transferor Company shall include all the Transferor Company’s reserves and the authorised share capital, movable and immovable properties including investments, funds belonging to or utilised for the Transferor Company, bank accounts, claims, powers, authorities, allotments, share application money, approvals,

consents, permissions, registrations, contracts, engagements, arrangements, benefits arising out of statutory notifications, rights, credits, titles, interests, benefits, memberships, advantages, leasehold rights, brands, tenancy rights, other intangibles, industrial and other licences, permits, authorisations, quota rights, know-how, trade marks, designs, copyrights, patents and other intellectual properties, trade secrets, confidential information, domain names, import quotas, telephones, telex, facsimile, email, internet, leased line connections and other communication facilities and equipment and installations, utilities, electricity and other services, rights and benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, dossiers, registered/unregistered user rights and licences, lists and other details of present and former customers and suppliers, customers credit information, customer and supplier pricing information and other records in connection with or relating to the Transferor Company and all other interest, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate,

belonging to or in the ownership, power or possession or control of the Transferor Company and all debts, liabilities, contingent liabilities, warrants, duties and obligations of the Transferor Company.

2. SHARE CAPITAL

2.1 The Share Capital of the Transferor Company as on 31st December, 2012 is as under:

Particulars	Amount in ₹
Authorised:	
50,000 equity shares of ₹ 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up:	
11,000 equity shares of ₹ 10/- each	1,10,000
Total	1,10,000

Subsequent to above date, there is no change in share capital of the Transferor Company.

2.2 The present Share Capital of the Transferee Company is as under:

Particulars	Amount in ₹
Authorised:	
3,45,00,000 equity shares of ₹ 10/- each	34,50,00,000
Total	34,50,00,000
Issued, Subscribed and Paid-up:	
2,20,36,800 equity shares of ₹ 10/- each	22,03,68,000
Total	22,03,68,000

- 2.3 The Transferee Company holds the entire paid up share capital of the Transferor Company, therefore the Transferor Company is a wholly owned subsidiary of the Transferee Company.

3. RATIONALE OF THE SCHEME

The amalgamation of the Transferor Company with the Transferee Company would *inter-alia* have the following benefits:

- (a) Consolidation of the business operations of the Transferor and the Transferee Companies by way of amalgamation would lead to a more efficient utilization of capital and create a stronger base for future growth of the amalgamated entity;
- (b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash-flow generated by the combined business which can be deployed more efficiently to fund growth opportunities;
- (c) Benefit of operational synergies to the combined entity and greater leverage in operations planning and process optimization;

- (d) Cost savings are expected to flow from more focused operational efforts, rationalization and standardization of administrative expenses.

4. OPERATIVE DATE OF THE SCHEME

The Scheme shall be operative from the Appointed Date but shall become effective on the Effective Date.

5. TRANSFER AND VESTING OF BUSINESS

- 5.1 With effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Business of the Transferor Company shall, without any further act, instrument, deed, matter or thing be transferred to and be vested in and be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.
- 5.2 In respect of such of the assets of the Transferor Company as are moveable in nature, including other investments, which are otherwise capable of transfer by manual delivery or by

endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall, upon such transfer, become properties, estates, assets, rights, title, interests and authorities of the Transferee Company pursuant to Section 394 of the Act.

- 5.3 In respect of such of the assets of the Transferor Company other than those referred to in Clause 5.2 above, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.
- 5.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394 (2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement

by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

- 5.6 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394 (2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

6. LEGAL PROCEEDINGS/TAX LIABILITY

- 6.1 If any, suit, appeal, revision, demand for tax, assessment of tax liability, duty or levy or other proceedings of whatever nature (hereinafter called the “**Proceedings**”) by or against the Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Business of the Transferor Company or

anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company, if the Scheme had not been made.

- 6.2 All the taxes and duties payable by the transferor Company, including Income Tax, Service Tax, Commercial Tax, Value Added Tax, all advance tax payments, tax deducted at source, other tax liabilities or any refund and claims shall, upon the Scheme becoming effective, for all purposes, be treated as the tax liability, advance tax payments, tax deducted at source, or refunds and claims of the transferee Company. Accordingly, upon the Scheme becoming effective, pursuant to the provisions of this Scheme, the Transferee Company is expressly permitted to revise its returns particularly income tax return, tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, as may be permitted under the relevant law for the time being in force.

7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 7.1 Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is party, or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect on the Effective Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 7.2 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, execute deeds, writings or confirmations in favour of any party to any contract or arrangement to which any of 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 formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 5 above and the continuance of the Proceedings by or against the Transferee Company under Clause 6 above shall not effect any transaction or Proceedings already concluded by the Transferor Company prior to the coming into effect of this Scheme to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

9. EMPLOYEES

- 9.1 The employees of the Transferor Company, if any, who are in service on the Effective Date, shall become the employees solely of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are not less favorable than those applicable to them as employees of the Transferor Company on the Effective Date.

- 9.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company, upon the Scheme being effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds and the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the trust deeds or other documents, provided that, if the Transferee Company finds it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, fund, trusts etc.
- 9.3 The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Companies with any employees of the Transferor Companies. The Transferee Company agrees that for the purpose of payment

of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and further agrees and undertakes to pay the same as and when payable.

10. CONDUCT OF BUSINESS TILL EFFECTIVE DATE AND SAVING OF CONCLUDED TRANSACTIONS AND PROCEEDINGS

With effect from the Appointed Date and up to and including the effective date:

- 10.1 The Transferor Company shall carry on and be deemed to have been carrying on all businesses and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all its properties, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 10.2 Any income or profits accruing or arising to the Transferor Company and all costs, charges, expenses and losses arising or incurred by the Transferor Company shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses as the case may be, of the Transferee Company.

- 10.3 The Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and utmost business prudence and shall not undertake any new business or substantial expansion or their existing business or change the general character or nature of their business except with the concurrence of the Transferee Company.
- 10.4 The Transferor Company shall not, without the written consent of the Transferee Company, sell, transfer, alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its properties, except as is necessary in the ordinary course of the business.

11. MERGER OF SHARE CAPITAL AND CANCELLATION OF SHARES

Upon the Scheme being effective, and in consideration of the transfer of and vesting of the Business of the Transferor Company in the Transferee Company in terms of the Scheme:

- 11.1 in consideration of the transfer of and vesting of the undertaking of the transferor company to the transferee company in terms of the Scheme the authorised share capital of the transferor company shall merge in the authorised share capital of the transferee company and the authorised share capital of the transferee company after the scheme coming into effect, shall

without any further act or deed be automatically increased from Rs.34,50,00,000/- (Rupees thirty four crores fifty lacs) divided into 3,45,00,000 (Three crores forty five lacs) equity shares of Rs.10/- (Rupees ten) each to Rs.34,55,00,000/- (Rupees thirty four crores fifty five lacs) divided into 3,45,50,000 (Three crores forty five lacs fifty thousand) equity shares of Rs.10/- (Rupees ten) each and consequently Clause V of the Memorandum of Association of the transferee company (relating to authorised share capital) shall without any further act, instrument or deed be stand altered, modified and amended pursuant to Sections 16, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

V. The authorised share capital of the Company shall be Rs.34,55,00,000/- (Rupees thirty four crores fifty five lacs) divided into 3,45,50,000 (Three crores forty five lacs fifty thousand) equity shares of Rs.10/- (Rupees ten).

11.2 The Transferee Company is holding the entire shareholding (100%) of the transferor company in its own name and in the name of its nominee in terms of provisions of Section 49 of the Companies Act, 1956 and therefore the Transferor Company is a wholly owned subsidiary company of the Transferee Company. Upon the scheme being effective, the entire paid-up share

capital in the aforementioned Transferor Company shall stand cancelled and extinguished and in lieu thereof no allotment of any fresh shares in the Transferee Company shall be made to any member/person whatsoever;

- 11.3 the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company and its nominee members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the appointed date;
- 11.4 the Transferee Company shall not be required to file any form or document concerning the increase in the authorised share capital with the Office of the Registrar of Companies, Madhya Pradesh and the authorized share capital of the transferee company as above shall, without any further act or deed or payment of fee shall automatically be increased.

12. ACCOUNTING TREATMENT

- 12.1 The Transferee Company shall account for the present amalgamation in the nature of merger in its books in accordance with Accounting Standard-14 under the “pooling of interest method”, pursuant to which the assets and liabilities and reserves of the Transferor Company will be recorded in the books of the Transferee Company at its carrying amounts as on

the Appointed Date. The Transferee Company shall also comply with all applicable accounting standards, accounting policies and practices prescribed by the Institute of Chartered Accountants of India from time to time.

12.2 No adjustment is intended to be made to the book value of the assets and liabilities of the Transferor Company when they are incorporated in the books/financial statements of the Transferee Company.

12.3 No conflict of accounting policies between the Transferor Company and the Transferee Company is envisaged.

12.4 All debit and credit balances of the Transferor Company shall be incorporated in the books of the Transferee Company as they existed in the Transferor Company books.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme being effective, the Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

14. DIVIDENDS

Dividends (interim or final) in respect of the period commencing from the Appointed Date may be declared or paid by the Transferor Company or the Transferee Company on written consent of Board of Directors of the Transferee Company only.

15. APPLICATION TO HIGH COURT

The Transferor and the Transferee Companies shall with all reasonable dispatch, make applications/petitions to the High Court under Sections 391 and 394 and other applicable provisions of the Act for sanctioning and carrying out of this Scheme.

16. APPROVALS AND MODIFICATIONS

- 16.1 The Transferor and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to the Scheme, or to any conditions or limitations which either the Board of Directors of the Transferor and the Transferee Company may deem fit or which the High Court and/or competent authorities, if any, under the law may deem fit to approve of or impose, and which the Transferor Company and the Transferee Company may in their discretion, deem fit, and to resolve all doubts or difficulties that

may arise in carrying out and implementing this Scheme and to do all acts, instruments, deeds, matters and things necessary or to review the position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing the Scheme into effect. In the event of any of the conditions that may be imposed by the High Court or other authorities which the Transferor Company and the Transferee Company may find unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Board of Directors, or a committee of the concerned Board of Directors, or any director or employee duly authorised in that behalf by the Board of Directors (hereinafter referred to as the “**Delegates**”).

- 16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, or additions thereto, the Delegate(s) of the Transferor Company or the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be,

shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

17. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to:

- 17.1 The scheme shall be subject to approval of the shareholders of the Transferee Company, which is a listed company, by way of a special resolution passed at a duly convened meeting of its shareholders at which an option shall be available to the shareholders for voting through postal ballot and e-voting and the special resolution shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- 17.2 The Scheme being agreed to by the requisite majority of the Members and Secured & Unsecured Creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite order of the High Court referred to in Clause 16 above being obtained;
- 17.3 such other sanctions and approvals of the Appropriate Authorities being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required; and

- 17.4 the certified copies of the High Court order sanctioning the Scheme, being filed with the Registrar of Companies, Madhya Pradesh.

18. COST, CHARGES AND EXPENSES

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

19. EFFECT OF NON RECEIPT OF SANCTION

In the event of this Scheme not becoming effective as may be agreed to by the respective Board of Directors of the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter-se* by the parties or their shareholders or creditors or employees or any other person. In such case each company shall bear its own costs or as may be mutually agreed amongst themselves.
