

HIMALCHULI FOOD PRODUCTS LIMITED

Reg. Off : B-102, Saraswati Apt. Radhakrishna, Marg Mogra
Village, Andheri (East), Mumbai - 400069
Phone: 022-26875180
Email : himalchulifoodproducts@gmail.com
Website: www.hfpltd.in
CIN: L15400MH1986PLC316001

Date: 22/10/2019

To
The Manager
Department of Corporate Services
BSE Ltd.
Dalal Street, Fort
Mumbai – 400 001

**Sub.:- Submission of Notice and Explanatory statement of the NCLT
Convene meeting**

Ref.:- Scrip Code – 511169

Dear Sir / Madam,

We are submitting herewith the Notice and Explanatory statement of the NCLT Convene meeting to be held on 22nd November, 2019 at 3.00 p.m. pursuant to the order passed by the National Company Law Tribunal, Mumbai on 27th September, 2019 in the matter of composite Scheme of Amalgamation of RKD trendy Retailers Private Limited with Himalchuli Food Products Limited under section 230 to 232 read with section 66 of the Companies Act, 2013.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

FOR HIMALCHULI FOOD PRODUCTS LIMITED



**NILESH SAVLA
DIRECTOR**

Encl: as above

| |
|---|
| NOTICE - EQUITY SHAREHOLDERS |
|---|

HIMALCHULI FOOD PRODUCTS LIMITED
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Village, Andheri (East), Mumbai - 400069
Website: www.hfpltd.in Email :himalchulifoodproducts@gmail.com
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**MEETING OF THE EQUITY SHAREHOLDERS
WHICH INCLUDES PUBLIC SHAREHOLDERS
OF**

HIMALCHULI FOOD PRODUCTS LIMITED

*(convened pursuant to an order dated 27th day of September, 2019 passed by the National Company Law
Tribunal, Bench at Mumbai)*

MEETING:

| | | |
|--------------|---|---|
| Day | : | FRIDAY |
| Date | : | 22 nd November, 2019 |
| Time | : | 3.00 p.m. |
| Venue | : | Hotel Sai Palace, Mahakali Caves Road, Chakala, Andheri (east), Mumbai-400093 |

POSTAL BALLOT AND E-VOTING:

| | | |
|-----------------------|---|---------------------------------|
| Start Date and | : | 23 rd October, 2019 |
| End Date and | : | 21 st November, 2019 |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI
COMPANY SCHEME APPLICATION NO. 2463 OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232
read with Section 66 of the Companies Act, 2013 and
other applicable provisions of the Companies Act, 2013

AND

In the matter of Himalchuli Food Products Limited, a
Company incorporated under the provisions of the
Companies Act, 1956

AND

In the matter of Scheme of Arrangement and
Amalgamation of RKD Trendy Retailers Private Limited
(‘the Transferor Company’), with Himalchuli Food
Products Limited (‘the Transferee Company’)

Himalchuli Food Products Limited,)
a company incorporated under the)
Companies Act, 1956 and having its)
Registered Office at B-102, Saraswati Apt)
RadhakrishnaMarg, MograVillage,)
Andheri (East), Mumbai 400069.)

....the Applicant / Transferee Company

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS (WHICH INCLUDES
PUBLIC SHAREHOLDERS) OF THE APPLICANT COMPANY**

To,

All the equity shareholders of Himalchuli Food Products Limited(“HFPL” or the "Applicant Company"):

NOTICE is hereby given that by an Order dated 27th day of September, 2019(the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Mumbai ("**NCLT**") has directed a meeting to be held of the Equity Shareholders of the Applicant Company for the purpose of considering, and if

thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation between RKD Trendy Retailers Private Limited and Himalchuli Food Products Limited and their respective shareholders ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Equity Shareholders of the Applicant Company will be held at Hotel Sai Palace, Mahakali Caves Road, Chakala, Andheri- 400093 on Friday, 22nd day of November, 2019 at 3.00 p.m.. (1500 hours) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the observation letters issued by BSE Limited dated 2nd May, 2019 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Mumbai ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the composite Scheme of Amalgamation between RKD Trendy Retailers Private Limited and Himalchuli Food Products Limited and their respective shareholders ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at B-102, Saraswati Apt, Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai 400069., not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the Registered Office of the Applicant Company.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (*as defined in the Notes below*), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) ballot or polling paper at the venue of the meeting to be held on Friday, 22nd day of November, 2019.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the Registered Office of the Applicant Company at B-102, Saraswati Apt, RadhakrishnaMarg, Mogra Village, Andheri (East), Mumbai 400069 or at the office of its advocates, Dua Associates, 116, Free Press House, 11th floor, 215, Backbay Reclamation III, Nariman Point, Mumbai - 400 021.

NCLT has appointed Mr. Nilesh Savla, Director of the Applicant Company and in his absence, Mrs. Meena Savla, a Director of the Applicant Company to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-
Nilesh M Savla
DIN:- 05354691

Chairman appointed for the meeting

Dated this 17th October, 2019

Registered office:

B-102, Saraswati Apt,
RadhakrishnaMarg, Mogra Village,
Andheri (East), Mumbai 400069

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors ("**RFPI**") or Foreign Institutional Investors ("**FII**"), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the Equity Shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered Equity Shareholder of the Applicant Company may attend and vote at the meeting of the Equity Shareholders of the Applicant Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the Equity Shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the Registered Office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the Equity Shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) Equity Shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the Registered Office of the Applicant Company.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an Equity Shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
6. NCLT by its Order has directed that a meeting of the Equity Shareholders of the Applicant Company shall be convened and held at Hotel Sai Palace, Mahakli Caves Road, Chakala, Andheri (e), Mumbai-400093 on Friday, 22nd day of November, 2019 at 3.00 p.m.. (1500 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
7. In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises,

Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (*as defined below*), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Equity Shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) ballot or polling paper at the venue of the meeting to be held on 22nd day of November, 2019.

8. The quorum of the meeting of the Equity Shareholders of the Applicant Company shall be as prescribed under Section 103 of the companies Act, 2013 i.e. 15 (Fifteen) Equity Shareholders of the Applicant Company, present in person.
9. A registered Equity Shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
10. The registered Equity Shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
11. The registered Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited ("**NSDL**")/ Central Depository Services (India) Limited ("**CDSL**") in respect of such joint holding, will be entitled to vote.
12. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 11.00 a.m. and 5.00 p.m. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
13. Equity Shareholders (which includes Public Shareholders) holding equity shares as on 18th October, 2019 being the cut off date, will be entitled to exercise their right to vote on the above resolution.
14. The Notice, together with the documents accompanying the same, is being sent to all the Equity Shareholders either by registered post or airmail or by courier or by speed post or by hand delivery or electronically by e-mail to those Equity Shareholders who have registered their e-mail ids with the Applicant Company/Registrar and Share Transfer Agents/ NSDL / CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL/ CDSL as on 18th October, 2019. The Notice will be displayed on the website of the Applicant Company www.hfpltd.in and on the website of CDSL.

15. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut off date i.e. 18th October, 2019 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 22nd November, 2019. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of Equity Shareholders (which include Public Shareholders) as on 18th October, 2019. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 18th October, 2019 should treat this notice for information purposes only.
16. The voting by the Equity Shareholders (including the Public Shareholders) through the postal ballot or e-voting shall commence at 9.00 a.m. on 23rd October, 2019 and shall close at 5:00 p.m. on 21st November, 2019.
17. The notice convening the meeting will be published through advertisement in (i) Business Standard (Mumbai Edition) in English language; and (ii) translation thereof in Nav-Shakti (Mumbai Edition) in Marathi-language.
18. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the Equity Shareholders (which include Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly. In terms of SEBI Circular the Applicant Company has provided the facility of voting by postal ballot and e-voting to its Public Shareholders.

NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its Equity Shareholders, which includes Public Shareholders, and the voting in respect of the Equity Shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.

19. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Equity Shareholders of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
20. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

21. The Applicant Company has engaged the services of Central Depository Services (India) Limited ("**CDSL**"). for facilitating e-voting for the said meeting to be held on 22nd November, 2019 for Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 34 below.
22. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders' voting in physical form is requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot form by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Applicant Company's website www.hfpltd.in or seek duplicate postal ballot form from the Applicant Company.
23. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 21st day, November, 2019. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an Equity Shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.
24. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
25. The vote on postal ballot cannot be exercised through proxy.
26. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
27. The postal ballot form should be completed and signed by the Equity Shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named Equity Shareholder and, in his/her absence, by the next named Equity Shareholder. Holder(s) of Power of Attorney ("**PoA**") on behalf of an Equity Shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.
28. CS Sanjay B. Shringarpure, Partner, or in his absence Mr. Narayan Parekh (ACS - 8059) PRS Associates, Company Secretaries, Mumbai has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner.
29. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public Shareholders, of the Applicant Company through (i) e-voting process, (ii) postal ballot and (iii) ballot or polling paper at the venue of the meeting. The scrutinizer will also submit a separate report with regard to the result of the postal ballot and e-voting in respect of Public shareholders. The scrutinizer's decision on the validity of the vote (including e-votes)

shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot and (iii) ballot or polling paper at the venue of the meeting including the separate results of the postal ballot and e-voting exercised by the Public Shareholders will be announced on or before 24th November, 2019 at the Registered Office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the Registered Office of the Applicant Company, on the website of the Applicant Company, www.hfpltd.in and on the website of CDSL, www.evotingindia.com besides being communicated to BSE Limited, National Stock Exchange of India Limited.

30. The Equity Shareholders of the Applicant Company (which includes Public Shareholders) can opt only one mode for voting i.e. by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/ she should not vote by postal ballot form also and vice versa. However, in case Equity Shareholder(s) (which includes Public Shareholder(s)) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
31. The Equity Shareholders of the Applicant Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.
32. The voting through postal ballot and e-voting period will commence at 9.00 a.m. (900 hours) on Wednesday, 23rd day of October, 2019 and will end at 5.00 p.m. (1700 hours) on Thursday, the 21st November, 2019. During this period, the Equity Shareholders (which includes Public Shareholders) of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cutoff date, i.e. 18th October, 2019 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by CDSL for voting on 21st November, 2019 at 5.00 p.m. (1700 hours). Once the vote on the resolution is cast by an Equity Shareholder, he or she will not be allowed to change it subsequently.
33. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Nilesh Savla, Director of the Applicant Company at the Registered Office of the Company. Any query/grievance related to the e-voting may be addressed to National Securities Depository Limited, 4th Floor, A wing, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. E-mail: evoting@nsdl.co.in Phone 1800-222-990.

34. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the Equity shareholders to cast their votes electronically on the resolution mentioned in the Notice convening the meeting of the equity shareholders of the company (NCLT

convened Meeting). The facility of casting the votes by the members using an electronic voting system from a place other than venue of the NCLT convened Meeting (“remote e-voting”) will be provided by Central Depository Services (India) Limited (“CDSL”).

The facility for voting through ballot paper shall be made available at the NCLT convened Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the NCLT Convened Meeting may also attend the NCLT Convened Meeting but shall not be entitled to cast their vote again.

The process and manner for remote e-voting are as under:

The voting period begins on 23rd day of October, 2019 (9:00 am) and ends on 21st day of November, 2019 (5:00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th day of October, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website www.evotingindia.com.

Click on Shareholders / Members

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0’s</p> |

| | |
|--|---|
| | your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d). |

After entering these details appropriately, click on “SUBMIT” tab.

Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant Company name i.e. KJMC Financial Services Limited on which you choose to vote.

On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone

Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Member can cast their vote online from 9:00 A.M on 23rd day of October, 2019 to 5:00 P.M on 21st day of November, 2019.

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut- off date , being 18th day of October, 2019

The Board of Directors have appointed Mr. Narayan Parekh, Company Secretary in practice and in his absence Mr. Sanjay Shringarpure as a Scrutinizer to scrutinize the e- voting process in a fair and transparent manner

The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the e-voting unblock the votes in the presence of at least two (2) witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.

The results on resolutions shall be declared on or after the Meeting of the Company and the resolution will be deemed to be passed on the NCLT convened Meeting date subject to receipt of the requisite number of votes in favor of the Resolution (s)

The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, www.hfpltd.com and Service provider's Website (www.evotingindia.com) within 2 days of the passing of the resolutions at the NCLT convened Meeting of the Company and communicated to the Stock Exchanges

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI
COMPANY SCHEME APPLICATION NO. 2463 OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232
read with Section 66 of the Companies Act, 2013 and
other applicable provisions of the Companies Act, 2013

AND

In the matter of Himalchuli Food Products Limited, a
Company incorporated under the provisions of the
Companies Act, 1956

AND

In the matter of Scheme of Arrangement and
Amalgamation of RKD Trendy Retailers Private Limited
(‘the Transferor Company’), with Himalchuli Food
Products Limited (‘the Transferee Company’)

Himalchuli Food Products Limited,)
a company incorporated under the)
Companies Act, 1956 and having its)
Registered Office at B-102, Saraswati Apt)
RadhakrishnaMarg, MograVillage,)
Andheri (East), Mumbai 400069.)

....the Applicant / Transferee Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF
THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated 27th day of September, 2019, passed by the Hon'ble National Company Law Tribunal, Bench at Mumbai (the "NCLT"), in Company Scheme Application No. 2463 of 2019 ("Order"), a meeting of the Equity Shareholders of Himalchuli Food Products Limited (hereinafter referred to as the "Applicant Company" or the "Transferee Company" or "HFPL" as the context may admit) is being convened at Hotel Sai Palace, Mahakali Caves Road, Chakala, Andheri (East), Mumbai – 400093 on Friday, the 22nd day of November, 2019 at 3.00 p.m.. (1500 hours), for the purpose of considering, and if thought fit, approving,

with or without modification(s), the Scheme of Amalgamation of RKD Trendy Retailers Private Limited (hereinafter referred to as the "**Transferor Company**" or "**RKD**" as the context may admit) with Himalchuli Food Products Limited (hereinafter referred to as the "**Transferee Company**" or "**HFPL**" as the context may admit) and their respective shareholders under Sections 230 - 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). RKD and HFPL are together referred to as the "**Companies**". A copy of the Scheme, which has been, inter alia, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 31st December, 2018, is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

2. In terms of the said Order, the quorum for the aforesaid meeting of the Equity Shareholders of the Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013 which shall be 15 (Fifteen) equity shareholders present in person. Further in terms of the said Order, NCLT, has appointed Mr. Nilesh Savla, Director of the Applicant Company and in his absence, Mrs. Meena Savla, a Director of the Applicant Company as the Chairman of the meeting of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at Hotel Sai Palace, Mahakali Caves Road, Chakala, Andheri (East), Mumbai – 400093 on Friday, the 22nd day of November, 2019 at 3.00 p.m. (1500 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated 10th Day of March, 2017 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot or e-voting. Since, the Applicant Company is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The notice sent to the Equity Shareholders (which include Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities

Contracts (Regulations) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly.

NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its Equity Shareholders, which includes Public Shareholders, and the voting in respect of the Equity Shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.

The scrutinizer appointed for conducting the postal ballot and e-voting process will however submit his separate report to the Chairman of the Applicant Company after completion of the scrutiny of the postal ballot including e-voting submitted/cast by the Public Shareholders so as to announce the results of the postal ballot and e-voting exercised by the Public Shareholders of the Applicant Company. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

5. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the Equity Shareholders, of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
6. In terms of the Order dated 27th day of September, 2019, passed by the NCLT, in Company Scheme Application No 2463 of 2019, if the entries in the books /register /depository records of the Applicant Company in relation to the number or value, as the case may be, of the Equity Shares are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting and his decision in that behalf would be final.

Particulars of HIMALCHULI FOOD PRODUCTS LIMITED (HFPL)

7. Himalchuli Food Products Limited was incorporated as a Public Limited Company on April 30, 1986 under the name and style Saheli Leasing and Finance Limited under the provisions of the Companies Act, 1956 and obtained a certificate of Commencement of Business in the month of June 16, 1986. The name of the Company was subsequently changed to Saheli Leasing and Industries Limited on 27th February, 1991. The name of the Company was further changed to Himalchuli Food Products Limited and a fresh certificate of incorporation No. L15400GJ1986PLC008652 subsequent to change of name was received from the Registrar of Companies, Gujarat at Ahmedabad on March 24, 1999 (hereinafter referred to as the "HFPL"). The Registered office of the Company has been shifted to the state of Maharashtra on 10th September, 2018 and a CIN No. of the Company has been changed to L15400MH1986PLC316001.. There has been no further change in the name of HFPL in the

last five (5) years. The Permanent Account Number of HFPL is AADCS3048L The shares of HFPL are listed on BSE Limited (BSE).

8. The Registered office of the Applicant/Transferee Company is at presently situated at B-102, Saraswati Apartments, Dr. Radhakrishna Road Andheri (East) Mumbai- 400069 and is within the jurisdiction of this Hon'ble NCLT Bench, Mumbai. There has been change in the registered office address of HFPL in the last five (5) years. The Registered office of the Company has been shifted from State of Gujarat to the state of Maharashtra on 10th September, 2018 to its present address. The e-mail address of HFPL is himalchulifoodproducts@gmail.com
9. The objects for which HFPL has been established are set out in its Memorandum of Association. The main objects of HFPL are as follows:
 - To carry on business of buyers, sellers, manufacturers, producers, brokers, buying agents, selling agents, packers, re-packers, commission agents, factors, distributors, stockiest, agents, traders and suppliers and dealers in cakes, pastry, cornflake, bread, biscuits, chocolates, confectionery, sweets, fruits, drops, sugar, glucose, chewing gums, milk cream, butter, ghee, pickles, jam jellies, poultry, eggs, pulses, honey, coffee, tea and all types of materials required for consumption as food.
 - To cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items.
 - To acquire, purchase, lease, conduct or otherwise land for farming, to establish and run farms to carry on the business of agriculture, horticulture, dairy farming, animal husbandry and to carry out any process connected with any one or more such products, store farm products and deal and sale of articles of farm product.

There has been change in the object clause of HFPL in the last 5 years. HFPL had passed a special resolution to alter its object clause on 13th April, 2018 by postal ballot and the Registrar of Companies, Ahmedabad has issued a certificate of Registration of the Special Resolution Confirming Alteration of Object Clause on 23rd May, 2018.

10. The Company has no other business other than what is stated herein above. Further, the Company has no subsidiary or any associate Company except the Transferor Company. The details of the Transferor Company are given at point No. 13 of this explanatory statement.
11. The Authorised, Issued, Subscribed and Paid up Share Capital of HFPL as on 31st March 2019 and as on date is as follows:

| Share Capital | Amount in Rs. |
|--|----------------------|
| Authorised Share Capital | |
| 70,00,000 Equity Shares of Rs. 10/- each | 7,00,00,000 |
| Total | 7,00,00,000 |
| Issued, Subscribed and Paid Up Capital | |
| | |
| 19,00,000 Equity Shares of Rs. 10/- each | 1,90,00,000 |
| Amount as shown in the audited Financial Statement for the year ended March ,2019 | 1,90,00,000 |

12. Subsequent to 31st March, 2019, there is no change in the Authorised, issued, subscribed and paid up share capital of HFPL.

Particulars of RKD TRENDY RETAILERS PRIVATE LIMITED (RKD)

13. RKD Trendy Retails Private Limited the RKD/Transferor Company was incorporated as a Public Limited Company under the Companies Act, 1956, on 22nd October, 2012 in the state of Maharashtra. The CIN of the Company is U52100MH2012PTC237067. There has been no further change in the name of RKD in the last five (5) years. The Permanent Account Number of RKD is AAGCR1168M. The equity shares of RKD are not listed on any stock exchanges.
14. The Registered Office of RKD is situated at B-102, Saraswati Apartments, Dr. Radhakrishna Road Andheri (East) Mumbai- 400069 There has been no change in the Registered Office address of RKD in last five (5) years. The e-mail address of RKD is royalcopy@gmail.com
15. The objects for which RKD has been established are set out in its Memorandum of Association. The main object of RKD are, inter alia, as follows:

RKD is engaged in the business of Trading, marketing, selling and distribution of various product as relating to all kinds of textiles, clothes, Readymade apparels and accessories, Leather wears, Groceries, Pharmaceuticals, Cosmetics and Medical Preparations, forest products, Agricultural Products, Dairy Products, Food articles, etc.

The Transferor Company is an Unlisted Public Limited Company and its shares are not listed on any stock exchange

16. The Authorised, Issued, Subscribed and Paid up Share Capital of RKD as on 31st day of March 2019 is as under.

| Share Capital | Amount in Rs. |
|---|----------------------|
| Authorised Share Capital | |
| 2,50,000 Equity Shares of Rs.10/- each | 25,00,000 |
| Total | 25,00,000 |
| Issued, Subscribed and Paid Up Capital | |
| 10,000 Equity Shares of Rs. 10/- each | 1,00,000 |
| Total | 1,00,000 |

Subsequent to 31st March, 2019, there is no change in the Authorised, issued, subscribed and paid up share capital of RKD.

Description and Objective of the Scheme

17. The Scheme provides for, inter alia,

- I. The amalgamation of RKD Trendy Retailers Private Limited with Himalchuli Food Products Limited.
- II. To reduce the face value of the Equity Share of HFPL from Rs. 10/- to Re. 1/- by cancelling of 19,00,000 Equity Shares of Rs. 9/- each amounting to Rs.1,71,00,000/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account
- III. dissolution without winding up of RKD
- IV. merger of the authorised share capital of RKD with the authorised share capital of HFPL
- V. various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

18. The objective is stated in Clause B of the Scheme is as under:

- a. Continuous losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of Transferee Company.
- b. For ensuring that the financial statements of the Company reflect the real picture and the Capital which is lost, is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of share capital of the Transferee Company.
- c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share Capital.
- d. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- e. This Composite Scheme of Arrangement and Amalgamation is presented with a view to achieve Restructuring of the Transferee company which would result in increase in the net worth of the Transferee Company and improvement in financial health as more business activities shall be

brought into the Transferee Company thereby preventing it from becoming a sick company.

- f. The restructuring of the Transferee Company proposed under the Scheme does not envisage any payment to any shareholder of any paid-up share capital.
- g. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- h. Himalchuli Food Products Limited and RKD Trendy Retailers Private Limited both are with a view to take advantage of consolidation in the current competitive environment, it is proposed to consolidate operations and amalgamate the two companies, which would result in benefits from economies of scale of operations and increased market share.
- i. Simplified group and business structure.
- j. Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- k. Better 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 organic and inorganic growth opportunities, to maximize shareholder value.
- l. The amalgamated company will have the benefit of synergy, optimum use of manpower for executing and management of various projects, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- m. Pursuant to the implementation of the Scheme, the objects of the Transferor Company and the Transferee Company can be conveniently, advantageously and economically carried on by a single entity.
- n. The restructuring proposed under the Scheme will not affect the normal business operations of the Transferee Company, but would improve the same.

Major Developments / Actions post announcement of the Scheme

- 19. There are no major developments / actions have taken place since announcement of the scheme.

Corporate Approvals

- 20. The proposed Scheme was placed before the Audit Committee of HFPL at its meeting held on 31st day of December, 2018. The Audit Committee took into account the Valuation Report, dated 31st day of December, 2018, issued by M/s. Yogesh N. Shah & Co (“**Valuation Report**”) and the fairness opinion, dated 31st day of December, 2018, provided by Ashika Capital Limited, a Category I Merchant Banker, (“**Fairness Opinion**”) appointed

for this purpose by HFPL. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of Himalchuli Food Products Limited.

21. The Scheme along with the Valuation Report was placed before the Board of Directors of HFPL, at its meeting held on 31st December, 2018. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of HFPL. Based on the aforesaid, the Board of Directors have approved the Scheme. The meeting of the Board of Directors of HFPL, held on 31st Day of December, 2018, was attended by 4 (Four) directors. None of the directors of HFPL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of HFPL who attended and voted at the meeting.
22. The Scheme along with the Valuation Report was placed before the Board of Directors of RKD, at its meeting held on 31st day of December, 2018. Based on the aforesaid, the Board of Directors of have approved the Scheme. The meeting of the Board of Directors of RKD , held on 31st December, 2018 was attended by both the Directors namely Mr. Nilesh Savla and Mrs. Meena Savla. None of the directors of RKD who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of RKD who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

23. BSE has been appointed as the designated stock exchange by HFPL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. HFPL has received observation letters regarding the Scheme from BSE on 2nd day of May, 2019. In terms of the observation letters of BSE , inter alia, conveyed their no objection for filing the Scheme with the Hon'ble National Company Law Tribunal with a note that the observations of the SEBI shall be incorporated in the Company Petition to be filed with the NCLT. The Company has also included the said observation in the Scheme under the heading Miscellaneous- SEBI OBSERVATIONS. Copy of the observation letter dated 2nd May, 2019 received from the BSE, is enclosed as **Annexure 4** .
24. As required by the SEBI Circular, HFPL had filed the complaints report with BSE on This report indicates HFPL has received no complaints. A copy of the complaints report submitted by HFPL to BSE, dated 8th March, 2019 is enclosed as **Annexure 5**.
25. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
26. The applications along with the annexure thereto (which includes the Scheme) were filed by RKD on 4th July, 2019 and by HFPL on 4th July, 2019 with the NCLT.

27. This notice convening Meeting of the Equity Shareholders of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. www.hfpltd.in and being sent to Securities and Exchange Board of India and BSE Limited for placing on their website.

Salient extracts of the Scheme

28. The salient extracts of the Scheme are as Under:

(i) The Appointed Date as per the Scheme is 1st April, 2018

A) "**Transferred Undertaking**" means and includes the whole of the undertaking of the Transferor Company together as a going concern , as on the Appointed Date (further details of which are set out in Paragraph 5.2.1 thereof), and includes:

- i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including without limitation current assets, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received , provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, GST, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)
- ii. all immovable properties (i.e. land together with the buildings and structures standing thereon or under construction)(whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises and documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;
- iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments");
- iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of

every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

- v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, GST, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;
- vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company are parties, or to the benefit of which the Transferor Company may be eligible ("Contracts")
- vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");
- viii. all employees of the Transferor Company, whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ("Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ("Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;
- ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");
- x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the

Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

- xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referable or related to the Transferor Company, including all credits under Income Tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and
- xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

B) Interpretations

In this Scheme, unless the context otherwise requires:

- i. References in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;
- ii. References to the singular include a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
- iii. Reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;
- iv. Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- v. References to a paragraph shall be deemed to be a reference to a paragraph or Schedule of this Scheme;
- vi. Reference to the words 'hereof', 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;
- vii. References to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

C) any reference to any statute or statutory provision shall include:

- i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

- ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

D) 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 National Company Law Tribunal or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

Note: You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

E) Financial Restructuring and Reconstruction of HIMALCHULI FOOD PRODUCTS LIMITED

Himalchuli Food Products Limited is a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at B-102, Saraswati Apt Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai 400069. The company is engaged in the business of To cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items However there are no much business activities.

The share capital structure of the Company as on March 31, 2018 is as follows:

| SHARE CAITAL | Amt. in Rupees |
|--|--------------------|
| Authorised Share Capital | |
| 70,00,000 Equity Shares of Rs. 10/- each | 7,00,00,000 |
| Issued, Subscribed and Fully Paid Up Capital | |
| 19,00,000 Equity Shares of Rs. 10/- each | 1,90,00,000 |
| TOTAL | 1,90,00,000 |

A summarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2018 is as under:

| PARTICULARS | Amount (In Rupees) 31.03.2018 |
|------------------------------|-----------------------------------|
| Paid up Capital | 1,90,00,000 |
| Long term Borrowings | 0 |
| Current Liabilities | 94,96,419 |
| Current Assets | 4,44,539 |
| Non Current Assets | 32,595 |
| Non Current Investments | 0 |
| Revenue from Operations | 4,82,166 |
| Indirect Income | 0 |
| Total Revenue | 4,82,166 |
| Expenditure | 5,77,858 |
| Profit / (Loss) for the year | (95,692) |
| Reserves & Surplus | (2,79,80,760) |

As per the last audited Balance Sheet as at 31st March, 2018 the Company has accumulated losses of Rs. 2,95,20,216 /-.

Due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative.

The promoter of the Company planned strategy to revive the Company with the financial help of Business associates.

The Board of Directors of the Company propose to reduce share capital in accordance with Section 66 of the Companies Act, 2013 to reflect its assets and liabilities at their real value and maximize its business value.

Broadly, the objectives of the financial restructuring are as under:

- a. Continuous losses have substantially wiped off the value represented by the Capital, reserves and surplus and accordingly the financial statements do not reflect the correct picture of the health of the Company.
- b. For ensuring that the financial statements of the Company reflect the real picture and the Capital, reserves and surpluses which are lost are not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.
- c. Since writing off losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share

capital whereby the Company would write off Part off its debit balance of Profit and Loss Account.

- d. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- e. The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value. Further, there would be a positive impact on the various key financial ratios such as Net Profit Margin, Return on Capital Employed, and Return on Net worth etc.
- f. The restructuring will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- g. There is no cash outflow from the Company.
- h. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- i. Accordingly, the Board of Directors of the Company at their meeting held on 31st December, 2018 has considered necessary to carry out financial restructuring so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

F) APPLICABILITY OF THE SCHEME

Applicability of the Scheme of Arrangement:

- i. upon sanction of this Scheme, the Authorised share capital of theHimalchuli shall automatically converted without any further act, instrument or deed on the part of the Company into Face value of Re. 1/- per shares and the Memorandum of Association and Articles of Association of the Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14 and 62 and other applicable provisions of the Act, as the case may be.
- ii. Consequent upon the restructuring, the authorized share capital of the Company will be Rs. 7,00,00,000/- (Rupees SevenCrores Only) comprising of 7,00,00,000 (Seven crore only) Equity Shares of Re. 1 / - each (Rupee one each) It is clarified that the approval of the members of the

Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Company as may be required under the Act.

- iii. The existing issued, subscribed and paid up Equity share capital of the Company shall be reduced from Rs. 1,90,00,000/- divided into 19,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid upto Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re. 1/- (Rupee One only) each and that such reduction be effected by cancelling of 19,00,000 Equity Shares of Rs. 9/- each amounting to Rs.1,71,00,000/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account.
- (i) Consequent upon Reduction, the Equity Share Capital of the company will be Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re. 1/- (Rupees One only) each.
- (ii) Consequent upon reduction, the accumulated losses will be Rs. 1,24,20,216/-
- (iii) An Equity share holder holding Equity shares of Rs.10/- each, then post reduction, he will get 1 new Equity shares of Re. 1/- each. The number of shares will remain same.
- (iv) The details of Pre and post reduction of Capital and accumulated losses are as under:

| Particulars | Pre Reduction of Capital | Post Reduction Capital |
|-----------------------------|--------------------------|------------------------|
| Number of Equity Shares | 19,00,000 | 19,00,000 |
| Value of each Share (Rs.) | 10 | 1 |
| Total Paid up Capital (Rs.) | 1,90,00,000 | 19,00,000 |
| Total | 1,90,00,000 | 19,00,000 |

- (v) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

| Category of Equity Shareholders | Pre Reduction As on 30.09.2018 face Value Rs. 10/ each | | Post Reduction (Expected) Face Value Re. 1/- each | |
|---------------------------------|--|---------------|--|---------------|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Promoter and Promoter Group | 6,29,515 | 33.13 | 6,29,515 | 33.13 |
| Public: | | | | |
| Bodies Corporate | 5,200 | 0.27 | 5,200 | 0.27 |
| Institutions/Bank | 10,900 | 0.58 | 10,900 | 0.58 |
| Individuals | 12,20,685 | 64.25 | 12,20,685 | 64.25 |
| HUF | 33,700 | 1.77 | 33,700 | 1.77 |
| Total | 19,00,000 | 100.00 | 19,00,000 | 100.00 |

There is no change in the percentage (%) of the shareholders holding of the company (Pre and Post).

- (vi) The shares issued to the members of the company pursuant to clause as above shall be issued in dematerialized form by the Company, unless otherwise notified in writing by the shareholders of the company on or before such date as may be determined by the Board of Directors of the Company or a committee thereof. In the event that such notice has not been received by the Company in respect of any of the members of the Company, the shares shall be issued to such members in dematerialized form provided that the members of the Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required, it is only thereupon that the Company shall issue and directly credit the dematerialised securities to the account of such member with the shares of the Company. In the event that the Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Company shall issued shares in certificate form to such member.
- (vii) The Scheme shall come into operation from the Effective Date.

G) FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to the Scheme of Reduction of capital, the treatment in the books of accounts of the Company will be as follows:

On the Effective Date

- i. A sum of Rs. 1,71,00,000/- upon reduction from existing Equity Capital of Rs. 1,90,00,000/-divided into 19,00,000 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up to Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re.1/-- (Rupees One) each be transferred to "Capital Restructuring Account.
- ii. As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, will be Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re. 1/- (Rupees One) each.
- iii. Part of the balance of Accumulated Losses amounting to Rs. 1,71,00,000/- as at 31st March, 2018, be transferred to "Capital Restructuring Account".
- iv. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- v. To the extent of the amount transferred to the Capital Restructuring Account under this Para above, there shall be reduction of share capital of the Company, which shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the Companies Act, 2013 without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital.

The form of the minute proposed to be registered under Section 66 of the Companies Act, 2013 is as follows:

The Capital of Himalchuli Food Products Limited is henceforth Rs. 19,00,000/- (Rupees Nineteen Lacs only) divided into 19,00,000 Equity Shares of Re. 1/- each fully paid up reduced from Rs. 1,90,00,000/- (Rupees one Crore Ninety Lacs only) divided into 19,00,000 Equity Shares of Rs.10/- each effected by cancelling Rs.9/- Per Equity Share on 19,00,000 Equity Shares of the face value of Rs. 10/- each. At the date of this registration of this minute 19,00,000 Equity shares numbered 01 to 19,00,000 have been issued and are deemed to be fully paid up.

H) CONDUCT OF BUSINESS

- 4.5.1 Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.
- 4.5.2 Further, nothing contained in the Scheme shall affect the existing rights of the creditors, workers and employees of the Company.

I). AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

Transfer & Vesting of the Transferor Company

Upon the order of the NCLT sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, joint venture Agreements, expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 5.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law, be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the NCLT sanctioning this Scheme becoming effective, on and from the Appointed Date:

Assets

- a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

- b) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand transferred/transmitted to and be vested in and/or be deemed to have been transferred/transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.
- c) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 5.2.1(a) and (b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge created over any assets in relation to the loans, or borrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.
- d) All immovable properties of the Transferor Company (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.

Licenses & Certificates

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

Benefits, Entitlements, Incentives and Concessions

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax, GST and income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

Contracts

- a) All Contracts, Agreements Development Rights, of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.
- b) Any inter-se contracts between the Transferor Company on One hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.
- c) All guarantees provided by any bank in favour of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall ensure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

Intellectual Property

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

Transferred Employees

- a) All Transferred Employees of the Transferor Company shall be deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.
- b) The Transferee Company agrees that the services of all transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the provisions of such funds, by-laws, etc. in respect of the Transferred Employees.

- c) All contributions made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees' account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.
- d) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

Transferred Liabilities and Security

- a) All Transferred Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.
- b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/creditor in respect thereof.
- c) This Scheme shall not operate to enlarge or extend the security for any of the Transferred Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertakings.
- d) In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertaking of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Transferred Liabilities. Provided that if any of the assets forming part of the Transferred Undertaking of the concerned Transferor Company have not been charged or secured in respect of 'the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.
- e) 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 Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.
- f) It is expressly provided that, save as mentioned in this paragraph 5.2.7, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication.
- g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Section 3 of this Scheme.

Legal and other such Proceedings

All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated-by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relating to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the said Transferor Company to the Transferee Company for making such payment.

Tax Treatment

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax, GST etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

Books and Records

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

Conduct of Business

With effect from the Appointed Dates and upto the Effective Date:

- a) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;
- b) The Transferor Company shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood

possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

- c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and
- d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.
- All assets acquired, development rights, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws. Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.
 - With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Company, in its name, in so far as may be necessary.
 - Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of Section 3 of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this

Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

- To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the NCLT.
- For the purpose of giving effect to the order passed under Sections 230 to 232 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the NCLT, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 232 and any other applicable provisions if any of the Companies Act, 2013.
- **Saving of Concluded Transactions**

The transfer and vesting of the Transferor Company with and into the Transferee Company under Section 3 of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

Dissolution/Winding Up of Transferor Company

Upon this Scheme becoming effective, RKD Trendy Retailers Private Limited, the Transferor Company shall stand dissolved without being wound-up.

J) DISCHARGE OF CONSIDERATION

- Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company subject to the provisions of this Scheme shall issue and allot to the equity shareholders of the Transferor Company, and whose name appears in the Register of Members as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, Two Hundred Ninety (290) Equity Shares of the Transferee company (Himalchuli) of Re. 1/- each

fully paid up for every One (1) Equity Share of Rs. 10 each fully paid up held in the Share Capital of the Transferor Company (RKD).

- The shares issued to the members of the Transferor company pursuant to clause 5.6.1 above shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares shall be issued to such members in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Transferee Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Resulting Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.
- The new Equity Shares issued by the Transferee Company in terms of clause 5.6.1 above shall be listed and / or admitted to trading on BSE Limited where the shares of the Transferee Company are listed and / or admitted to trading as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with necessary statutory and regulatory requirements as well as the listing formalities of the said stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and / or admit such Equity Shares also for the purpose of trading.
- The Equity shares to be issued and allotted by the Transferee Company in terms of clause 5.6.1 above shall rank paripassu in all respects including dividend with the existing Equity shares of the Transferee Company.
- Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Transferee company to issue and allot the Equity Shares in the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Transferee Company shall be increased in the manner set out in Clause 9 below.
- Equity Shares of the Transferee Company issued in terms of clause 6.1.1 above shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited, the relevant stock exchange(s) where the existing equity shares of the Transferee Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the Transferee company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited).

- The equity shares of the Transferee Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- Till the listing of the equity shares of the Transferee Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Transferor Company which may affect status of the approval of the stock exchanges to this scheme.
- Approval of the Scheme by the shareholders of Himalchuli Food Products Limited shall be deemed to be due compliance of the provisions of sections 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder for the issue and allotment of the Equity shares by Himalchuli to the shareholders of RKD as provided hereinabove.
- Unless otherwise determined by the Board of Directors or any committee thereof of the Transferee Company, allotment of Equity Shares in terms of clause 5.6 of this part shall be done within 4 months from the effective date.
- The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of RKD Trendy Retailers Private Limited under the Scheme.

K) TRANSFER OF AUTHORISED CAPITAL OF TRANSFEROR COMPANY TO THE CREDIT OF THE AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY:

Upon the scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking in the Transferee company in terms of the scheme, the Authorized share Capital of the Transferor Company shall stand transferred and credited to the Authorized Share Capital of the Transferee Company and stand increased and re-classified and re-organized from:-

The Authorised Share Capital of RKD Trendy Retailers Private Limited is Rs. 25,00,000/- (Rupees Twenty Five Lacs only) divided into 2,50,000 Equity Shares of the face value of Re. 10/- (Rupee Ten) each shall stand transferred to the credit of the Authorised Equity Share Capital of Himalchuli Food Products Limited so that the Authorised Share Capital shall stand increased **FROM** Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 7,00,00,000 Equity Shares of Re. 1/- (Rupees One) each, **TORs.** 7,25,00,000/- (Rupees Seven Croer Twenty Five Lacs only) divided into 7,25,00,000 Equity Shares of Re.1/- (Rupee One) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, the clause V of the Memorandum of Association relating to share capital shall be as under:

The share capital of the company is Rs. 7,25,00,000/- (Rupees Seven Crores Twenty Five Lakhs only) divided into 7,25,00,000 (Seven Crores Twenty Five Lakhs) shares of Re. 1/- (Rupee One) each. Any share of the original or increased capital may from time to time be issued with guarantee or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special of dividend or advantage over any shares previously issued or then about to be issued or with deferred or qualified as compared with any shares previously issued or subject to any provision or

conditions and with any special rights or limited rights or without any right of voting and generally on such terms as the Company may from time to time determine.

The rights of the holder of any class of shares for the time being forming part of the capital of the company may be modified, effected, varied, extended or surrendered either with the consent in writing of holders of three fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a, separate, meeting of the holders of those shares.

It is clarified that the Transferee Company shall not be required to pass any resolution for the purpose of Increase in Authorized Share Capital of the Transferee Company pursuant to Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, it shall be deemed that the members of the Transferee company have accorded their consent as required under the Act.

The filing fee and stamp duty already paid by the Transferor Company on its Authorised Share Capital shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital.

The Equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.

L) CHANGE OF NAME

Upon the Scheme becoming effective, with effect from the Appointed Date, the Name of the Transferee Company 'Himalchuli Food Products Limited' shall be changed to ' RKD Agri& Retail Limited ' or such other name as may be approved by the Ministry of Corporate Affairs , subject to Himalchuli filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard. Approval of the shareholders of Himalchuli to the Scheme shall be considered as the approval required under the provisions of the Companies Act, 2013 for such change of name.

M) ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

- Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation in its books of account in accordance with the Pooling of Interest method laid down in Appendix C of the Indian Accounting Standard 103 "Business Combinations of entities under common control" and other applicable IND-AS prescribed under section 133 of the companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015(as amended) and other generally accepted accounting principles as applicable on the effective date.

- Transferee Company shall record the assets, liabilities and reserves relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts at the close of the business of the day immediately preceding the Appointed Date. The identity of the Reserves will be preserved.
 - The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company mentioned above as on the date immediately preceding the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.
- The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of the Transferee Company.
- In case there is any difference in the accounting policies adopted by the Transferor company and the Transferee company, the accounting policies followed by the Transferee company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee company reflect the financial position on the basis of consistent accounting policy.
- Excess of assets over liabilities (including reserves and surplus and shares issued) will be credited to Capital reserves and excess of liabilities (including reserves and surplus and shares issued) over assets will be debited goodwill account.
- Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian accounting standards and generally accepted accounting principles.

SECTION 4

OTHER TERMS AND CONDITIONS

M) DIVIDENDS, PROFITS, BONUS/ RIGHT SHARES

- a. For the avoidance of doubt it is hereby cleared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee company prior to the effective date.
- b. On and from the earlier of the dates of filing this Scheme with National Company Law Tribunal and until the effective date, the Transferor Company shall declare dividend only after prior consultation with the Transferee Company.
- c. After filing the Scheme and up to the Effective Date, the Transferor Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferee Company. Similarly, the Transferee Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferor Company.
- d. The holders of the shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including right to receive the dividends.
- e. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend which, subject to the provisions of the said Act, shall be entirely at the discretion of the said Company and subject to approval of the shareholders of the said Company.
- f. The Equity shares shall rank paripassu with the existing Equity Shares of the Transferee Company in all respects including dividend.

N. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL (NCLT)

The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/petitions under Section 230 to 232 of the Companies Act, 2013 to the NCLT, as necessary, inter alia, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further applications /

petitions under Sections 230 to 232 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

Revision of accounts and tax filings, modification of charge

Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, goods & Services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Maharashtra, Mumbai shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

Tax neutrality

The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-Tax Act, 1961, or any modification or re-enactment thereof.

If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

O)MODIFICATIONS AND AMENDMENT TO THE SCHEME

Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.

The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or

under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and, things necessary for giving effect to this Scheme.

For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary 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.

However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the NCLT and the same shall be subject to powers of the NCLT under Sections 230 to 232 of the Companies Act, 2013.

P)CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to the following:

- 1 The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 2 The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the NCLT and/or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.
- 3 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.
- 4 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.
- 5 All other sanctions and approvals as may be required by law including registration of the order of the Tribunal sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.
- 6 Certified copies of the orders of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.

- 7 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.
- 8 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:
- a) Reduction of Capital of Himalchuli Food Products Limited
 - b) Amalgamation of RKD Trendy Retailers Private Limited and transfer and vesting thereof in Himalchuli Food Products Limited;
 - c) Transfer of the Authorized Share Capital of RKD Trendy Retailers Private Limited to Himalchuli Food Products Limited and consequential increase in the authorised share capital of the Transferee Company (in accordance with paragraph 5.8 hereof).

Q) **Revocation and withdrawal of this Scheme**

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the NCLT and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

R) Severability

If any part of this Scheme is held invalid, ruled illegal by any Tribunal of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

S) Mutation of property

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties including development rights, of the Transferred Undertakings shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties including development rights of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

T) POST SCHEME CONDUCT OF OPERATIONS

Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the Transferor Company and the Transferee Company concerned. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), goods and service tax law, and other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

U) EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/ or the Scheme

not being sanctioned by the National Company Law Tribunal or such other competent authority by 31st December, 2019 or within such further period or periods as may be agreed upon between the Transferor Company and 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 will be null and void, 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. Each party shall equally bear and pay costs, charges and expenses for and / or in connection with the Scheme.

V) **COST, CHARGES AND EXPENSES**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne by the Transferor Company only.

Other matters

29. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 6.**
30. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
31. Under the Scheme, an arrangement is sought to be entered into between HFPL and its Equity Shareholders. Upon the effectiveness of the Scheme HFPL shall issue and allot the equity shares of HFPL to the shareholders of RKD, based on the Share Exchange Ratio i.e. HFPL will issue and allot, to every equity shareholder of RKD, holding fully paid-up equity shares in the RKD and whose names appear in the register of members of the RKD on the Record Date to be announced by the Board of the Company, 290 (Two Hundred Ninty) Equity Shares of Re. 1/- each of HFPL, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the “New Equity Shares”) for every 100 (One Hundred) Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of RKD.

As far as the Equity shareholders of HFPL are concerned the promoter shareholding will reduce and the shareholding of the Non Promoter shareholders will increase, there will be no dilution in their shareholding.

In respect of the Scheme, there is no arrangement with the creditors, either secured including debentures or unsecured of HFPL. No compromise is offered under the Scheme to any of the creditors and the liability of the creditors of HFPL, under the Scheme, is neither being reduced nor being extinguished. There is no effect on any of the creditors including debentures and debenture trustees.

Under the Scheme, no rights of the Employees of the HFPL are being affected. The services of the Employees under the Scheme, shall continue on the same terms and conditions on which they were engaged by HFPL.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of HFPL. Further no change in the Board of Directors of the company is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of HFPL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in HFPL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in RKD to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of the Company Secretary and Chief financial Officer of the Company and their respective relatives is less than 2% of the paid-up share capital of each of the Companies.

32. Under the Scheme, an arrangement is sought to be entered into between RKD and its Equity Shareholders. Upon the effectiveness of the Scheme, HFPL shall issue and allot equity shares, based on the Share Exchange Ratio.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of HFPL or RKD. No compromise is offered under the Scheme to any of the creditors of and the liability of the creditors of HFPL or RKD, under the Scheme, is neither being reduced nor being extinguished.

As on date, RKD has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, RKD has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Clause 3.2.6 of the Scheme, on and from the Effective Date, HFPL undertakes to engage the Employees of RKD, on the same terms and conditions on which they are engaged by RKD without any interruption of service and in the manner provided under Clause 8.1.1 of the

Scheme. In the circumstances, the rights of the Employees of RKD engaged in, would in no way be affected by the Scheme.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of RKD.

Upon the effectiveness of the Scheme, the directors of RKD shall cease to be its directors and RKD shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of RKD and their respective relatives (as defined under the Act and rules framed thereunder) have any interest financial or otherwise in the Scheme except to the extent of the equity shares held by them in HFPL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in RKD. The Scheme on the material interest of the Directors and Key Managerial Personnel is not any different from the effect on other shareholders of the Applicant Company and/or RKD..

33. The Scheme does not involve any capital or debt restructuring and therefore the requirement to disclose details of capital or debt restructuring is not applicable.
34. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of HFPL and RKD have in their separate meetings held on 31st December, 2018, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of HFPL and RKD are enclosed as **Annexure 7** and **Annexure 8** respectively.
35. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.
36. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
37. The copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies in form GNL-1 on 19th October, 2019 vide SRN R06173876 in Himalchuli Food Products Limitd and SRN R06175327 in RKD Trendy Retailers Private Limited .

38. The Supplementary Un-Audited Accounting Statement of HFPL and RKD for the period ended 30th June, 2019 are enclosed as **Annexure 9** and **Annexure 10**, respectively.
39. As per the books of accounts HFPL and RKD, the amount due to the Secured creditors as on 31st March, 2019 is Rs. Nil and Rs. 22,41,461.62 respectively and that of the unsecured creditors is Rs. 1,01,58,738 and Rs. 238,08,323.69 respectively. The Companies have not issued debentures .
40. The name and addresses of the Promoters of Himalchuli Food Products Limited including their shareholding in the Companies as on the date of the order of the Hon'ble Tribunal i.e. 27th September, 2019 are as under:

| Sr. No. | Name and address of Promoters and Promoter Group | HFPL | | RKD | |
|------------------|--|-------------------------------|-------|-------------------------------|--------|
| | | No. of Shares of Rs.10/- each | % | No. of Shares of Rs.10/- each | % |
| PROMOTERS | | | | | |
| 1. | NILESH MALSHI SAVLA | 3,57,705 | 18.83 | 4950 | 49.50 |
| 2. | MEENA NILESH SAVLA | 2,71,810 | 14.31 | 5050 | 50.50 |
| | Total | 6,29,515 | 33.14 | 1,00,000 | 100.00 |

41. The name and addresses of the Promoters of RKD including their shareholding in the Companies as on the date of the order of the Hon'ble Tribunal i.e 27th September, 2019 are as under:

| Sr.No. | Name and address of Promoters and Promoter Group | RKD | | HFPL | |
|------------------|--|-------------------------------|-------|--------------------------------|-------|
| | | No. of Shares of Rs.10/- each | % | No. of Shares of Rs. 10/- each | % |
| PROMOTERS | | | | | |
| 1. | NILESH MALSHI SAVLA B-102, Saraswati Apt. Radhakrishna, Marg Mogra Village, Andheri (East), Mumbai - 400069 | 4950 | 49.50 | | |
| | | | | 3,57,705 | 18.83 |
| 2. | MEENA NILESH SAVLA B-102, Saraswati Apt. Radhakrishna, Marg Mogra Village, Andheri (East), | 5050 | 50.50 | | |
| | | | | 2,71,810 | 14.31 |

| | | | | | |
|--|-----------------|----------|--------|----------|-------|
| | Mumbai - 400069 | | | | |
| | TOTAL | 1,00,000 | 100.00 | 6,29,515 | 33.14 |

42. The details of the Directors of HFPL as on 27th September, 2019 are as follows:

| Sr. no. | Name of Director | Address | DIN |
|---------|---------------------|---|----------|
| 1 | Nilesh Malshi Savla | B-102, Saraswati Apt. Radhakrishna, MargMograVillage, Andheri (East), Mumbai - 400069 | 05354691 |
| 2 | Meena Nilesh Savla | B-102, Saraswati Apt. Radhakrishna, MargMograVillage, Andheri (East), Mumbai - 400069 | 05354674 |
| 3 | Samirkumar Sampat | B/502, Kailash Tower, Yashwant Viva Township, Nalasopara-401209 | 08116619 |
| 4 | Hetal Dave | Rajnigandha CHS, Achole Road, Nalasopara road (east) -401209 | 08397075 |

43. The details of the Directors of RKD as on 27th September, 2019 are as follows:

| Sr. No. | Name of Director | Address | DIN |
|---------|---------------------|---|----------|
| 1 | Nilesh Malshi Savla | B-102, Saraswati Apt. Radhakrishna, MargMograVillage, Andheri (East), Mumbai - 400069 | 05354691 |
| 2 | Meena Nilesh Savla | B-102, Saraswati Apt. Radhakrishna, MargMograVillage, Andheri (East), Mumbai - 400069 | 05354674 |

44. The details of the shareholding of the Directors and the Key Managerial Personnel of HFPL in HFPL and RKD as on 27th September, 2019 are as follows:

| Name of Director and KMP | Position | Equity Shares held in HFPL | Equity shares in RKD |
|--------------------------|-------------------|----------------------------|----------------------|
| Nilesh Malshi Savla | Director & CFO | 3,57,705 | 4950 |
| Meena Nilesh Savla | Director | 2,71,810 | 5050 |
| Samirkumar Sampat | Director | 0 | 0 |
| Hetal Dave | Director | 0 | 0 |
| Ghelabhai Jogani | Company Secretary | 0 | 0 |

45. The details of the shareholding of the Directors and the Key Managerial Personnel of RKD in RKD and HFPL as on 27th September, 2019 are as follows:

| Name of Director and KMP | Position | Equity Shares held in HFPL | Equity Shares held in RKD |
|--------------------------|----------|----------------------------|---------------------------|
| Nilesh Malshi Savla | Director | 3,57,705 | 4950 |
| Meena Nilesh Savla | Director | 2,71,810 | 5050 |

46. The Pre-Arrangement shareholding pattern of RKD as on 27th September, 2019, 2019 and the Pre and Post- Arrangement (expected) shareholding pattern of HFPL as on 27th September, 2019 2019 are as under:

Pre-Arrangement shareholding pattern of RKD as on 27th September, 2019:

| Sr. NO | Category | No. of fully paid up equity shares held | Shareholding as a % of total no. of shares |
|--------|--|---|--|
| (A) | Promoter and Promoter Group | | |
| (1) | Indian | | |
| (a) | Individuals/Hindu undivided family | 10,000 | 100.00 |
| (b) | Body Corporate | 0 | 0 |
| | Sub-Total (A)(1) | 10,000 | 100.00 |
| (2) | Foreign | | |
| (a) | Body Corporate (through GDRs) | 0 | 0.00 |
| | Sub-Total (A)(2) | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2) | 10,000 | 100.00 |
| (B) | Public Shareholding | | |
| (1) | Institutions | | |
| (a) | Mutual Funds | 0 | 0.00 |
| (b) | Foreign Portfolio Investors | 0 | 0.00 |
| (c) | Financial Institutions/ Banks | 0 | 0.00 |
| (d) | Insurance Companies | 0 | 0.00 |
| | Sub Total (B) (1) | 0 | 0.00 |
| (2) | Central Government/State Government(s)/ President of India | | |
| | Sub Total (B)(2) | 0 | 0.00 |
| (3) | Non-Institutions | | |
| (a) | i. Individual shareholders holding nominal share capital upto Rs.2 lakhs | 0 | 0.00 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | 0 | 0.00 |
| (b) | NBFCs Registered with RBI | 0 | 0.00 |

| | | | |
|-----|--|---------------|---------------|
| (c) | Overseas Depositories (Holding GDRs) | 0 | 0.00 |
| (d) | Any Other | | |
| | Trusts | 0 | 0.00 |
| | Overseas Corporate Bodies | 0 | 0.00 |
| | Non Resident Indians Repatriation | 0 | 0.00 |
| | Clearing Members | 0 | 0.00 |
| | NRI Non-Repatriation | 0 | 0.00 |
| | Bodies Corporate | 0 | 0.00 |
| | Foreign Nationals | 0 | 0.00 |
| | Sub Total (B)(3) | 0 | 0.00 |
| | Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3) | 0 | 0.00 |
| | Total Shareholding (A+B) | 10,000 | 100.00 |

Upon the coming into effect the Scheme of Amalgamation the Transferor Company RKD shall stand dissolved hence, there will be no post shareholding pattern for RKD

Pre and post Arrangement (expected) shareholding pattern of HFPL as on-27th September, 2019.:

| Sr. NO | Category | Pre - Arrangement | | Post -Arrangement | |
|--------|--|---|--|---|--|
| | | No. of fully paid up equity shares held of Rs. 10/- paid up | Shareholding as a % of total no. of shares | No. of fully paid up equity shares to be held Re. 1/- paid up | Shareholding as a % of total no. of shares |
| (A) | Promoter and Promoter Group | | | | |
| (1) | Indian | | | | |
| (a) | Individuals/Hindu undivided family | 6,29,515 | 33.13 | 35,29,515 | 73.53 |
| (b) | Body Corporate | 0 | 0 | 0 | 0 |
| (c) | Trust | 0 | 0 | 0 | 0 |
| | Sub-Total (A)(1) | 6,29,515 | 33.13 | 35,29,515 | 73.53 |
| (2) | Foreign | | | | |
| (a) | Body Corporate (through GDRs) | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total (A)(2) | 0 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1) | 6,29,515 | 33.13 | 35,29,515 | 73.53 |

| | | | | | |
|-----|--|------------------|---------------|------------------|---------------|
| | + (A)(2) | | | | |
| (B) | Public Shareholding | | | | |
| (1) | Institutions | | | | |
| (a) | Mutual Funds | 0 | 0.00 | 0 | 0.00 |
| (b) | Foreign Portfolio Investors | 0 | 0.00 | 0 | 0.00 |
| (c) | Financial Institutions/ Banks | 10,900 | 0.57 | 10,900 | 0.23 |
| (d) | Insurance Companies | 0 | 0.00 | 0 | 0.00 |
| (e) | Foreign Institutional Investors (FII's) | 0 | 0.00 | 0 | 0.00 |
| | Sub Total (B) (1) | 10,900 | 0.57 | 10,900 | 0.57 |
| (2) | Central Government/State Government(s)/ President of India | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub Total (B)(2) | 10,900 | 0.57 | 10,900 | 0.57 |
| (3) | Non-Institutions | | | | |
| (a) | i. Individual shareholders holding nominal share capital upto Rs.2 lakhs | 1220685 | 64.24 | 1220685 | 25.43 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | 0 | 0.00 | 0 | 0.00 |
| (b) | NBFCs Registered with RBI | 0 | 0.00 | 0 | 0.00 |
| (c) | Overseas Depositories (Holding GDRs) | 0 | 0.00 | 0 | 0.00 |
| (d) | Any Other | | | | |
| | Trusts | 0 | 0.00 | 0 | 0.00 |
| | Hindu Undivided Family | 0 | 0.00 | 0 | 0.00 |
| | Overseas Corporate Bodies | 0 | 0.00 | 0 | 0.00 |
| | Non Resident Indians (Repatriation) | 0 | 0.00 | 0 | 0.00 |
| | Clearing Members | 0 | 0.00 | 0 | 0.00 |
| | Non Residents Indians (Non- Repatriation) | 0 | 0.00 | 0 | 0.00 |
| | Bodies Corporate | 5200 | 0.27 | 5200 | 0.11 |
| | Non Residents Indians | 0 | 0.00 | 0 | 0.00 |
| | Other | 33700 | 1.77 | 33700 | 0.70 |
| | Sub Total (B)(3) | 12,59,585 | 66.29 | 12,59,585 | 26.24 |
| | Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3) | 12,70,485 | 66.87 | 12,70,485 | 26.47 |
| | Total Shareholding (A+B) | 19,00,000 | 100.00 | 48,00,000 | 100.00 |

47. The pre and Post-Arrangement (expected) capital structure of HFPL will be as follows (assuming the continuing capital Structure as on -----, 2019 being date of the Order):
PRE ARRANGEMENT

| | Amount (Rupees) |
|---|------------------------|
| Authorised Share Capital | |
| 70,00,000 Equity Shares of Rs.10/- each | 7,00,00,000 |
| Total | |
| Issued, Subscribed and Paid Up Capital | |
| 19,00,000 Equity Shares of Rs.10/- each | 1,90,00,000 |
| Total | 1,90,00,000 |

POST ARRANGEMENT (EXPECTED)

| | Amount (Rupees) |
|---|------------------------|
| Authorised Share Capital | |
| 7,25,00,000 Equity Shares of Re.1/- each | 7,25,00,000 |
| Total | |
| Issued, Subscribed and Paid Up Capital | |
| 48,00,000 Equity Shares of Re. 1/- | 48,00,000 |
| Total | 48,00,000 |

The pre- arrangement capital structure of RKDas on 31st March, 2019 is as under

| Share Capital | Amount in Rs. |
|---|----------------------|
| Authorised Share Capital | |
| 10,000 Equity Shares of Rs.10/- each | 1,00,000 |
| Total | 1,00,000 |
| Issued, Subscribed and Paid Up Capital | |
| 10,000 Equity Shares of Rs. 10/- each | 1,00,000 |
| Total | 1,00,000 |

48. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
49. The following documents will be open for inspection by the equity shareholders of the Applicant Company at its registered office **B-102, Saraswati Apt. Radhakrishna, Marg Mogra Village, Andheri (East), Mumbai – 400069** between 11.00 a.m. and 5.00 p.m. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting:
- I. Copy of the final order passed by NCLT in Company Scheme Application No. 2463 of 2019 and 2462 of 2019 Jointly dated 27th September, 2019 directing HFPL to, inter alia, convene the meeting of its equity shareholders of the applicant companies;

- II. Copy of Company Scheme Application No. 2463of 2019 along with annexures filed by HFPL before NCLT;
- III. Copy of Company Scheme Application No. 2462of 2019along with annexures filed by RKD before NCLT;
- IV. Copy of the Memorandum and Articles of Association of HFPL and RKD respectively;
- V. Copy of the annual reports of HFPL & RKD for the financial years ended 31st March 2019, 31st March 2018 and 31st March, 2017 respectively;
- VI. Copy of the Register of Directors' shareholding of each of the Companies;
- VII. Copy of Valuation report dated 31st day of December, 2018 submitted by M/s. Yogesh N. Shah & Co. Chartered Accountants;
- VIII. Copy of the Fairness Opinion, dated 31st December, 2018 issued by Ashika Capital Limited, to the Board of Directors of HFPL.
- IX. Copy of the Audit Committee Report, dated 31st December, 2018 of HFPL
- X. Copies of the resolutions, both dated 31st December, 2018, passed by the respective Board of Directors of HFPL & RKD approving the Scheme;
- XI. Copy of the Statutory Auditors' certificate on Accounting Treatment dated 31st December, 2018 issued by M/s M.M. Gala & Associates., Chartered Accountants to HFPL
- XII. Copy of the Statutory Auditors' certificate on accounting treatment dated 31st December, 2018 issued by M/s M.M. Gala & Associates., Chartered Accountants to RKD.
- XIII. Copy of the complaints report, dated 8th March, 2019 submitted by HFPL to BSE .
- XIV. Copy of the no adverse observation / objection letter issued by BSE, dated 2nd May, 2019, to HFPL
- XV. Summary of the Valuation Report including the basis of valuation;
- XVI. Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 19th October, 2019, evidencing filing of the Scheme;
- XVII. Copy of the Scheme; and
- XVIII. Copy of the Reports dated 31st day of December, 2018 adopted by the Board of Directors of HFPL & RKD respectively, pursuant to the provisions of section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (vi), (vii), (xiv), (xv) and (xxii) above.

50. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by HFPL its shareholders, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders of HFPL.
51. After the Scheme is approved, by the equity shareholders of HFPL it will be subject to the approval/sanction by NCLT.

Sd/-

Nilesh Savla

DIN 05354691

Chairman appointed for the meeting

Dated this 17th October, 2019

**Registered office: B-102, Saraswati Apt. Radhakrishna, Marg
Mogra Village, Andheri (East), Mumbai – 400069**

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION
OF
RKD TRENDY RETAILERS PRIVATE LIMITED [RKD] [TRANSFEROR COMPANY]
AND
HIMALCHULI FOOD PRODUCTS LIMITED [HIMALCHULI] [TRANSFeree COMPANY]
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013)

PREAMBLE

This composite Scheme provides for the Arrangement and Amalgamation under Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 for undertaking Capital restructuring and reconstruction of HIMALCHULI FOOD PRODUCTS LIMITED (Transferee Company) whereby Transferee Company would write off part of the debit balance in Profit & Loss account to the extent of Rs. 1,71,00,000/- by cancelling the Capital which has been lost or is unrepresented by available tangible assets, to the extent of Rs. 9/- per share upon each of the 19,00,000 equity shares which have been issued and by reducing nominal amount of all the shares in the capital of the company from Rs. 10/- to Re. 1/- per share in the existing paid up Equity Share Capital of the Transferee Company and post Reduction of Capital, RKD Trendy Retailers Private Limited (Transferor Company) will amalgamate with Himalchuli Food Products Limited (Transferee Company) as detailed in the Composite Scheme of Arrangement and Amalgamation as detailed below:

BENEFITS OF THE SCHEME

The background and circumstances which justify the said arrangement are inter- alia as follows:

- o. Continuous losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of Transferee Company.

- p. For ensuring that the financial statements of the Company reflect the real picture and the Capital which is lost, is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of share capital of the Transferee Company.
- q. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a “Capital Restructuring Account” from its paid up Equity Share Capital.
- r. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- s. This Composite Scheme of Arrangement and Amalgamation is presented with a view to achieve Restructuring of the Transferee company which would result in increase in the net worth of the Transferee Company and improvement in financial health as more business activities shall be brought into the Transferee Company thereby preventing it from becoming a sick company.
- t. The restructuring of the Transferee Company proposed under the Scheme does not envisage any payment to any shareholder of any paid-up share capital.
- u. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- v. Himalchuli Food Products Limited and RKD Trendy Retailers Private Limited both are with a view to take advantage of consolidation in the current competitive environment, it is proposed to consolidate operations and amalgamate the two companies, which would result in benefits from economies of scale of operations and increased market share.
- w. Simplified group and business structure.
- j. The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.
- x. Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- y. Better 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 organic and inorganic growth opportunities, to maximize shareholder value.

- z.** The amalgamated company will have the benefit of synergy, optimum use of manpower for executing and management of various projects, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- aa.** Pursuant to the implementation of the Scheme, the objects of the Transferor Company and the Transferee Company can be conveniently, advantageously and economically carried on by a single entity.
- bb.** The restructuring proposed under the Scheme will not affect the normal business operations of the Transferee Company, but would improve the same.
- cc.** To achieve the desired objectives, a Scheme of Arrangement and Amalgamation has been arrived at by the Board of Directors of the aforesaid companies and it has been decided to make the requisite application before the Hon'ble National company Law Tribunal Mumbai bench, Mumbai under Sections 230 to 232 read along with Section 66 of the Companies Act, 2013 for the sanction of the following Scheme of Arrangement and Amalgamation (hereinafter referred to as the 'Scheme') of the aforesaid companies.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on 31st December, 2018 have considered and approved the proposed Composite Scheme of Arrangement and amalgamation for the reduction of Equity Share Capital of the Transferee Company and transfer of the entire undertaking and business of the Transferor Company with the Transferee Company subject to necessary statutory approvals, in order to benefit the stakeholders of the Transferor Company and the Transferee Company. Accordingly, the Board of Directors of both the Companies have formulated this Composite Scheme of Arrangement and Amalgamation for the reduction of Equity share capital of the Transferee Company and transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 read with Section 66 and other relevant provisions of the Companies Act, 2013.

SALIENT FEATURES OF THE SCHEME

This Scheme is presented as a Composite Scheme of Arrangement and Amalgamation for reduction of capital of HIMALCHULI FOOD PRODUCTS LIMITED and the Amalgamation of RKD TRENDY RETAILERS PRIVATE LIMITED with HIMALCHULI FOOD PRODUCTS LIMITED, pursuant to Sections 230 to 232 read along with Section 66 and all other applicable provisions if any of the Companies Act, 2013. The salient features of the Scheme inter alia are as follows:

1. The Scheme provides for the reduction of the equity share capital of HIMALCHULI FOOD PRODUCTS LIMITED pursuant to Section 66 read with Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

2. The Scheme provides for the reconstruction of HIMALCHULI FOOD PRODUCTS LIMITED pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013.
3. The Scheme provides for the amalgamation of RKD TRENDY RETAILERS PRIVATE LIMITED with HIMALCHULI FOOD PRODUCTS LIMITED pursuant to Sections 230 to 232 of the Companies Act, 2013.
4. The Scheme also provides for various other matters consequential, supplemental and /or otherwise integrally connected herewith.

SECTION OF THE SCHEME

The Scheme of Arrangement and Amalgamation is divided into the following parts:

- a. **SECTION 1** which deals with the Definitions and Date of taking effect of the Scheme.
- b. **SECTION 2** deals with financial restructuring and reconstruction of HIMALCHULI FOOD PRODUCTS LIMITED.
- c. **SECTION 3** deals with Amalgamation of RKD TRENDY RETAILERS PRIVATE LIMITED with HIMALCHULI FOOD PRODUCTS LIMITED.
- d. **SECTION 4** deals with the Other Terms and Conditions.

SECTION 1

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

1 DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act"** means the Indian Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactments thereof, except where otherwise expressly provided;
- 1.2 **"Accumulated Losses"** means and includes the total amount shown under the head "Profit and Loss Account" as appearing in the audited balance sheet of the Transferee Company (HIMALCHULI) as at 31st March, 2018;
- 1.3 **"Appointed Date"** means 1st April, 2018 or such other date as the National Company Law Tribunal [NCLT] Mumbai may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the

Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

- 1.4 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-Tax Act, 1961.
- 1.5 **"Board of Directors"** in relation to Himalchuli Food Products Limited or RKD Trendy Retailers Private Limited as the case may be, means the Board of Directors of the respective companies for the time being and shall include a committee of directors duly constituted and person authorized by the Board of Directors or such committee of directors.
- 1.6 **"Effective Date"** means the dates on which certified copies of the Orders of the National Company Law Tribunal, Mumbai Bench, Mumbai or any other appropriate authority sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- 1.7 **"Financial Statements"** include standalone accounts i.e., balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.
- 1.8 **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.
- 1.9 **"National Company Law Tribunal"** means the Hon'ble National Company Law Tribunal, Mumbai Bench having jurisdiction over Himalchuli Food Products Limited and RKD Trendy Retailers Private Limited or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013 in relation provisions of 230 to 232 of the Companies Act, 2013.
- 1.10 **"Para"** means paragraph of this Scheme
- 1.11 **"Record Date" (For Arrangement / Reduction of Capital)** means the date to be fixed by the Board of Directors of the Transferee Company i.e. Himalchuli Food Products Limited for the purpose of reckoning names of the Equity Shareholders, who shall be entitled to new share certificate, upon coming into effect, the financial restructuring (Reduction of Capital)/ arrangement, of this Scheme.
- 1.12 **"Record Date" (For Amalgamation)** means the date to be fixed by the Board of Directors of the Transferee Company i.e. Himalchuli Food Products Limited in consultation with the Board of Directors of the Transferor Company for the purpose of reckoning names of the Equity Shareholders of the Transferor Company (RKD) , who shall be entitled to receive shares of the Transferee Company (HIMALCHULI), upon coming into effect, the amalgamation, of this Scheme.

- 1.13** **“Scheme” or “the scheme” or “this Scheme”** means this Composite Scheme of arrangement and amalgamation in its present form submitted to National Company Law Tribunal or any other appropriate authority or with any modification(s) made under Clause 6.6 of this Scheme.
- 1.14** **“HIMALCHULI FOOD PRODUCTS LIMITED” (HIMALCHULI)**, means a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at B-102,Saraswati Apt Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai 400069. The company is engaged in the business of To cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items
- 1.15** **“RKD TRENDY RETAILERS PRIVATE LIMITED” (RKD)**, means a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at B-102,Saraswati Apt Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai 400069. The company is engaged in the business of Trading, marketing, selling and distribution of various products relating to all kinds of textiles, clothes, Readymade apparels and accessories, Leather wears, Groceries, Pharmaceuticals, Cosmetics and Medical Preparations, forest products, Agricultural Products, Dairy Products, Food articles, etc
- 1.16** **“Transferor Company”** RKD Trendy Retailers Private Limited (RKD)
- 1.17** **“Transferee Company”** means Himalchuli food Products Limited (Himalchuli)
- 1.18** **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together as a going concern , as on the Appointed Date (further details of which are set out in Paragraph 5.2.1 thereof), and includes:
- xiii. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including without limitation current assets, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received , provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, GST, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

- xiv. all immovable properties (i.e. land together with the buildings and structures standing thereon or under construction)(whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises and documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;
- xv. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments");
- xvi. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");
- xvii. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, GST, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;
- xviii. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company are parties, or to the benefit of which the Transferor Company may be eligible ("Contracts")
- xix. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");
- xx. all employees of the Transferor Company, whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ("Transferred Employees") and contributions, if any, made towards any

provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ("Funds"), together with such of the investments made by these Funds, which are referable to such Transferred Employees;

- xxi. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");
- xxii. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");
- xxiii. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referable or related to the Transferor Company, including all credits under Income Tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and
- xxiv. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

1.2 Interpretations

In this Scheme, unless the context otherwise requires:

- 1.2.1 References in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;
- 1.2.2 References to the singular include a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
- 1.2.3 Reference to persons shall include individuals, bodies corporate (wherever incorporated or unincorporated), associations and partnerships;
- 1.2.4 Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

- 1.2.5 References to a paragraph shall be deemed to be a reference to a paragraph or Schedule of this Scheme;
- 1.2.6 Reference to the words 'hereof, 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;
- 1.2.7 References to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- 1.2.8 any reference to any statute or statutory provision shall include:
- iii. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - iv. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

2 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 National Company Law Tribunal or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

3 SHARE CAPITAL

The Authorised, Issued, Subscribed and Paid up Capital of Himalchuli Food Products Limited as on 31st March, 2018 is as under;

| SHARE CAITAL | Amt. in Rupees |
|--|--------------------|
| Authorised Share Capital | |
| 70,00,000 Equity Shares of Rs. 10/- each | 7,00,00,000 |
| Issued, Subscribed and Fully Paid Up Capital | |
| 19,00,000 Equity Shares of Rs. 10/- each | 1,90,00,000 |
| TOTAL | 1,90,00,000 |

The Authorised, Issued, Subscribed and Paid up Capital of RKD Trendy Retailers Private Limited as on 31st March, 2018 is as under;

| SHARE CAITAL | Amt. in Rupees |
|--|------------------|
| Authorised Share Capital | |
| 2,50,000 Equity Shares of Rs. 10/- each | 25,00,000 |
| Issued, Subscribed and Fully Paid Up Capital | |
| 10,000 Equity Shares of Rs. 10/- each | 1,00,000 |
| TOTAL | 1, 00,000 |

Upto and as on the date of approval of the Scheme by the Board of Directors of Himalchuli Food Products Limited and RKD Trendy Retailers Private Limited respectively, there is no change in the Issued, Subscribed and Paid-up share Capital of the respective companies.

SECTION 2

4. Financial Restructuring and Reconstruction of HIMALCHULI FOOD PRODUCTS LIMITED

- 4.1 Himalchuli Food Products Limited is a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at B-102,Saraswati Apt Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai 400069. The company is engaged in the business of To cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items However there are no much business activities.

The share capital structure of the Company as on March 31, 2018 is as follows:

| SHARE CAITAL | Amt. in Rupees |
|--|--------------------|
| Authorised Share Capital | |
| 70,00,000 Equity Shares of Rs. 10/- each | 7,00,00,000 |
| Issued, Subscribed and Fully Paid Up Capital | |
| 19,00,000 Equity Shares of Rs. 10/- each | 1,90,00,000 |
| TOTAL | 1,90,00,000 |

Asummarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2018 is as under:

| PARTICULARS | Amount (In Rupees) 31.03.2018 |
|------------------------------|-----------------------------------|
| Paid up Capital | 1,90,00,000 |
| Long term Borrowings | 0 |
| Current Liabilities | 94,96,419 |
| Current Assets | 4,44,539 |
| Non Current Assets | 32,595 |
| Non Current Investments | 0 |
| Revenue from Operations | 4,82,166 |
| Indirect Income | 0 |
| Total Revenue | 4,82,166 |
| Expenditure | 5,77,858 |
| Profit / (Loss) for the year | (95,692) |
| Reserves & Surplus | (2,79,80,760) |

As per the last audited Balance Sheet as at 31st March, 2018 the Company has accumulated losses of Rs. 2,95,20,216 /-.

Due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative.

The promoter of the Company planned strategy to revive the Company with the financial help of Business associates.

The Board of Directors of the Company propose to reduce share capital in accordance with Section 66 of the Companies Act, 2013 to reflect its assets and liabilities at their real value and maximize its business value.

4.2 Broadly, the objectives of the financial restructuring are as under:

- j. Continuous losses have substantially wiped off the value represented by the Capital, reserves and surplus and accordingly the financial statements do not reflect the correct picture of the health of the Company.
- k. For ensuring that the financial statements of the Company reflect the real picture and the Capital, reserves and surpluses which are lost are not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.
- l. Since writing off losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share

capital whereby the Company would write off Part off its debit balance of Profit and Loss Account.

- m. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- n. The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value. Further, there would be a positive impact on the various key financial ratios such as Net Profit Margin, Return on Capital Employed, and Return on Net worth etc.
- o. The restructuring will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- p. There is no cash outflow from the Company.
- q. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- r. Accordingly, the Board of Directors of the Company at their meeting held on 31st December, 2018 has considered necessary to carry out financial restructuring so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

4.3 APPLICABILITY OF THE SCHEME

Applicability of the Scheme of Arrangement:

- iv. upon sanction of this Scheme, the Authorised share capital of the Himalchuli shall automatically converted without any further act, instrument or deed on the part of the Company into Face value of Re. 1/- per shares and the Memorandum of Association and Articles of Association of the Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14 and 62 and other applicable provisions of the Act, as the case may be.
- v. Consequent upon the restructuring, the authorized share capital of the Company will be Rs. 7,00,00,000/- (Rupees Seven Crores Only) comprising of 7,00,00,000 (Seven crore only) Equity Shares of Re. 1 / - each (Rupee one each) It is clarified that the approval of the members of the

Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Company as may be required under the Act.

- vi. The existing issued, subscribed and paid up Equity share capital of the Company shall be reduced from Rs. 1,90,00,000/- divided into 19,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re. 1/- (Rupee One only) each and that such reduction be effected by cancelling of 19,00,000 Equity Shares of Rs. 9/- each amounting to Rs.1,71,00,000/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account.
- (i) Consequent upon Reduction, the Equity Share Capital of the company will be Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re. 1/- (Rupees One only) each.
- (ii) Consequent upon reduction, the accumulated losses will be Rs. 1,24,20,216/-
- (iii) An Equity share holder holding Equity shares of Rs.10/- each, then post reduction, he will get 1 new Equity shares of Re. 1/- each. The number of shares will remain same.
- (iv) The details of Pre and post reduction of Capital and accumulated losses are as under:

| Particulars | Pre Reduction of Capital | Post Reduction Capital |
|-----------------------------|--------------------------|------------------------|
| Number of Equity Shares | 19,00,000 | 19,00,000 |
| Value of each Share (Rs.) | 10 | 1 |
| Total Paid up Capital (Rs.) | 1,90,00,000 | 19,00,000 |
| Total | 1,90,00,000 | 19,00,000 |

- (v) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

| Category of Equity Shareholders | Pre Reduction As on 30.09.2018 face Value Rs. 10/ each | | Post Reduction (Expected) Face Value Re. 1/- each | |
|---------------------------------|--|---------------|--|---------------|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Promoter and Promoter Group | 6,29,515 | 33.13 | 6,29,515 | 33.13 |
| Public: | | | | |
| Bodies Corporate | 5,200 | 0.27 | 5,200 | 0.27 |
| Institutions/Bank | 10,900 | 0.58 | 10,900 | 0.58 |
| Individuals | 12,20,685 | 64.25 | 12,20,685 | 64.25 |
| HUF | 33,700 | 1.77 | 33,700 | 1.77 |
| Total | 19,00,000 | 100.00 | 19,00,000 | 100.00 |

There is no change in the percentage (%) of the shareholders holding of the company (Pre and Post).

- (vi) The shares issued to the members of the company pursuant to clause as above shall be issued in dematerialized form by the Company, unless otherwise notified in writing by the shareholders of the company on or before such date as may be determined by the Board of Directors of the Company or a committee thereof. In the event that such notice has not been received by the Company in respect of any of the members of the Company, the shares shall be issued to such members in dematerialized form provided that the members of the Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required, it is only thereupon that the Company shall issue and directly credit the dematerialised securities to the account of such member with the shares of the Company. In the event that the Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Company shall issued shares in certificate form to such member.
- (vii) The Scheme shall come into operation from the Effective Date.

FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

4.4 CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to the Scheme of Reduction of capital, the treatment in the books of accounts of the Company will be as follows:

On the Effective Date

- vi. A sum of Rs. 1,71,00,000/- upon reduction from existing Equity Capital of Rs. 1,90,00,000/-divided into 19,00,000 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up to Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re.1/-- (Rupees One) each be transferred to "Capital Restructuring Account.
- vii. As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, will be Rs. 19,00,000/- divided into 19,00,000 Equity Shares of Re. 1/- (Rupees One) each.
- viii. Part of the balance of Accumulated Losses amounting to Rs. 1,71,00,000/- as at 31st March, 2018, be transferred to "Capital Restructuring Account".
- ix. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- x. To the extent of the amount transferred to the Capital Restructuring Account under this Para above, there shall be reduction of share capital of the Company, which shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the Companies Act, 2013 without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital.

The form of the minute proposed to be registered under Section 66 of the Companies Act, 2013 is as follows:

The Capital of Himalchuli Food Products Limited is henceforth Rs. 19,00,000/- (Rupees Nineteen Lacs only) divided into 19,00,000 Equity Shares of Re. 1/- each fully paid up reduced from Rs. 1,90,00,000/- (Rupees one Crore Ninety Lacs only) divided into 19,00,000 Equity Shares of Rs.10/- each effected by cancelling Rs.9/- Per Equity Share on 19,00,000 Equity Shares of the face value of Rs. 10/- each. At the date of this registration of this minute 19,00,000 Equity shares numbered 01 to 19,00,000 have been issued and are deemed to be fully paid up.

4.5 CONDUCT OF BUSINESS

- 4.5.1 Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.
- 4.5.2 Further, nothing contained in the Scheme shall affect the existing rights of the creditors, workers and employees of the Company.

SECTION 3

5. AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

5.1 Transfer & Vesting of the Transferor Company

Upon the order of the NCLT sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, joint venture Agreements, expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 5.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law, be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

- 5.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the NCLT sanctioning this Scheme becoming effective, on and from the Appointed Date:

5.2.1 Assets

- e) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being

vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

- f) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand transferred/transmitted to and be vested in and/or be deemed to have been transferred/transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.
- g) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 5.2.1(a) and (b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge created over any assets in relation to the loans, or borrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.
- h) All immovable properties of the Transferor Company (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.

5.2.2 Licenses & Certificates

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

5.2.3 **Benefits, Entitlements, Incentives and Concessions**

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax, GST and income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

5.2.4 **Contracts**

- d) All Contracts, Agreements Development Rights, of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.
- e) Any inter-se contracts between the Transferor Company on One hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.
- f) All guarantees provided by any bank in favour of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall ensure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

5.2.5 **Intellectual Property**

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

5.2.6 Transferred Employees

- f) All Transferred Employees of the Transferor Company shall be deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.
- g) The Transferee Company agrees that the services of all transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the provisions of such funds, by-laws, etc. in respect of the Transferred Employees.

- h) All contributions made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees' account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.
- i) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- j) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

5.2.7 Transferred Liabilities and Security

- h) All Transferred Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.
- i) The Transferee Company alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/creditor in respect thereof.
- j) This Scheme shall not operate to enlarge or extend the security for any of the Transferred Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertakings.
- k) In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertaking of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Transferred Liabilities. Provided that if any of the assets forming part of the Transferred Undertaking of the concerned Transferor Company have not been charged or secured in respect of 'the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.
- l) 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 Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.
- m) It is expressly provided that, save as mentioned in this paragraph 5.2.7, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication.
- n) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Section 3 of this Scheme.

5.2.8 Legal and other such Proceedings

All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated-by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relating to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the said Transferor Company to the Transferee Company for making such payment.

5.2.9 **Tax Treatment**

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax, GST etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

5.2.10 **Books and Records**

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

5.3 **Conduct of Business**

5.3.1 With effect from the Appointed Dates and upto the Effective Date:

- e) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;

- f) The Transferor Company shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;
 - g) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and
 - h) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.
- 5.3.2 All assets acquired, development rights, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws. Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.
- 5.3.3 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Company, in its name, in so far as may be necessary.
- 5.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of Section 3 of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the

provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

- 5.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the NCLT.
- 5.3.6 For the purpose of giving effect to the order passed under Sections 230 to 232 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the NCLT, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 232 and any other applicable provisions if any of the Companies Act, 2013.

5.4 **Saving of Concluded Transactions**

The transfer and vesting of the Transferor Company with and into the Transferee Company under Section 3of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

5.5 **Dissolution/Winding Up of Transferor Company**

Upon this Scheme becoming effective, RKD Trendy Retailers Private Limited, the Transferor Company shall stand dissolved without being wound-up.

5.6 **DISCHARGE OF CONSIDERATION**

- 5.6.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company subject to the provisions of this Scheme shall issue and allot to the equity shareholders of the Transferor Company, and whose name appears in the Register of Members as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, Two Hundred Ninety (290) Equity Shares of the Transferee company (Himalchuli) of Re. 1/- each fully paid up for every One (1) Equity Share of Rs. 10 each fully paid up held in the Share Capital of the Transferor Company (RKD).

- 5.6.2 The shares issued to the members of the Transferor company pursuant to clause 5.6.1 above shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares shall be issued to such members in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Transferee Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Resulting Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.
- 5.6.3 The new Equity Shares issued by the Transferee Company in terms of clause 5.6.1 above shall be listed and / or admitted to trading on BSE Limited where the shares of the Transferee Company are listed and / or admitted to trading as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with necessary statutory and regulatory requirements as well as the listing formalities of the said stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and / or admit such Equity Shares also for the purpose of trading.
- 5.6.4 The Equity shares to be issued and allotted by the Transferee Company in terms of clause 5.6.1 above shall rank pari passu in all respects including dividend with the existing Equity shares of the Transferee Company.
- 5.6.5 Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Transferee company to issue and allot the Equity Shares in the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Transferee Company shall be increased in the manner set out in Clause 9 below.
- 5.6.6 Equity Shares of the Transferee Company issued in terms of clause 6.1.1 above shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited, the relevant stock exchange(s) where the existing equity shares of the Transferee Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the Transferee company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited).

- 5.6.7 The equity shares of the Transferee Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 5.6.8 Till the listing of the equity shares of the Transferee Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Transferor Company which may affect status of the approval of the stock exchanges to this scheme.
- 5.6.9 Approval of the Scheme by the shareholders of Himalchuli Food Products Limited shall be deemed to be due compliance of the provisions of sections 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder for the issue and allotment of the Equity shares by Himalchuli to the shareholders of RKD as provided hereinabove.
- 5.6.10 Unless otherwise determined by the Board of Directors or any committee thereof of the Transferee Company, allotment of Equity Shares in terms of clause 5.6 of this part shall be done within 4 months from the effective date.
- 5.6.11 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of RKD Trendy Retailers Private Limited under the Scheme.

5.7 TRANSFER OF AUTHORISED CAPITAL OF TRANSFEROR COMPANY TO THE CREDIT OF THE AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY:

Upon the scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking in the Transferee company in terms of the scheme, the Authorized share Capital of the Transferor Company shall stand transferred and credited to the Authorized Share Capital of the Transferee Company and stand increased and re-classified and re-organized from:-

The Authorised Share Capital of RKD Trendy Retailers Private Limited is Rs. 25,00,000/- (Rupees Twenty Five Lacs only) divided into 2,50,000 Equity Shares of the face value of Re. 10/- (Rupee Ten) each shall stand transferred to the credit of the Authorised Equity Share Capital of Himalchuli Food Products Limited so that the Authorised Share Capital shall stand increased **FROM** Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 7,00,00,000 Equity Shares of Re. 1/- (Rupees One) each, **TO** Rs. 7,25,00,000/- (Rupees Seven Croer Twenty Five Lacs only) divided into 7,25,00,000 Equity Shares of Re.1/- (Rupee One) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, the clause V of the Memorandum of Association relating to share capital shall be as under:

The share capital of the company is Rs. 7,25,00,000/- (Rupees Seven Crores Twenty Five Lakhs only) divided into 7,25,00,000 (Seven Crores Twenty Five Lakhs) shares of Re. 1/- (Rupee One) each. Any share of the original or increased capital may from time to time be issued with guarantee or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special of dividend or advantage over any shares previously issued or then about to be issued or with

deferred or qualified as compared with any shares previously issued or subject to any provision or conditions and with any special rights or limited rights or without any right of voting and generally on such terms as the Company may from time to time determine.

The rights of the holder of any class of shares for the time being forming part of the capital of the company may be modified, effected, varied. extended or surrendered either with the consent in writing of holders of three fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a, separate, meeting of the holders of those shares.

It is clarified that the Transferee Company shall not be required to pass any resolution for the purpose of Increase in Authorized Share Capital of the Transferee Company pursuant to Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, it shall be deemed that the members of the Transferee company have accorded their consent as required under the Act.

The filing fee and stamp duty already paid by the Transferor Company on its Authorised Share Capital shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital.

The Equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.

5.8 CHANGE OF NAME

Upon the Scheme becoming effective, with effect from the Appointed Date, the Name of the Transferee Company 'Himalchuli Food Products Limited' shall be changed to ' RKD Agri & Retail Limited ' or such other name as may be approved by the Ministry of Corporate Affairs , subject to Himalchuli filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard. Approval of the shareholders of Himalchuli to the Scheme shall be considered as the approval required under the provisions of the Companies Act, 2013 for such change of name.

5.9 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

- 5.9.1 Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation in its books of account in accordance with the Pooling of Interest method laid down in Appendix C of the Indian Accounting Standard 103 "Business Combinations of entities under common control" and other applicable IND-AS prescribed under section 133 of the companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015(as amended) and other generally accepted accounting principles as applicable on the effective date.

- 5.9.2 Transferee Company shall record the assets, liabilities and reserves relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts at the close of the business of the day immediately preceding the Appointed Date. The identity of the Reserves will be preserved.
- 5.9.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company mentioned above as on the date immediately preceding the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.
- 5.9.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of the Transferee Company.
- 5.9.5 In case there is any difference in the accounting policies adopted by the Transferor company and the Transferee company, the accounting policies followed by the Transferee company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee company reflect the financial position on the basis of consistent accounting policy.
- 5.9.6 Excess of assets over liabilities (including reserves and surplus and shares issued) will be credited to Capital reserves and excess of liabilities (including reserves and surplus and shares issued) over assets will be debited goodwill account.
- 5.9.7 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 5.9.8 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian accounting standards and generally accepted accounting principles.

SECTION 4

OTHER TERMS AND CONDITIONS

6.1 DIVIDENDS, PROFITS, BONUS/ RIGHT SHARES

- 6.1.1 For the avoidance of doubt it is hereby cleared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee company prior to the effective date.
- 6.1.2 On and from the earlier of the dates of filing this Scheme with National Company Law Tribunal and until the effective date, the Transferor Company shall declare dividend only after prior consultation with the Transferee Company.
- 6.1.3 After filing the Scheme and up to the Effective Date, the Transferor Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferee Company. Similarly, the Transferee Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferor Company.
- 6.1.4 The holders of the shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including right to receive the dividends.
- 6.1.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend which, subject to the provisions of the said Act, shall be entirely at the discretion of the said Company and subject to approval of the shareholders of the said Company.
- 6.1.6 The Equity shares shall rank pari passu with the existing Equity Shares of the Transferee Company in all respects including dividend.

7. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL (NCLT)

The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/petitions under Section 230 to 232 of the Companies Act, 2013 to the NCLT, as necessary, inter alia, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further applications / petitions under Sections 230 to 232 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

7.1 Revision of accounts and tax filings, modification of charge

Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, goods & Services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Maharashtra, Mumbai shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

7.2 Tax neutrality

The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-Tax Act, 1961, or any modification or re-enactment thereof.

If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

8. MODIFICATIONS AND AMENDMENT TO THE SCHEME

Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.

The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and, things necessary for giving effect to this Scheme.

For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and

are hereby authorised to determine and give all such directions as are necessary 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.

However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the NCLT and the same shall be subject to powers of the NCLT under Sections 230 to 232 of the Companies Act, 2013.

9. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to the following:

- 9.1 The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 9.2 The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the NCLT and/or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.
- 9.3 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.
- 9.4 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.
- 9.5 All other sanctions and approvals as may be required by law including registration of the order of the Tribunal sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.
- 9.6 Certified copies of the orders of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.
- 9.7 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so

decide.

9.8 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- a) Reduction of Capital of Himalchuli Food Products Limited
- b) Amalgamation of RKD Trendy Retailers Private Limited and transfer and vesting thereof in Himalchuli Food Products Limited;
- c) Transfer of the Authorized Share Capital of RKD Trendy Retailers Private Limited to Himalchuli Food Products Limited and consequential increase in the authorised share capital of the Transferee Company (in accordance with paragraph 5.8 hereof).

9.9 **Revocation and withdrawal of this Scheme**

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the NCLT and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

9.10 **Severability**

If any part of this Scheme is held invalid, ruled illegal by any Tribunal of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such

part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

9.11 **Mutation of property**

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties including development rights, of the Transferred Undertakings shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties including development rights of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

10. POST SCHEME CONDUCT OF OPERATIONS

Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the Transferor Company and the Transferee Company concerned. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), goods and service tax law, and other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

11. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal or such other competent authority by 31st December, 2019 or within such further period or periods as may be agreed upon between the Transferor Company and 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 will be null and void, 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. Each party shall equally bear and pay costs, charges and expenses for and / or in connection with the Scheme.

12. **COST, CHARGES AND EXPENSES**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne by the Transferor Company only.

STRICTLY PRIVATE & CONFIDENTIAL

December 31, 2018

To
The Board of Directors
Himalchuli Food Products Limited
B-102, Saraswati Apt.,
Radhakrishna Marg,
Mogra Village,
Andheri (East), Mumbai-400069

To
The Board of Directors
R K D Trendy Retailers Private Limited
B-102, Saraswati Apt.,
Radhakrishna Marg,
Mogra Village,
Andheri (East), Mumbai-400069

Re: Recommendation of Share Exchange Ratio for the proposed amalgamation of R K D Trendy Retailers Private Limited ("RKD" or "Transferor Company") into Himalchuli Food Products Limited ("Himalchuli" or "Transferee Company")

Dear Sir / Madam,

We refer to the engagement where RKD and Himalchuli (together referred to as "Companies") has requested us, Yogesh N Shah & Co., Chartered Accountants (hereinafter referred to as "Valuer"), to carry out a relative valuation of the equity shares of the companies for recommendation of the Share Exchange Ratio for the proposed amalgamation of RKD into Himalchuli.

1. SCOPE & PURPOSE OF THIS REPORT

- a. We have been informed that the Board of Directors of the companies contemplating a Capital Restructuring and Reconstruction in the Transferee Company and consolidation of their businesses, post Capital Restructuring and Reconstruction in the Transferee Company, into Transferee Company through a composite Scheme of Arrangement and Amalgamation ("Scheme") to be implemented under the provisions of sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 for the Reduction of Capital in Transferee Company and amalgamation of Transferor Company into Transferee Company. This is together referred to as the Transaction.
- b. Upon the said amalgamation, the equity shares of Transferee Company would be issued/allotted to the equity shareholders of the Transferor Company.
- c. The following is the modus operandi for the Transaction:

Step 1: Capital Restructuring and Reconstruction in the Transferee Company;



Step 2: Amalgamation of Transferor Company into Transferee Company, whereby the equity shares of Transferee Company, post capital reduction, would be issued/allotted to the equity shareholders of Transferor Company

- d. For the aforesaid purpose the companies appointed Yogesh N Shah & Co., Chartered Accountants to carry out a relative valuation of the equity shares of the companies and recommend the Share Exchange Ratio of allotment of equity shares of the Transferee Company to the equity shareholders of the Transferor Company to be placed before the Audit Committee and Board of Directors of the Companies.
- e. This report is our deliverable for above engagement.
- f. The valuation to arrive the Share Exchange Ratio for the proposed Amalgamation of Transferor Company into Transferee Company have been carried out as on October 31, 2018 ('Valuation Date').
- g. This Report sets out our recommendation of Share Exchange Ratio for the proposed amalgamation and discusses the approaches considered in the computation thereof.
- h. The scope of our service is to carry out a relative (and not absolute) valuation of the equity shares of the companies and to recommend a Share Exchange Ratio in accordance with the generally accepted professional standards.
- i. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, this Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

2. BRIEF BACKGROUND OF HIMALCHULI FOOD PRODUCTS LIMITED

- a. Himalchuli is a public limited company incorporated on April 30, 1986 under the Companies Act, 1956 having its registered office at B-102, Saraswati Apt., Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai-400069.
- b. The Main Objects Clause of the Target Company as per its Memorandum of Association is to cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items. However, there are no much business activities.
- c. The authorised, issued and subscribed and paid-up capital of Himalchuli as per the audited financial statements as on March 31, 2018 is as under:



| Particulars | Amount (Rs.) |
|---|--------------|
| Authorised Share Capital 70,00,000 Equity Shares of Rs. 10/- each | 7,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital 19,00,000 Equity Shares of Rs. 10/- each | 1,90,00,000 |

Subsequent to March 31, 2018 and as on Valuation Date there is no change in the authorised, issued and subscribed and paid-up capital of Himalchuli.

- d. The equity shares of Himalchuli are listed on BSE Limited, Mumbai ('BSE').

3. BRIEF BACKGROUND OF R K D TRENDY RETAILERS PRIVATE LIMITED

- a. RKD is a private limited company incorporated on October 22, 2012 under the Companies Act, 1956 having its registered office at B-102, Saraswati Apt., Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai-400069.
- b. RKD is engaged in the business of Trading, marketing, selling and distribution of various product as relating to all kinds of textiles, clothes, Readymade apparels and accessories, Leather wears, Groceries, Pharmaceuticals, Cosmetics and Medical Preparations, forest products, Agricultural Products, Dairy Products, Food articles, etc.
- e. The authorised, issued and subscribed and paid-up capital of RKD as per the audited financial statements as on March 31, 2018 is as under:

| Particulars | Amount (Rs.) |
|--|--------------|
| Authorised Share Capital 2,50,000 Equity Shares of Rs. 10/- each | 25,00,000 |
| Issued, Subscribed and Paid-up Share Capital 10,000 Equity Shares of Rs. 10/- each | 1,00,000 |

Subsequent to March 31, 2018 and as on Valuation Date there is no change in the authorised, issued and subscribed and paid-up capital of RKD.

- c. The entire/ majority of the shares of the RKD are held by Mr. Nilesh Malshi Savla and Mrs. Meena Nilesh Savla, who are also Promoters of Himalchuli.
- d. The shares of RKD are not listed on any stock exchanges.

4. EXCLUSIONS AND LIMITATIONS

- a. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While Yogesh N Shah & Co., Chartered Accountants has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.



- b. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- c. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- d. Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- e. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- f. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- g. Any person/ party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



- h. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- i. This Report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- j. Yogesh N. Shah & Co., Chartered Accountants, nor its managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

5. SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have used/relied upon the following of information provided by the management of the companies:

- i. Memorandum and Articles of Association of the Himalchuli and RKD.
- ii. Audited financial Statements of Himalchuli and RKD for the financial year ended March 31, 2018.
- iii. Management certified financial statements of Himalchuli and RKD for the period ended October 31, 2018.
- iv. Shareholding pattern of the Himalchuli and RKD as on September 30, 2018.
- v. Market Prices and trading history of the equity shares of Himalchuli
- vi. Draft Scheme of Amalgamation, certified by the management of the Companies.
- vii. Other relevant details of the companies such as its history, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.
- viii. Such other information and explanations as we required and which have been provided by the management of the respective companies.

6. VALUATION APPROACH

It is universally recognised that the valuation is not an exact science and estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. Courts in India have, over a period of time, evolved certain guiding principles, the most leading case being the decision of the Supreme Court in Hindustan Lever Employee's Union vs. Hindustan Lever Limited and Others [(1995) 83 Company Case 30]. The decision endorses that a fair and proper approach for valuation of shares of companies would be to use a combination of various approaches which in that case were:



- i. Market Price Approach;
- ii. Net Asset Value ('Asset Based') Approach; and
- iii. Earnings Capitalization Value ('Earnings') Approach

a. It is universally recognised that the valuation is not an exact science and estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. There are three generally accepted approaches to valuation, which are as under:

- iv. Cost Approach or Asset Approach
- v. Market Approach
- vi. Income Approach

Cost Asset Approach or Asset Approach:

The Cost Approach or Asset Approach focusses on the networth or net asset of the Company. The asset approach to business valuation is based on the principle of substitution - no rational investor will pay more for the business assets than the cost of procuring assets of similar economic utility. This approach to valuation comprises two methods - Intrinsic Value (IV) Method and Net Asset Value (NAV) Method.

Intrinsic Value Method:

- Under the Intrinsic Value Method, the assets and liabilities considered at their realizable/market value including intangible assets & contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of assets, potential liabilities, which would have to be paid, would be deducted and resultant figure would be Break Value of the Company.
- This valuation approach mainly used in case where the asset base dominates earnings capability or in case where the valuing entity is a holding company deriving significant value from its assets and investments.

Net Asset Value Method (NAV):

- Under the Net Asset Value Method, total value of business is based on sum of the Net Assets Value as recorded in the Balance Sheet.
- NAV Method is most appropriate for businesses where value lies in the underlying assets and not the ongoing business operations of the company.

Income Approach:

The Income Approach focuses on the profit/earnings potential of the business being valued. The Income approach valuation includes two methods - Profit Earning Capacity-Value (PECV) Method and Discounted Cash Flow (DCF) Method. The Income Approach focuses on the income generated by the company as well as its future earning capability.



Profit Earnings Capacity Value:

- **PECV Method focuses on the past income generated by the company as well as the future earnings capability of the business enterprise. The PECV Method requires the determination parameters, which are relevant to the company whose shares are being valued. These are (i) the 'future maintainable profits'; (ii) the 'appropriate tax rate'; and (iii) the 'expected rate of return'. The value is determined by capitalizing the future maintainable profits (net of tax) by the expected rate of return.**

Discounted Cashflow Method:

- **DCF Method seeks to arrive at a value of a business based on the strength of its future cash flows. This method also captures the risk involved with these cash flows.**
- **Under this method, the business is valued discounting its free cash flows for an explicit forecast period and perpetuity value thereafter. The free cash flows to the firm (FCFF) represent the cash available for the distribution to both owners and the creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by weighted average cost of capital (WACC). WACC is an appropriate rate of discount to calculate the present value of the future free cash flows as it considers debt-equity risk and also debt-equity ratio of the company/industry.**
- **To the present value of the cash flows so arrived, adjustments are made for the value of debt, surplus/non-operating assets including investments, surplus cash & bank balance and contingent assets/liabilities and other liabilities, if any, in order to arrive at the value for the equity shareholders. The total value for the equity shareholders so arrived has to be then divided by the number of equity shares in order to work out the value per equity share of the company.**

Market Approach:

The Income Approach focuses on the profit/earnings potential of the business being

Market Price Method:

- **Under this method, the market price of an equity share as quoted on a recognised stock exchange is normally considered as the value of the equity shares of the company, where such quotations are arising from the shares being regularly and frequently traded. The market value generally reflects the investors' perception about the true worth of the company.**



Comparable Companies Multiple (CCM) Method:

- Under CCM Method, the value is determined on the basis of multiples derived from the valuations of comparable companies, as manifested through stock market valuations of listed companies.
- This valuation is based on the principle that market valuation, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant factors need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transaction Method:

- With regard to the multiples applied in an earnings based valuation, they are generally based on data from recent transactions in a comparable sectors, but with appropriate adjustments after due consideration has been given to specific characteristics of the business being valued.

5. Valuation Methodologies Applied:

- The application of any particular method of valuation depends on the purpose which the valuation is done.
- Each method proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times even no relevance to a given situation. Thus, the methods to be adopted for a particular valuation must be judiciously chosen.
- In arriving the value of the equity shares of the Companies, from amongst the generally accepted valuation methodologies, we have applied most relevant, applicable and appropriate to the circumstances.
- For the valuation of the equity shares of the companies we have primarily relied on Cost Approach - NAV Method. To derive the value under this approach we have calculated the networth of the Himalchuli and RKD, based on the numbers considering the balance sheet of the companies as on October 31, 2018. The networth amount of RKD then adjusted/discounted, as the equity shares of RKD are not listed on any stock exchange, by 15% towards the lack of Marketability. The values so arrived at above is divided by the number of issued, subscribed and fully paid-up equity shares to derive the value per share.
- Income approach has not been considered on account of absence of any projected financial information.
- Market Price Method has not been considered for the purpose of valuation as the equity shares of Himalchuli as not traded in the last three years and the equity shares of RKD are not listed on any stock exchange.



7. Valuation and Conclusion

Based on the foregoing data and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we consider that the fair ratio of exchange would be as under:

| Valuation Approach | Transferee Company | | Transferor Company | |
|--------------------------|--------------------|-----------------|--------------------|-----------------|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | 1* | 1 | 290 | 1 |
| Income Approach | Not Applicable | Refer 6.b above | Not Applicable | Refer 6.b above |
| Market Approach | Not Applicable | Refer 6.b above | Not Applicable | Refer 6.b above |
| Relative Value per Share | 1 | | 290 | |

It may herein be noted that the BSE has issued a Circular (Circular No. UST/COMP/02/2017-18 dated May 29, 2017) to the Listed Companies, on advice by SEBI, laying down the format in which the valuation report shall display the workings, relative fair value per share and fair exchange ratio. The disclosure in the format suggested by BSE is as under:

Note: As mentioned earlier, we have not adopted the Income Approach and Market Approach for the valuation.

** We observe that the value per share of the Transferee Company, arrived under the NAV Method, is negative. Therefore, we consider the value per share at a nominal value of INR 1 (Indian Rupee One).*

Share Exchange Ratio:

290 (Two Hundred and Ninety) Equity Shares of Transferee Company of INR 1 each full paid up for every 1 (One) Equity Shares of Transferor Company of INR 10 each full paid up.

Thanking you,
Yours faithfully,

For Yogesh N Shah & Co.
Chartered Accountants
Firm Registration Number: 111760W

CA Yogesh N Shah
Proprietor
Mem. No.: 039553

Place: Mumbai



Annexure to the Valuation Report

Market Price of Shares of Himalchuli Food Products Limited is not considered for calculating the Share Swap Ratio as the shares were not traded during the period under consideration as per the share price calculation pursuant to SEBI (ICDR) Regulations, 2018. The detailed calculation is as under :-

Relevant Date (Date of Board Meeting i.e. 31-12-2018)

A] Average of weekly high & low of the volume weighted average price (VWAP) of the equity shares of Himalchuli Food Products Limited quoted on the BSE Limited during the last twenty six weeks preceding the relevant date (considering relevant date as 31-Dec-2018)

| Weeks | From | To | High | Low | Average |
|-------|-----------|-----------|---------------|------|---------|
| 1 | 2-Jul-18 | 8-Jul-18 | 0.00 | 0.00 | 0.00 |
| 2 | 9-Jul-18 | 15-Jul-18 | 0.00 | 0.00 | 0.00 |
| 3 | 16-Jul-18 | 22-Jul-18 | 0.00 | 0.00 | 0.00 |
| 4 | 23-Jul-18 | 29-Jul-18 | 0.00 | 0.00 | 0.00 |
| 5 | 30-Jul-18 | 5-Aug-18 | 0.00 | 0.00 | 0.00 |
| 6 | 6-Aug-18 | 12-Aug-18 | 0.00 | 0.00 | 0.00 |
| 7 | 13-Aug-18 | 19-Aug-18 | 0.00 | 0.00 | 0.00 |
| 8 | 20-Aug-18 | 26-Aug-18 | 0.00 | 0.00 | 0.00 |
| 9 | 27-Aug-18 | 2-Sep-18 | 0.00 | 0.00 | 0.00 |
| 10 | 3-Sep-18 | 9-Sep-18 | 0.00 | 0.00 | 0.00 |
| 11 | 10-Sep-18 | 16-Sep-18 | 0.00 | 0.00 | 0.00 |
| 12 | 17-Sep-18 | 23-Sep-18 | 0.00 | 0.00 | 0.00 |
| 13 | 24-Sep-18 | 30-Sep-18 | 0.00 | 0.00 | 0.00 |
| 14 | 1-Oct-18 | 7-Oct-18 | 0.00 | 0.00 | 0.00 |
| 15 | 8-Oct-18 | 14-Oct-18 | 0.00 | 0.00 | 0.00 |
| 16 | 15-Oct-18 | 21-Oct-18 | 0.00 | 0.00 | 0.00 |
| 17 | 22-Oct-18 | 28-Oct-18 | 0.00 | 0.00 | 0.00 |
| 18 | 29-Oct-18 | 4-Nov-18 | 0.00 | 0.00 | 0.00 |
| 19 | 5-Nov-18 | 11-Nov-18 | 0.00 | 0.00 | 0.00 |
| 20 | 12-Nov-18 | 18-Nov-18 | 0.00 | 0.00 | 0.00 |
| 21 | 19-Nov-18 | 25-Nov-18 | 0.00 | 0.00 | 0.00 |
| 22 | 26-Nov-18 | 2-Dec-18 | 0.00 | 0.00 | 0.00 |
| 23 | 3-Dec-18 | 9-Dec-18 | 0.00 | 0.00 | 0.00 |
| 24 | 10-Dec-18 | 16-Dec-18 | 0.00 | 0.00 | 0.00 |
| 25 | 17-Dec-18 | 23-Dec-18 | 0.00 | 0.00 | 0.00 |
| 26 | 24-Dec-18 | 30-Dec-18 | 0.00 | 0.00 | 0.00 |
| | | | Average Price | | 0 |

B] Average of weekly high & low of the volume weighted average price (VWAP) of the equity shares of Himalchuli Food Products Limited quoted on the BSE Limited during the last two weeks preceding the relevant date (considering relevant date as 31-Dec-2018)

| Weeks | From | To | High | Low | Average |
|----------------------|-----------|-----------|------|------|----------|
| 1 | 17-Dec-18 | 23-Dec-18 | 0.00 | 0.00 | 0.00 |
| 2 | 24-Dec-18 | 30-Dec-18 | 0.00 | 0.00 | 0.00 |
| Average Price | | | | | 0 |

A] Average of 26 weeks high low of the VWAP Rs. 0

B] Average of 2 weeks high low of the VWAP Rs.0

Applicable Minimum Price (Higher of the A or B) Rs.0



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December 31, 2018
ACL:MUM:2018-19: 0074

To
The Board of Directors
Himalchuli Food Products Limited
B-102, Saraswati Apt.,
Radhakrishna Marg,
Mogra Village,
Andheri (East), Mumbai-400069

Sub.: Proposed Scheme of Arrangement and Amalgamation between R K D Trendy Retailers Private Limited ("RKD" or "Transferor Company") and Himalchuli Food Products Limited ("Himalchuli" or "Transferee Company")

Dear Sir/Madam,

We refer to our engagement and our ongoing discussions, wherein the management of Himalchuli Food Products Limited ("Himalchuli" or "Transferee Company") and R K D Trendy Retailers Private Limited ("RKD" or "Transferor Company") have requested Ashika Capital Limited ("Ashika"), a SEBI registered Merchant Banker, to provide a Fairness Opinion on the Valuation Report dated December 31, 2018 ("Valuation Report") being issued by Yogesh N Shah & Co., Chartered Accountants ("Valuer") in respect of the proposed Capital Restructuring and Reconstruction in the Transferee Company and amalgamation of Transferor Company into Transferee Company, post Capital Restructuring and Reconstruction, through a composite Scheme of Arrangement and Amalgamation ("Scheme") under the provisions of sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013. We understand that the proposed scheme will be considered by the board of directors and audit committee of Transferee Company.

We understand that the management of Himalchuli and RKD are contemplating the following under the Scheme:

Step 1: Reduction of Capital in Transferee Company through Capital Restructuring and Reconstruction in the Transferee Company; and

Step 2: Amalgamation of Transferor Company into Transferee Company, whereby the equity shares of Transferee Company, post capital reduction, would be issued/allotted the equity shareholders of Transferor Company.



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7th Floor, Kolkata 700 020
Tel.: +91 33 4010 2500
Fax: +91 33 4010 2543
E-mail: ashika@ashikagroup.com

Corporate Office:
1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel.: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mbd@ashikagroup.com

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1. Background of the Companies that are parties to the Scheme:

1.1. Himalchuli Food Products Limited:

- a. Himalchuli is a public limited company incorporated on April 30, 1986 under the Companies Act, 1956 having its registered office at B-102, Saraswati Apt., Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai-400069
- b. The Main Objects Clause of the Target Company as per its Memorandum of Association is to cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items. However there are no much business activities.
- c. The authorised, issued and subscribed and paid-up capital of Himalchuli as per the audited financial statements as on March 31, 2018 is as under:

| Particulars | Amount (Rs.) |
|---|--------------|
| Authorised Share Capital | |
| 70,00,000 Equity Shares of Rs. 10/- each | 7,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 19,00,000 Equity Shares of Rs. 10/- each | 1,90,00,000 |

Subsequent to March 31, 2018 and as on Valuation Date there is no change in the authorised, issued and subscribed and paid-up capital of Himalchuli.

- d. The equity shares of Himalchuli are listed on BSE Limited, Mumbai ('BSE').

1.2. R K D Trendy Retailers Private Limited:

- a. RKD is a private limited company incorporated on October 22, 2012 under the Companies Act, 1956 having its registered office at B-102, Saraswati Apt., Radhakrishna Marg, Mogra Village, Andheri (East), Mumbai-400069.
- b. RKD is engaged in the business of Trading, marketing, selling and distribution of various products relating to all kinds of textiles, clothes, Readymade apparels and accessories, Leather wears, Groceries, Pharmaceuticals, Cosmetics and Medical Preparations, forest products, Agricultural Products, Dairy Products, Food articles, etc.
- e. The authorised, issued and subscribed and paid-up capital of RKD as per the audited financial statements as on March 31, 2018 is as under:

| Particulars | Amount (Rs.) |
|---|--------------|
| Authorised Share Capital | |
| 2,50,000 Equity Shares of Rs. 10/- each | 25,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 10,000 Equity Shares of Rs. 10/- each | 1,00,000 |

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Subsequent to March 31, 2018 and as on Valuation Date there is no change in the authorised, issued and subscribed and paid-up capital of RKD.

- c. The entire/ majority of the shares of the RKD are held by Mr. Nilesh Malshi Savla and Mrs. Meena Nilesh Savla, who are also Promoters of Himalchuli.
- d. The shares of RKD are not listed on any stock exchanges.

2. Scope and Purpose:

The Companies have appointed Yogesh N Shah & Co., Chartered Accountants ("Valuer") to carry out the valuation of Transferor Company and Transferee Company and recommend the Share Entitlement Ratio for the proposed Capital Restructuring and Reconstruction and Amalgamation.

The Valuer vide their Valuation Report dated December 31, 2018 ("Valuation Report") has recommended that the equity shareholders of Transferor Company will be entitled to receive 280 equity shares of face of INR 1/- each of Transferee Company, post Capital Restructuring and Reconstruction, for every 1 equity share of face of INR 10/- each held in Transferor Company.

The Companies have appointed Ashika Capital Ltd. to examine the Valuation Report and such other information provided by them and issue a, independent opinion on the fairness of the Valuation / Share Entitlement Ratio in respect of the proposed Amalgamation ("Fairness Opinion").

We have reviewed the methodologies as adopted by the Valuer for arriving at the fair valuation of the equity shares of the Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under the approach, for determining their respective per share value and to recommend the Share Entitlement Ratio.

Scope of this Fairness Opinion includes commenting only on the fairness of the Share Entitlement Ratio recommended by the Valuer and not on the fairness or economic rationale of the Scheme.

This Fairness Opinion is addressed to the Board of Directors of the Companies. This Fairness Opinion is subject to the scope, assumptions, exclusions, scope limitations and declarations detailed hereinafter. As such the Fairness Opinion is to be read in totality not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFC/DIL3/CIR/2018/2 dated January 03, 2018, as applicable.

This Fairness Opinion has been issued only for the purpose of opting on the fairness of the Share Entitlement Ratio for the Amalgamation under the proposed Scheme and should not be used for any other purpose.

3. Sources of Information:

For the purpose of examination and for arriving at the opinion, we have relied upon the following information provided by the management of the companies:

- i. Memorandum and Articles of Association of the Himalchuli and RKD.
- ii. Audited Financial Statements of Himalchuli and RKD for the financial year ended March 31, 2018.

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- iii. Certified Financial Statements of Himalchuli and RKD for the period ended October 31, 2018.
- iv. Shareholding pattern of the Himalchuli and RKD as on September 30, 2018.
- v. Market Prices and trading history of the equity shares of Himalchuli
- vi. Valuation Report issued by the Valuer
- vii. Draft Scheme of Arrangement and Amalgamation, certified by the management of the Companies.
- viii. Other relevant details of the companies such as its history, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.
- ix. Such other information and explanations as we required and which have been provided by the management of the respective companies.

4. Exclusions and Limitations:

We have relied upon and assumed, without independent verification, the truthfulness, accuracy, and completeness of information that was provided or made available to us by the companies in all material respects for the purpose of this Fairness Opinion. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our Fairness Opinion.

This Fairness Opinion is prepared solely for the purpose of discussion by the management of the Companies in relation to the proposed of Arrangement and Amalgamation between R K D and Himalchuli and shall not be disclosed or referred to public or to any third party other than the purpose as mentioned above.

This Fairness Opinion is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to which it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

This Fairness Opinion does not give any valuation or suggest any share exchange ratio. However, it is limited to provide its fairness opinion on the Valuation Report given by the Valuer.

In no circumstances, Ashika or its directors, officers, employees and controlling persons of Ashika will accept any responsibility or liability including any pecuniary or financial liability to any third party.

We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein.

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5. Conclusion:

Based on the facts, information and explanation relevant to the present case, our examination of the Valuation Report provided to us by the companies and our independent analysis and evaluation of such information and subject to the exclusions and limitations as mentioned herein and to the best of our knowledge and belief, we are of the opinion that the share entitlement ratio of the equity shares of the Transferee Company to be issued to the equity shareholders of the Transferor Company, pursuant to the Scheme, recommended by the Valuer is fair.


6. Distribution of Fairness Opinion:

This Fairness Opinion is for the purpose of submission to Stock Exchanges and disclosure on the companies and Stock Exchange Websites as required under the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFC/DIL3/CIR/2018/2 dated January 03, 2018 and shall not be disclosed or referred to publicly or to any third party other than the purpose as mentioned above.

In no circumstances, will Ashika or its directors, officers, employees and controlling persons of Ashika accept any responsibility or liability including any pecuniary or financial liability to any third party.

Thanking you,

For Ashika Capital Limited


Mihir Mehta
Vice President-MBD



DCS/AMAL/SD/R37/1473/2019-20

May 2, 2019

The Company Secretary,
HIMALCHULI FOOD PRODUCTS LTD.
 B-102, Saraswati Apt. Radhakrishna Marg,
 Mogra Village, Andheri (East),
 Mumbai, Maharashtra- 400069

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement and Amalgamation between RKD Trendy Retailers Pvt Ltd with Himalchuli Food Products Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement and Amalgamation between RKD Trendy Retailers Pvt Ltd with Himalchuli Food Products Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 26, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the Financials of the Companies involved in the Scheme is updated and are not more than 6 months old.”
- “Company shall ensure that the proposed scheme is acted upon only if approved by NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted

(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitinkumar Pujari
Senior Manager

e/c.

HIMALCHULI FOOD PRODUCTS LIMITED

Reg Off: B-102, Saraswati Apt. Radhakrishna, Marg
Mogra
Village, Andheri (East), Mumbai- 400069
Phone: 022-268751 80
Email: himalchulifoodproducts@gmail.com
Website: www.hipltd.in
CIN: L15400MH1986PLC316001

Date: 08th March, 2019

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P. J. Towers, Dalal Street,
Mumbai- 400 001

Scrp Code : 511169

Ref: Filing of Complaints Report pursuant to SEBI Circular CFD/DIL3/CIR/2017 dated 10th March, 2017

Dear Sir/ Madam,

Sub: Application for grant of approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Composite Scheme of Arrangement and Amalgamation for Reduction of Equity Share Capital of R.K.D Trendy Retailers Private Limited (Transferor Company) and Himalchuli Food Products Limited (Transferee Company) and their respective Shareholders (Scheme).

Further to our application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the proposed Scheme of Arrangement and Amalgamation for Reduction of Equity Share Capital of R.K.D Trendy Retailers Private Limited (Transferor Company) and Himalchuli Food Products Limited (Transferee Company) and their respective Shareholders (Scheme). Please find enclosed the Complaint Report for the period from 17th January 2019 to 7th March, 2019 as "Annexure I"

We have also uploaded the Complaints Report on our website.

We request you to take the above on record and oblige.

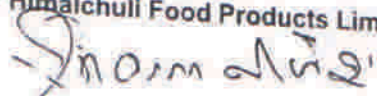
BSE LTD.
INWARD SECTION
11 MAR 2019
CONTENTS NOT VERIFIED
SIGN.....

HIMALCHULI FOOD PRODUCTS LIMITED

Reg Off : B-102, Saraswati Apt. Radhakrishna, Marg
Mogra
Village, Andheri (East), Mumbai - 400069
Phone: 022-268751 80
Email : himalchulifoodproducts@gmail.com
Website: www.hfpltd.in
CIN: L15400MH1986PLC316001

Kindly take the same on record and provide us necessary "No Objection" at the earliest so as to enable us to file the Scheme of Reduction of Equity Share Capital with the National Company Law Tribunal

Thanking You,
Yours Faithfully,
For Himalchuli Food Products Limited



Nilesh Savla
Director
Encl. - Annexure 'A'



ANNEXURE I

HIMALCHULI FOOD PRODUCTS LIMITED

Reg. Off. B-102, Saraswati Apt. Radhakrishna Marg,
Mogra
Village, Andheri (East), Mumbai - 400069
Phone: 022-26875180
Email: himalchulifoodproducts@gmail.com
Website: www.hipltd.in
CIN: L15400MH1986PLC316001

Format for Complaints Report:

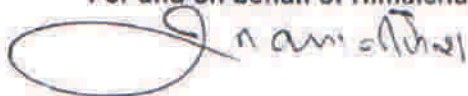
Part A

| Sr. No. | Particulars | Number |
|---------|--|--------|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchange | NIL |
| 3. | Total Number of complaints/comments received (1+2) | NIL |
| 4. | Number of complaints resolved | NA |
| 5. | Number of complaints pending | NA |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | NIL | NIL | NIL |

Thanking You,
Yours Faithfully,
For and on behalf of Himalchuli Food Products Limited



Nitesh Savla
Director

Summary of Valuation Report along with basis of valuation

1. The management of Himalchuli Food Products Limited ('Transferee Company') and RKD Trendy Retailers Limited ('Transferor Company') have appointed Yogesh N. Shah & Co, Chartered Accountants, Mumbai as independent valuer to recommend a fair ratio of allotment of equity shares of Transferee Company to the equity shareholders of Transferor Company on the proposed composite Scheme of Reduction of Capital and Amalgamation.
2. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of the SEBI Scheme circular, circular No. LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE and circular No. NSE/CML/2017/12 dated June 1, 2017 issued by the NSE.
3. The valuer has considered Market Price ('MP'), Net Asset Value ('Asset Based') approach to determine the fair value of the shares of the companies.
4. In case of Transferee Company, the market value of the shares was not taken into consideration in accordance with Regulation 76 of SEBI (ICDR) Regulations, 2009 as there was no trading in the shares of the company in the relevant period and therefore the fair value of the share was arrived at by Net Asset Value.
5. A fairness opinion dated 31st December, 2018 was issued by Ashika Capital Limited, a SEBI Registered Merchant Banker, explaining the rationale for their opinion as to the fairness of the share entitlement ratio from a financial point of view.
6. Accordingly the share entitlement ratio of 290 equity shares of Re. 1 each fully paid of Himalchuli Food Products Limited, Transferee Company to 1 equity share of Rs.10 each fully paid of RKD Trendy Retailers Private Limited has been arrived at and approved by the Audit Committee of the Transferee Company and by the Board of the Transferee Company and the Board of Directors of the Transferor Company.

Annexure - 7

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HIMALCHULI FOOD PRODUCTS LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 31ST DECEMBER, 2018.

1. The Board of Directors ('Board') of Himalchuli Food Products Limited ('Company') at their meeting held on 31st December, 2018 had approved a draft of the proposed composite Scheme of Arrangement and Amalgamation (Scheme) between R.K.D. Trendy Retailers Private Limited (Transferor Company) and Himalchuli Food Products Limited (Transferee company) and their respective shareholders.

Pursuant to this Scheme of Arrangement the face value of the Equity Share of HFPL be reduced from Rs. 10/- to Re. 1/- by cancelling of 19,00,000 Equity Shares of Rs. 9/- each amounting to Rs.1,71,00,000/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account and then HFPL will issue 290 equity shares of Re. 1/- each fully paid up to the shareholders of the Transferor Company for every 1 Equity Share of Rs. 10/- each fully paid up held by them in the Transferor Company . The Scheme was approved by the Audit Committee at its meeting held on December 31, 2018.

2. As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties ('Report').
3. Having regard to the applicability of the aforesaid provisions, the scheme and the following documents are placed before the Board;
 - a) Valuation report dated 31st December, 2018 issued by Yogesh N. Shah & Co.,, Chartered Accountants describing inter alia the methodology adopted by them in arriving at the share valuation including the share entitlement ratio and setting out the details of computation of fair entitlement ratios for the proposed amalgamation ('Valuation Report').
 - b) Fairness Report dated 31st December, 2018 issued by Ashika Capital Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the valuation and share entitlement ratio.
 - c) Certificate dated 31st December, 2018 issued by M.M. Gala & Associates, the statutory auditors of the Company as required under section 232(3) of the Companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.
 - d) A copy of the Audit Committee Report dated 31st December, 2018 in terms of the requirements of circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India.

4. **Rationale of the Scheme**

- a. Continuous losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of Transferee Company.
- b. For ensuring that the financial statements of the Company reflect the real picture and the Capital which is lost, is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of share capital of the Transferee Company.
- c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a “Capital Restructuring Account” from its paid up Equity Share Capital.
- d. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- e. This Composite Scheme of Arrangement and Amalgamation is presented with a view to achieve Restructuring of the Transferee company which would result in increase in the net worth of the Transferee Company and improvement in financial health as more business activities shall be brought into the Transferee Company thereby preventing it from becoming a sick company.
- f. The restructuring of the Transferee Company proposed under the Scheme does not envisage any payment to any shareholder of any paid-up share capital.
- g. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- h. Himalchuli Food Products Limited and RKD Trendy Retailers Private Limited both are with a view to take advantage of consolidation in the current competitive environment, it is proposed to consolidate operations and amalgamate the two companies, which would result in benefits from economies of scale of operations and increased market share.
- i. Simplified group and business structure.

The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.

- j. Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- k. Better 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 organic and inorganic growth opportunities, to maximize shareholder value.
- l. The amalgamated company will have the benefit of synergy, optimum use of manpower for executing and management of various projects, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.

5. **Effect of the Scheme on Stakeholders**

| Sr. No. | Category of Stakeholder | Effect of the Scheme |
|---------|----------------------------|--|
| (i) | Shareholders | The Company has only one class of Shareholders i.e. Equity Shareholders and do not have any preference shareholders. Upon the Scheme coming into effect the face and paid up value of equity share of the Transferee Company will stand reduced to Re. 1/- fully paid up and thereafter Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company, will issue and allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date, 290 equity shares of Re.1/- each of the Transferee Company, credited as fully paid-up for every 1equity shares of Rs.10 each fully paid-up, held by such shareholder in the share capital of the Transferor Company (“Share Exchange Ratio”). |
| (ii) | Promoters | Promoters of the Company are holding 100% of the Equity Capital in the Transferor Company; hence new shares will be issued to the promoters of the Company and the percentage of the promoters holding will go upto 73.53% from the present 33.13% in the Transferee Company Post Reduction and Amalgamation. |
| (iii) | Non- Promoter Shareholders | Please refer to point (i) above the details regarding effect on shareholder. |

| | | |
|------|--------------------------|--|
| (iv) | Key Managerial Personnel | The Key managerial Personnel of the Company (KMP's) shall continue as Key Managerial Personnel of the Company after effectiveness of the Scheme. No KMP except Mr. Nilesh Savla holds share in the Transferee Company. |
|------|--------------------------|--|

Valuation

- a. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, Circular No. LIST/COMP/02/2017-18 dated 29th May, 2017 issued by the BSE Limited.
- b. Yogesh N. Shah & Co., Chartered Accountants have not expressed any difficulty while carrying out the valuation and share entitlement ratio.
- c. The Transferee Company is a listed company with its share listed on BSE and it is therefore governed by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Notification No. SEBI/LAD-NRO/GN/2018/31 dated 11th September, 2018. Accordingly, issuance of share pursuant to section 230 to 232 of the Companies Act, 2013, if the shares are issued to the shareholders of unlisted entity then the pricing conditions that apply to the preferential issue shall apply while calculating the price for share entitlement ratio.
- d. Yogesh N. Shah & Co., Chartered Accountants have derived the fair value of the Transferee Company on the basis of Asset approach as income and Market approach was not applied. The Shares of the Transferee Company are infrequently traded and therefore market price could not be discovered.
- e. Based on the above the fair ratio of exchange is as under;

For every 1 (One) Equity Shares of face value of Rs. 10/- (Ten) held in the Transferor Company, 290 (Two Hundred Ninety) Equity Shares of Face Value of Re. 1/- (One) in the Transferee Company to be issued to the shareholders of the Transferor Company.

7) **Adoption of Report by the Directors**

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised committee by the Board is entitled to make relevant modification to this report, if required and such modifications or amendments shall be deemed to form part of this report.

**By Order of the Board
For Himalchuli Food Products Limited**

Sd/-

**Nilesh Savla
Director**

Date: December 31, 2018

Place: Mumbai

Annexure - 8

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RKD TRENDY RETAILERS PRIVATE LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 31ST DECEMBER, 2018.

(1) Background .

1.1 The proposed composite Scheme of Arrangement and Amalgamation between R.K.D. Trendy Retailers Private Limited (Transferor Company) and Himalchuli Food Products Limited (Transferee Company) and their respective shareholders ("the Scheme") was approved by the Board of Directors of RKD in their meeting held on 31st December, 2018.

1.2 Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.

1.3 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.

1.4 The Following documents were placed the Board

A Draft Scheme duly initialed by the Director for the purpose of identification.

B Valuation Report dated 31st December, 2018 of M/s. Yogesh N. Shah & Co., Chartered Accountants ("the Valuer"), independent Chartered Accountants (Valuation Report").

C Fairness Opinion dated 31st December, 2018 prepared by M/s. Ashika Capital Limited, a Category I Merchant Banker, providing the Fairness Opinion on the share exchange ratio ("Fairness Opinion") as recommended by M/s Yogesh N. Shah & Co., the Valuer.

D Certificate dated 31st December, 2018 issued by M. M. Gala & Associates, Chartered Accountants the statutory auditors of the Company as required under section 232(3) of the Companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.

2. Effect of the Scheme of arrangement on equity shareholders (promoter shareholder and non-promoter shareholder), employees and KMPs of RKD.

2.1 Upon the Scheme becoming effective the Transferee Company will issue and allot, to equity shareholders of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor

Company on the Record Date, 290 equity shares of Re. 1/- each of the Transferee Company, credited as fully paid-up for every 1 equity share of Rs.10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").

- 2.2 Under Clause 5.2.6 of the Scheme, on and from the Effective Date, HFPL undertakes to engage all the Employees of RKD on the same terms and conditions on which they are engaged by HFPL without any interruption of services and in the manner provided under clause 5.2.6 of the Scheme. In the circumstances, the rights of the Employees of RKD would in no way be affected by the Scheme.
- 2.3 Under the Scheme, no right of the Employees of RKD are being affected. The services of the Employees of RKD, under the scheme, shall continue on the same terms and conditions on which they were engaged by RKD.
- 2.4 There is no effect of the Scheme on the creditors, key managerial personnel and promoter shareholders of RKD. Upon the effectiveness of the Scheme, the directors of RKD shall cease to be its directors as RKD shall stand dissolved without winding up. There are no public shareholders in the Company.
- 2.5 No special valuation difficulties were reported

Date: December 31, 2018
Place: Mumbai

Sd/-
Nilesh M. Savla
CHAIRMAN

HIMALCHULI FOOD PRODUCTS LIMITED

Statement of Profit and Loss for the year ended 30th June 2019

| Particulars | Note No | For the Quarter ended June 30, 2019 |
|---|---------|-------------------------------------|
| Revenue from operations | | |
| Other income | 7 | - |
| Total Rs. | | |
| Expenses: | | |
| Employee benefit expenses | | 45,000 |
| Other expenses | 8 | 9,000 |
| Total expenses | | 54,000 |
| Profit before exceptional items and tax | | (54,000) |
| Profit before Tax | | (54,000) |
| Tax expense: | | |
| (1) Current tax | | - |
| (ii) Deffered Tax | | - |
| (iii) Excess tax provision for earlier years | | - |
| Profit (Loss) for the period | | (54,000) |
| Other Comprehensive Income | | |
| A. (i) Items that will not be reclassified to profit or loss | | |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | |
| B. (i) Items that will be reclassified to profit or loss | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | |
| Total Comprehensive Income for the period | | (54,000) |
| Earnings per Equity Share | 9 | |
| (1) Basic | | (0.03) |
| (2) Diluted | | (0.03) |

Significant Accounting Policies and Notes on Accounts

10

As per our Report attached

For and on behalf of the Board



Nilesh Malshi Savla
Director
DIN : 05354691

HIMALCHULI FOOD PRODUCTS LIMITED

Balance Sheet As At 30th June 2019

| Particulars | Note No. | As At 30th June 2019 |
|------------------------------------|----------|----------------------|
| ASSETS | | |
| (A) Non Current assets | | |
| (i) Property ,Plant and Equipment | | - |
| (ii) Investment Property | | - |
| (iii) Deferred Tax Assets | | - |
| (iv) Goodwill | | - |
| (v) Financial Assets | | - |
| (a) Investments | 1 | 32,595 |
| (b) Loans | 2 | 3,88,525 |
| (B) Current Assets | | |
| (i) Financial Assets | | - |
| (a) Cash and Cash equivalents | 3 | 1,15,819 |
| (b) Sundry Debtors | | - |
| (c) Other Current Assets | | - |
| Total Rs. | | 5,36,939 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (i) Equity share capital | 4 | 1,90,00,000 |
| (ii) Reserve Fund | | - |
| (iii) Other Equity | 5 | (2,86,66,799) |
| (A) Non Current Liabilities | | |
| (i) Financial Liabilities | | - |
| (B) Current Liabilities | | |
| (i) Financial Liabilities | | - |
| (a) Borrowing | 6 | 97,30,000 |
| (b) Trade Payables | | 4,14,900 |
| (c) Short Term Provisions | | 58,838 |
| Total Rs. | | 5,36,939 |

Significant Accounting Policies and Notes on Accounts

For and on behalf of the Board



Nilesh Malshi Savia
Director
DIN : 05354691

HIMALCHULI FOOD PRODUCTS LIMITED

Notes Forming part of the financial statement for the quarter ended 30th June 2019.

1. INVESTMENTS

| Particulars | As at 30.06.2019 |
|--|------------------|
| QUOTED :- Non Trade Investments (at cost Fully paid) | |
| 236 Eq. (P.Y.236) Reliance Power Ltd. | 5,915 |
| 100 Eq. (P.Y.100) Apple Finance. Ltd. | 4,500 |
| | 10,415 |
| UN-QUOTED :- Non Trade Investments (at cost Fully paid) | |
| 1000 Eq. (P.Y.1000) Magna Industries & Export Ltd. | 10,000 |
| 300 Eq. (P.Y.300) Champion Cement Industries Ltd. | 3,000 |
| 100 Eq. (P.Y.100) Garden Cotton & Yarn Ltd. | 3,000 |
| 50 Eq. (P.Y.50) Essar Oil Ltd. | 4,120 |
| 50 Deb. Part-B (P.Y. 50) Essar Oil Ltd. | 2,060 |
| | 22,180 |
| Total Rs. | 32,595 |

2. LOANS

| Particulars | As at 30.06.2019 |
|-----------------------------|------------------|
| Loans and advances : | |
| Deposits: | 5,066 |
| Advance Income Tax (Net) | 33,459 |
| Kay Bee Tex-Spin Ltd. | 3,50,000 |
| Total Rs. | 3,88,525 |

3. CASH AND CASH EQUIVALENTS

| Particulars | As at 30.06.2019 |
|-------------------------------|------------------|
| Cash on hand: | |
| In Indian Rupees | 58,955 |
| Bank balance : | |
| In Current Account - In India | 46,864 |
| Total Rs. | 1,15,819 |

4. EQUITY SHARE CAPITAL

| Particulars | As at 30.06.2019 |
|--|--------------------|
| AUTHORISED | |
| 7,000,000 (Previous Year: 7,000,000) Equity Shares of Rs. 10/- each | 7,00,00,000 |
| | 7,00,00,000 |
| Shares issued, subscribed and paid up | |
| 1,900,000 (Previous Year: 1,900,000) Equity Shares of Rs. 10/- each | 1,90,00,000 |
| Total Rs. | 1,90,00,000 |

Details of share holder holding more than 5% shares

| | |
|--------------------------|-----------------|
| Kaybeen Texpin Limited | |
| Avlon Syntex Pvt. Ltd. | |
| Saheli Vastra Udyog Ltd. | |
| Nilesh Malshi Savla | 357705 (18.83%) |
| Meena Nilesh Savla | 271810 (14.31%) |



(a) Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10/- each. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

HIMALCHULI FOOD PRODUCTS LIMITED

Notes Forming part of the financial statement for the year ended 30th June 2019

(b) Reconciliation of the Shares outstanding at the beginning and at the end of reporting period are as below:

| | | | |
|--|-----------|-----------|-----------|
| Equity shares outstanding at the beginning of the year | 19,00,000 | 19,00,000 | 19,00,000 |
| Equity shares issued during the year | - | - | - |
| Equity shares outstanding at the end of the year | 19,00,000 | 19,00,000 | 19,00,000 |

5. OTHER EQUITY

| Particulars | Reserve & Surplus | | |
|------------------------|--------------------------------------|-----------------|------------------|
| | Investment Allowance Utilisation A/c | General Reserve | Retained Earning |
| As on 01/04/2018 | 6,00,000 | 9,39,456 | (2,95,20,216) |
| Profit for the year | - | - | (6,32,039) |
| Total | 6,00,000 | 9,39,456 | (3,01,52,255) |
| As at 31/03/2019 | 6,00,000 | 9,39,456 | (3,01,52,255) |
| Profit for the quarter | - | - | (54,000) |
| As at 30/06/2019 | 6,00,000 | 9,39,456 | (3,02,06,255) |

6. CURRENT LIABILITIES

| Particulars | As at 30.06.2019 |
|---|------------------|
| Short term borrowings | |
| Loan from concern in which directors are interested | |
| 1. Saheli Vastira Udhog Ltd. | - |
| | 0 |
| Advance Received from Directors | |
| 1. Advance Received from Meena Savla | 5,00,000 |
| 2. Advance Received from Nilesh Savla | 92,30,000 |
| | 97,30,000 |
| | 97,30,000 |



HIMAICHULI FOOD PRODUCTS LIMITED

Notes Forming part of the financial statement for the quarter ended 30th June 2019

7. REVENUE FROM OPERATIONS

| Particulars | For the Quarter ended 30.06.2019 |
|-------------|----------------------------------|
| Commission | 0 |
| | 0 |

8. OTHER EXPENSES

| Particulars | For the Quarter ended 30.06.2019 |
|---------------------------|----------------------------------|
| Bank Commission & charges | 1,770 |
| Misc. Expenses | 7,230 |
| Total Rs. | 9,000 |

9. EARNINGS PER SHARE

| | |
|--|-----------|
| Opening equity shares (Nos.) | 19,00,000 |
| Equity shares issued during the year (Nos.) | - |
| Closing equity shares (Nos.) | 19,00,000 |
| Weighted average number of equity shares used as denominator for basic earnings (Nos.) | 19,00,000 |
| Weighted average number of equity shares used as denominator for diluted earnings (Nos.) | 19,00,000 |
| Net profit after tax used as numerator (Amount in Rs.) | (54,000) |
| Basic earnings per Share (Amount in Rs.) | (0.03) |
| Diluted earnings per Share (Amount in Rs.) | (0.03) |
| Face value per share (Amount in Rs.) | 10 |

 Inamrit

HIMALCHULI FOOD PRODUCTS LIMITED

Notes Forming part of the financial statement for the quarter ended 30th June 2019

Notes -10

1. Nature of business

The company was incorporated on 30.04.1986 under the provision of the Companies Act 1956.

The Main Objects of the Company are as follows:

1. To carry on business of buyers, sellers, manufacturers, producers, brokers, buying agents, selling agents, packers, re-packers, commission agents, factors, distributors, stockiest, agents, traders and suppliers and dealers in cakes, pastry, cornflake, bread, biscuits, chocolates, confectionery, sweets, fruits, drops, sugar, glucose, chewing gums, milk cream, butter, ghee, pickles, jam, jellies, poultry, eggs, pulses, honey, coffee, tea and all types of materials required for consumption as food.
2. To cultivate, grow, produce, harvest raise or deal in agricultural produce as agriculturist, farmers, gardeners and to set up processing units for import, export, distribute or deal in agriculture produce of all descriptions, like fruits, vegetables, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and development of seeds, vegetables, fruits and herbal items.
3. To acquire, purchase, lease, conduct or otherwise land for farming, to establish and run farms to carry on the business of agriculture, horticulture, dairy farming, animal husbandry and to carry out any process connected with any one or more such products, store farm products and deal and sale of articles of farm product.

The registered office of the Company is situated at: B-102 Saraswati Apt Radhakrishna mar, Mogra Village, Andheri (East) Mumbai-400069

The Financial statement were approved and adopted by board of directors of the Company in the meeting dated 13.08.2019.

2. Summary of Significant Accounting Policies

2.1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Ind AS) to comply with the Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended by the companies (Indian Accounting Standards) (Amendment) Rule 2016. The Company Adopted Ind AS w.e.f. April 01, 2017 (with the transition date of April 01, 2015) and accordingly these financial results (including all previous year comparative periods restated) have been prepared in accordance with the recognition and measurement principals prescribed under Section 133 of the Companies Act, 2013 read with the Relevant rules issued there under and other accounting principals generally accepted in India.

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

The Financial statement are present in INR and all figures are rounded off near to Rupee.

2.2. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.3. Earnings per share

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.5. Provisions & Contingencies

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

2.6. Financial Instruments:

a) Financial Asset:

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow Characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

a) Financial Liability:

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability.

2.7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash deposit with banks.

2.8. Ind AS – 108 relating to "Operating Segment" is not applicable as the company has only one segment i.e. real estate business.

3. Related Party Disclosure

(a) The company has not paid any remuneration to its Key Managerial person during the year ended 31.03.2019.

(b) As per Ind AS-24 "Related party Disclosure", the following are related parties:

| | |
|--|---|
| Associate Companies | Nil. |
| Joint Venture Company | Nil. |
| Key Management Personnel and their relatives | 1. Nilesh Malshi Savla 2. Meena Nilesh Savla |
| Enterprises over which key management personnel and their relatives have significant influence | R.F.D Trendy Retail Pvt Ltd. |

4. Investment are stated at cost of acquisition.

| Quoted Investment: | Current Year | |
|--------------------|--------------|-------------|
| | Units | Value (Rs.) |
| Equity shares: | | |
| Binance Power Ltd | 236 | 2681 |
| Apple Finance Ltd | 100 | -98 |

5. **Depreciation:** The depreciation on assets has not been provided because company is not doing any commercial activities.

6. Amount due to Micro, Small and medium Enterprises.

There are no Micro and Small Scale Business Enterprises to whom the company owes, which are outstanding for more than 45 days as at March 31st 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Therefore, the prescribed disclosures for liability of interest on overdue payment have not been given.

7. In the opinion of Board of Directors, current financial assets and other asset have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet and provisions for liabilities are adequate.

For and on behalf of the Board

Nilesh Malshi Savla
Director
DIN : 05354695

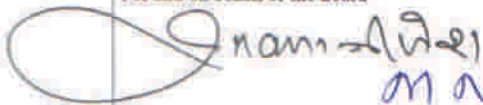
Date : 13th August, 2019
Place : Thane

R K D TRENDY RETAILERS PRIVATE LIMITED
Provisional Balance Sheet as at 30th June 2019

[Amt in Rs.]

| Particulars | Note No. | As at 30th June 2019 Rs. |
|--|----------|--------------------------------|
| I. EQUITY AND LIABILITIES | | |
| 1 Shareholders' Funds : | | |
| (a) Share Capital | | 1,00,000.00 |
| (b) Reserves and Surplus | | 35,12,336.41 |
| (c) Money received against Share Warrants | | |
| 2 Share application money pending allotment | | |
| 3 Non-Current Liabilities: | | |
| (a) Long-Term Borrowings | | 1,77,22,616.97 |
| (b) Deferred Tax Liabilities (Net) | | - |
| (c) Other Long Term Liabilities | | - |
| (d) Long-Term Provisions | | - |
| 4 Current Liabilities : | | |
| (a) Short-Term Borrowings | | - |
| (b) Trade Payables | | 18,00,000.00 |
| (c) Other Current Liabilities | | - |
| (d) Duties & Taxes | | (3,92,884.00) |
| (e) Short-Term Provisions | | 13,17,833.00 |
| TOTAL | | 2,40,59,902.38 |
| II. ASSETS | | |
| Non Current Assets | | |
| 1 (a) Fixed assets | | |
| (i) Tangible Assets | | 7,25,455.00 |
| (ii) Intangible Assets | | - |
| (iii) Capital work-in-progress | | - |
| (iv) Intangible assets Under Development | | - |
| (b) Non-Current Investments | | - |
| (c) Deferred Tax Assets (Net) | | - |
| (d) Long-term Loans and Advances | | 70,34,000.00 |
| (e) Other Non-Current Assets | | 1,79,066.00 |
| 2 Current Assets | | |
| (a) Current Investments | | - |
| (b) Inventories | | 82,00,000.00 |
| (c) Trade Receivables | | 75,00,000.00 |
| (d) Cash and Cash Equivalents | | 4,21,381.38 |
| (e) Short-term Loans and Advances | | - |
| (f) Other Current Assets | | - |
| TOTAL | | 2,40,59,902.38 |

For and on behalf of the Board


MANJAVI

Kleek Savia

Director

DIN: 05384691

Meena Savia

Director

DIN: 05384674

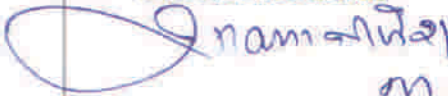
PLACE : Mumbai

DATE : 03rd October 2019

R K D TRENDY RETAILERS PRIVATE LIMITED
Provisional Profit and Loss Statement for the year ended 30th June 2019

| | | [Amt in Rs.] |
|-------|--|----------------------|
| | Particulars | Note No. |
| | | As at 30th June 2019 |
| | | Rs. |
| I. | Revenue from Operations | 49,77,996.00 |
| II. | Other Income | 1,500.00 |
| III. | Total Revenue (I + II) | 49,79,496.00 |
| IV. | Expenses: | |
| a. | Cost of materials Consumed | |
| b. | Purchases of Stock-in-Trade | 26,53,959.00 |
| c. | Changes in Inventories | 15,06,800.00 |
| d. | Employee Benefits Expense | 1,20,000.00 |
| e. | Finance costs | 1,85,135.00 |
| f. | Depreciation and Amortization Expense | - |
| g. | Other Expenses | 3,84,297.00 |
| | Total Expenses (a to e) | 48,50,191.00 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | 1,29,305.00 |
| VI. | Exceptional items | - |
| VII. | Profit before extraordinary items and tax (V - VI) | 1,29,305.00 |
| VIII. | Extraordinary items | - |
| IX. | Profit before tax (VII- VIII) | 1,29,305.00 |
| X. | Tax Expense: | |
| (1) | Current Tax | - |
| (2) | Deferred Tax | - |
| XI. | Profit (Loss) for the period from continuing operations (VII-VIII) | 1,29,305.00 |
| XII. | Profit/(loss) from discontinuing operations | - |
| XIII. | Tax expense of discontinuing operations | - |
| XIV. | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | - |
| XV. | Profit (Loss) for the period (XI + XIV) | 1,29,305.00 |
| XVI. | Earnings per equity share: | |
| (1) | Basic | 1.85 |
| (2) | Diluted | Nil |

For and on behalf of the Board


M N Savia

Nimesh Savia
Director
DIN: 05354691

Meena Savia
Director
DIN: 05354674

PLACE : Mumbai.
DATE : 03rd October 2019

NOTE 1:**Other Income:**

| SR No | Particulars | As at 30th June 2019 Rs. |
|-------|----------------------------|-----------------------------|
| 1 | Misc. Income | - |
| 2 | Reversal Cash Discount(DM) | 1,500.00 |
| 3 | Scheme Received | - |
| | Total | 1,500.00 |

NOTE 2:**Other Expenses:**

| SR No | Particulars | As at 30th June 2019 Rs. |
|-------|-------------------------------|-----------------------------|
| 1 | Professional Fees | 15,000.00 |
| 2 | Miscellaneous Expense: | |
| | Accounting Charges | 15,000.00 |
| | Internet Charges | 1,098.00 |
| | Rent, Rates & Taxes | 34,625.00 |
| | Electricity Charges | 1,01,618.00 |
| | Printing & Stationery | 3,637.00 |
| | Repaire & Maintenance | 5,701.00 |
| | Directors Remmuration | 1,50,000.00 |
| | Staff Welfare | 16,023.00 |
| | Telephone Charges | 14,254.00 |
| | Travelling Charges | 11,768.00 |
| | Society Maintenance for Shop | 15,573.00 |
| | Total | 3,84,297.00 |


 Inamul Haq

M.A. Sarvag

In the nature of Abridged Prospectus - Memorandum containing salient features in respect of the proposed amalgamation of RKD Trendy Retailers Private Limited ("RKD" / "Transferor Company") into Himalchuli Food Products Limited ("Himalchuli" / "Transferee Company"), pursuant to a Composite Scheme of Arrangement and Amalgamation, under sections 230 to 232 read along with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme").

This Abridged Prospectus, in connection with the Scheme, has been prepared to comply with the requirement of regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the disclosures to be made in format specified for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, to the extent applicable.

You are also encouraged to read the greater details available in the Scheme. You may download the Scheme and other relevant documents available from the websites of Himalchuli and BSE Limited, Mumbai ("BSE"/ "Stock Exchange"), where the equity shares of Himalchuli are listed; viz: www.hfpltd.in and www.bseindia.com respectively.

THIS ABRIDGED PROSPECTUS CONTAINS 5 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES. NO EQUITY SHARES ARE PROPOSED TO BE SOLD PURSUANT TO THIS DOCUMENT.

This Abridged Prospectus dated August 31, 2019 should be read together with the Scheme and the Notice to the shareholders of Himalchuli.

RKD TRENDY RETAILERS PRIVATE LIMITED

(Incorporated as a private company with limited liability under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation dated October 22, 2012)

Corporate Identity Number: U52100MH2012PTC237067

Regd. Off.: B-102, Saraswati Apt., Radhakrishna Marg, Mogra Village, Andheri (E), Mumbai-400069

Corp. Off.: 52, Rayfreda, A.K. Road, Next to Holy Family Church, Chakala, Andheri (E), Mumbai-400093

Contact Person: Mr. Nilesh Savla;

Tel: +91 22 26875180 / +91 22 67100910; **Website:** Not Available; **Email:** royalcopy@gmail.com

PROMOTERS OF THE COMPANY

The Promoters of the Company are Mr. Nilesh Malshi Savla and Mrs. Meena Nilesh Savla

OFFER DETAILS, LISTING AND PROCEDURE

Offer:

The proposed issue/offer of equity shares of Himalchuli is pursuant to the Composite Scheme of Arrangement and Amalgamation, under sections 230 to 232 read along with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act"), amongst RKD Trendy Retailers Private Limited ("RKD" / "Transferor Company"), Himalchuli Food Products Limited ("Himalchuli" / "Transferee Company") and their respective shareholders and creditors as approved by the Board of Directors of RKD and Himalchuli on December 31, 2018, and accordingly there shall be no issue price or minimum bid lot size to the proposed issue/offer of equity shares of the Transferee Company.

Listing:

Pursuant to the provisions of Scheme, post receipt of the approval of the National Company Law Tribunal ('NCLT') and upon certified copies of the sanction order of the NCLT approving the Scheme being filed with Registrar of Companies, Mumbai ('RoC'), Himalchuli shall issue and allot the equity shares to the shareholders of RKD as per the share entitlement ratio set out in the Scheme, as on the record date to be finalised by the Board of Directors of RKD. No further steps or actions would be required to be undertaken by the shareholders of RKD to be entitled to receive equity shares.

The equity shares of Himalchuli are already listed on BSE. The equity shares so allotted shall be listed on BSE pursuant to an application made, under regulation 37 of the Listing Regulations, with the BSE. Accordingly the requirement with respect to the GID (General Information Document) is not applicable and this Abridged Prospectus be read accordingly.



1

Procedure:

The procedure with respect to the issue/offer would not be applicable as there is no issue of equity shares to the public at large, except the shareholders of Transferee Company, pursuant to the Scheme without cash consideration.

ELIGIBILITY

Since the equity shares of Himalchuli shall be allotted pursuant to the provisions of the Scheme, eligibility conditions under 6(1) and 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable.

Persons who are shareholders of RKD on a record date to be finalised by the Board of Directors of RKD shall be eligible to receive the equity shares of Himalchuli, pursuant to the Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme and is not an Offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty. However, in general, it may take around 5 to 6 months after shareholders' meeting.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors mentioned in this abridged prospectus carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination the Transferee Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or this Abridged Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 4 of this Abridged Prospectus.

| | |
|--------------------------|--|
| Lead Manager | Ashika Capital Limited (CIN: U30009WB2000PLC091674) 1008, 10 th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021. Tel: +91-22-66111700; Fax: +91-22-66111710 E-mail: mbd@ashikagroup.com SEBI Registration No.: INM000010536 |
| Statutory Auditor | M M Gala & Associates, Chartered Accountants Firm Regd. No. - 124913W Office No. 1, "A" Wing, Vijay Apartment, LBS Marg, Near Teen Petrol Pump, Panchpakhadi, Thane (W) - 400602. Tel: 022-25379096 / 97 / 98 / 99 Email: info@maheshca.com |

PROMOTERS OF THE COMPANY

The Promoters of the Company as on date of Abridged Prospectus are Mr. Nilesh Malshi Savla and Mrs. Meena Nilesh Savla.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

RKD Trendy Retailers Private Limited is an unlisted company, limited by shares, incorporated on October 22, 2012 under the provisions of the Companies Act, 1956.

RKD is engaged in the business of Trading, marketing, selling and distribution of various product as relating to all kinds of textiles, clothes, Readymade apparels and accessories, Leather wears, Groceries, Pharmaceuticals, Cosmetics and Medical Preparations, forest products, Agricultural Products, Dairy Products, Food articles, etc.



| BOARD OF DIRECTORS | | | |
|--------------------|---------------------------------------|--|---|
| S. No. | Name / DIN | Designation (Independent/whole time/Executive) | Experience including current/past position held in other firms |
| 1. | Nilesh Malshi Savla DIN - 05354691 | Chairman | Mr. Nilesh Malshi Savla completed his graduation in Philosophy from the Open University of Sri Lanka. He hails from an agricultural family and has experience in the areas of Sales, Marketing and Administration of Luggage and Printing businesses. Other than RKD, he holds Directorship in Himalchuli Food Products Limited. |
| 2. | Meena Nilesh Savla DIN - 05354674 | Non-Executive Director | Mrs. Meena Nilesh Savla her Senior Secondary Certificate from the Maharashtra State Board of Secondary and Higher Secondary Education, Pune. She is a homemaker and hails from an agricultural family. Other than RKD, he holds Directorship in Himalchuli Food Products Limited. |

| OBJECTS OF THE SCHEME | |
|---|----------------|
| <p>The Composite Scheme of Arrangement and Amalgamation amongst Himalchuli, RKD and their respective shareholders and creditors involving:</p> <p>a) Capital Restructuring and Reconstruction in Himalchuli; and</p> <p>b) Amalgamation of RKD into Himalchuli (post capital reduction)</p> <p>with effect from the Appointed Date, April 1, 2018 in terms of the draft Scheme under Sections 230 to 232 read along with Section 66 and other applicable provisions of the Companies Act, 2013.</p> <p>Towards the consideration for the Amalgamation of RKD with Himalchuli pursuant to the Scheme, Himalchuli shall issue equity shares to the shareholders of RKD in accordance with a share exchange ratio of 290:1, i.e. the shareholders of RKD shall be entitled to receive 290 fully paid up equity shares of INR 1/- each of Himalchuli for every 1 fully paid equity share of INR 10/- each held by them in RKD.</p> <p><i>For further details, please refer to the Scheme.</i></p> | |
| <p>Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Transferor Company in the preceding 10 years - Not Applicable</p> | |
| Name of Monitoring Agency, if any | Not Applicable |
| Terms of Issuance of Convertible Security, if any | Not Applicable |

| PRE-SCHEME SHAREHOLDING PATTERN AS ON June 30, 2019 | | | |
|---|-----------------------------|------------------|----------------------------------|
| S. No. | Particulars | Number of shares | Percentage holding of Pre-Scheme |
| 1. | Promoter and Promoter Group | 1,00,000 | 100 |
| 2. | Public | - | - |
| | Total | 1,00,000 | 100 |

AUDITED FINANCIALS OF THE TRANSFEROR COMPANY

Standalone Financial Statements:

(Amount in Rs., unless stated otherwise)

| Particulars | 2018-19 | 2017-18 | 2016-17 |
|---|--------------------|--------------------|--------------------|
| Income from Operations | 2,38,42,441 | 2,33,17,184 | 2,48,50,253 |
| Other Income | 11,15,955 | 3,964 | 3,379 |
| Total Income | 2,49,58,396 | 2,33,21,148 | 2,48,53,632 |
| Net profit / (Loss) before tax and extraordinary item | 3,58,674 | 3,18,899 | 3,00,203 |
| Net profit / (Loss) after tax and extraordinary item | 2,69,005 | 2,37,231 | 1,69,767 |
| Equity Share Capital | 1,00,000 | 1,00,000 | 1,00,000 |
| Reserves & Surplus | 33,86,838 | 31,17,833 | 28,92,254 |
| Networth | 34,86,838 | 32,17,833 | 29,92,254 |
| Basic Earnings Per Share (Rs.) | 2.69 | 2.37 | 1.70 |
| Diluted Earnings Per Share (Rs.) | 2.69 | 2.37 | 1.70 |
| Return on Net Worth (%) | 7.71 | 7.37 | 5.67 |
| Net Asset Value per Share (Rs.) | 34.87 | 32.18 | 29.92 |

Notes:

- Net Worth = Paid-up Share Capital + Reserves and Surplus
- Earnings per Share = Profit/ (Loss) after Tax / Equity Shares outstanding at the end of respective period
- Return on Net Worth = Profit/ (Loss) after Tax / Net Worth

The Company did not have any subsidiary till the end of March 31, 2019 and therefore the requirement of consolidated financial statement is not applicable in the present case.

INTERNAL RISK FACTORS

- Implementation of the Scheme is completely depending on the approval of the Regulatory authorities. Any modification or revision in the Scheme by the competent authorities may delay in the completion of the process.
- If we are unable to manage synergies arising out of the scheme, our post amalgamation business, cash flows, financial condition and prospects may be adversely affected.
- If we are unable to accurately forecast demand for our business cash flows, financial condition and prospects may be adversely affected.
- Any changes in the regulatory framework could adversely affect the profitability of the Transferor Company or its future performance, requiring a restructuring its activities, increasing its costs or otherwise.
- The Scheme provides that the Transferor Company shall bear the costs, charges and expenses in connection with this Scheme unless otherwise mutually agreed. This exposes the Transferor Company to the risk of bearing costs, charges and expenses in connection with this Scheme.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY

- A. Total number of outstanding litigations against the Transferor Company and amount involved - NIL
- B. Brief details of top 5 material outstanding litigations against the Transferor Company and amount involved - NIL

There are no pending material litigations against the Transferor Company.



- C. Regulatory Action, if any, disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any – NIL

The Company, its Promoters or Directors have not been, directly or indirectly debarred from accessing the capital market and have not been restrained by any regulatory authority from, directly or indirectly, acquiring the shares.

- D. Brief details of outstanding criminal proceedings against Promoters – NIL

ANY OTHER IMPORTANT INFORMATION OF THE COMPANY

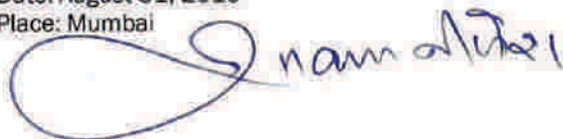
This Abridged Prospectus does not contain the complete information of the Transferor Company, including its business, operations, assets and liabilities. Nothing in this Abridged Prospectus constitutes and offer or an invitation by or on behalf of the Transferee Company to subscribe for or purchase any of the securities of the Transferee Company.

DECLARATION BY COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines, rules and regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or regulations or guidelines issued thereunder, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

Date: August 31, 2019

Place: Mumbai



To
The Board of Directors,
RKD Trendy Retailers Private Limited,
B-102, Saraswati Apt.,
Radhakrishna Marg, Mogra Village,
Andheri (East), Mumbai-400069.

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to RKD Trendy Retailers Private Limited ('RKD' or 'Transferor Company') in the format of Abridged Prospectus.

Ref.: Proposed Scheme of Arrangement amongst RKD Trendy Retailers Private Limited ('RKD' or 'Transferor Company') and Himalchuli Food Products Limited ('Himalchuli' or 'Transferee Company') and their respective Shareholders and Creditors ('Scheme')

Dear Sirs,

We, Ashika Capital Limited ('Ashika'), refer to our engagement with RKD Trendy Retailers Private Limited ('RKD' or 'Transferor Company') for inter-alia certifying the adequacy and accuracy of disclosure of information pertaining to RKD Trendy Retailers Private Limited ('RKD' or 'Transferor Company') in the Abridged Prospectus, prepared by the RKD, to be sent to the shareholders and creditors of Himalchuli Food Products Limited ('Himalchuli' or 'Transferee Company') at the time of seeking their approval to the Scheme.

Scheme of Arrangement:

The proposed Scheme of Arrangement ('Scheme'), under sections 230 to 232 read with section 66 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules made thereunder, provides the amalgamation of Transferor Company with the Transferee Company, as a going concern, in consideration, the Transferee Company, whose existing equity shares are listed on BSE Limited, Mumbai ('BSE'), shall issue and allot the fully paid-up equity shares of the face value of Rs.10/- (Rupees Ten) each to the shareholders of the Transferor Company as set out in the Scheme.

Regulatory Requirements:

Securities and Exchange Board of India ('SEBI') vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, ('SEBI Circular'), prescribed the requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst the other things provide that in the event a listed company enters into a Scheme of Arrangement with an unlisted company, the listed entity shall disclose to its shareholders applicable information pertaining to unlisted entity in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations'), to the extent applicable.

Further the adequacy and accuracy of such disclosure of information pertaining to Unlisted entity to be certified by a SEBI registered Merchant Banker.

Registered Office:

Trinity, 226/1, A & C, Bose Road
7th Floor, Kolkata 700 020
Tel: +91 33 4010 2500
Fax: +91 33 4010 2543
E-mail: ashika@ashikagroup.com

Corporate Office:

1008, 10th Floor, Raheja Centre
214, Nehru Point, Mumbai-400 021
Tel: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mbd@ashikagroup.com



Disclaimer and Limitations:

1. This Certificate is a specific purpose document issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or the transaction.
2. This Certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to RKD Trendy Retailers Private Limited (unlisted entity) and we do not express any opinion nor certify the content included in the documents including risk factors, outstanding litigations and claims; details of the Scheme or its success.
3. This Certificate is issued on the basis of the examination of information and documents provided by RKD, explanations provided by the Management of RKD and information which is available in public domain and wherever required management representations from RKD and others have been obtained.
4. We have assumed the genuineness of all signatures, authenticity of all the documents, information and statements submitted to us are the original and conformity of copies or extracts submitted to us with that of the original documents. We have relied upon the information furnished and representations made to us on as is basis and have not carried out an audit of such information.
5. Our scope of work does not constitute an audit or verification of the financial information and its accuracy and accordingly we are unable to and do not express any opinion on the fairness of any such financial information referred to in the document.
6. We shall not be made liable for the losses, whether financial or otherwise or expenses arising directly or indirectly out of the use or reliance on the information set out here in the document. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital markets related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.
7. This certificate is based on the information as at August 31, 2019.



Registered Office:

Trinity, 226/1, A, J. C. Bose Road
7th Floor, Kolkata 700 020
Tel: +91 33 4010 2500
Fax: +91 33 4010 2543
E-mail: ashika@ashikagroup.com

Corporate Office:

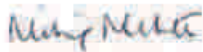
1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mbo@ashikagroup.com

Certification:

We state and confirm that:

1. We have examined various documents, information and other materials in connection with the disclosure of information pertaining to RKD in the Abridged Prospectus, which will be circulated to members of Himalchuli at time of seeking their consent to the Scheme, as a part of Explanatory Statement to the Notice;
2. On the basis of such examination and discussion with the management of RKD, its directors and independent verification of contents of Abridged Prospectus and other documents furnished to us, the information pertaining to RKD contained in the Abridged Prospectus is adequate and accurate, in terms of SEBI Circular and SEBI ICDR Regulations.

For Ashika Capital Limited



Mihir Mehta
Senior Vice President-MBD



Date: Mumbai
Place: September 11, 2019

Registered Office:

Trinity, 226/1, A. J. C. Bose Road
25th Floor, Kolkata 700 029
Tel.: +91 33 4010 2500
Fax: +91 33 4010 2549
E-mail: ashika@ashikagroup.com

Corporate Office:

1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel.: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mbd@ashikagroup.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI
COMPANY SCHEME APPLICATION NO. 2463 OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Himalchuli Food Products Limited, a Company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement and Amalgamation of RKD Trendy Retailers Private Limited ('the Transferor Company'), with Himalchuli Food Products Limited ('the Transferee Company')

Himalchuli Food Products Limited,)
a company incorporated under the)
Companies Act, 1956 and having its)
Registered Office at B-102, Saraswati Apt)
RadhakrishnaMarg, MograVillage,)
Andheri (East), Mumbai 400069.)

....the Applicant / Transferee Company

**EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC
SHAREHOLDERS**

FORM OF PROXY

(As per Form MGT -11 and Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies(Management and Administration) Rules, 2014)

| | |
|---------------------------------|--|
| Name of the Member(s) | |
| Registered Address | |
| E-mail ID | |
| Folio No. / DPID and client ID* | |

***Applicable in case of shares held in electronic form**

I/We, being the member(s) holding _____ shares of Himalchuli Food Products Limited, hereby appoint:

1) Name

.....
 Address.....

 E-Mail ID.....Signature or
 failing him

2) Name

.....
 Address.....

 E-Mail ID.....Signature or
 failing him

3) Name

.....
 Address.....

 E-Mail ID.....Signature

as my/our proxy to act for me/us at the meeting of the Equity shareholders of the applicant company convened pursuant to the Order dated 27th day of September, 2019 of the NCLT to be held at Hotel Sai Krupa, mahakali Caves Road, Chakala, Andheri (East) , Mumbai- 400093,

Maharashtra on Friday the 22nd November, 2019 at 3.00 p.m.. for the purpose of considering and, if though fit, approving with or without modification(s), the arrangement embodied in the Scheme of amalgamation of RKD Trendy Retailers Private Limited with Himalchuli Food Products Limited and their respective shareholders (“the Scheme”) and at such meeting and at any adjournment or adjournments thereof to vote, for me/us and in my /our name(s) -----
 -----(here, if, for, insert ‘FOR’, if against, insert ‘AGAINST’ and in the later case, strike out the words below after ’the Scheme’)the said arrangement embodied in the Scheme, either with or without modification (s)*as my / our proxy may approve.(*strike out whatever is not applicable)

Signed this ----- day of _____ 2019

Signature of Shareholder (s) -----

Signature of Proxy Holder (s) ----- Affix Revenue
 stamp of

Re.1/-

(signature across the stamp)

Notes:

This form of proxy must be deposited at the registered office of Himalchli Food Products Limited, B-102, Saraswati Apt ,RadhakrishnaMarg, MograVillage, Andheri (East), Mumbai 400069 at least 48 hours before the commencement of this said Meeting.

- (1) All alterations made in the form of proxy should be initialed.
- (2) Please affix appropriate revenue stamp before putting signature
- (3) In case of multiple proxies, the proxy later in time shall be accepted.
- (4) A proxy need not be a shareholder of Himalchli Food Products Limited.
- (5) No person shall be appointed as a proxy who is a minor
- (6) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting results. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (7) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

HIMALCHULI FOOD PRODUCTS LIMITED

Regd Office: :B-102, Saraswati Apt. Radhakrishna, MargMogra
Village, Andheri (East), Mumbai - 400069

Website: www.hfpltd.in Email :himalchulifoodproducts@gmail.com

CIN: L15400MH1986PLC316001 Phone: 022-26875180

**EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC
SHAREHOLDERS**

ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE
ENTRANCE OF THE MEETING HALL**

**MEETING OF THE EQUITY SHAREHOLDERS ON FRIDAY THE 22ND DAY OF
NOVEMBER, 2019 AT 3.00 P.M..**

I /We hereby record my/ our presence at the Meeting of the Equity Shareholders of Himalchuli Food Products Limited, the Applicant Company, convened pursuant to the Order dated 27th day of September, 2019 of the NCLT, at Hotel Sai Palace, Mahakali caves Road, Chakala, Andheri (East), Mumbai -400093 on Friday, the 22nd day of November, 2019 at 3.00 p.m.

Name and address of Equity Shareholder

(IN BLOCK LETTER) : -----
- -----
- -----
-- -----
-- -----
Signature : -----
- -----
Reg. Folio No. :-----
-- -----
Client ID :-----
- -----
D.P.ID :-----
- -----
No of Shares : -----
-- -----

Name of the Proxy * :-----

-

(IN BLOCK LETTERS) :-----

-

Signature :-----

-

*(To be filled in by the proxy in case he /she attends instead of the shareholder)

Notes:

1. Equity shareholders attending the meeting in person or by proxy or through authorized representatives are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity Shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them
3. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of Himalchuli Food Products Limited in respect of such joint holding will be entitled to vote.

HIMALCHULI FOOD PRODUCTS LIMITED
Regd Office: :B-102, Saraswati Apt. Radhakrishna, MargMogra
Village, Andheri (East), Mumbai - 400069
Website: www.hfpltd.in Email :himalchulifoodproducts@gmail.com
CIN: L15400MH1986PLC316001 Phone: 022-26875180

Pursuant to Section 100 and 230(4) of the companies Act, 2013 read with Rules made thereunder and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

POSTAL BALLOT FORM

Sr. No. : Ballot No.

- 1 Name of the Equity Shareholders(s) including joint –holders, if any :
- 2 Registered Address of the sole/first name Equity shareholder
- 3 Folio No / DPID No * /Client ID No.*
(* Applicable to Equity Shareholders holding equity shares in dematerialized form)
4. Number of Equity shares held

I/ We hereby exercise my/ our vote in respect of under noted resolution to be passed through Postal Ballot by sending my/ our assent (FOR) or dissent (AGAINST) to the said resolution by placing a tick (√) mark at the appropriate box below:

| Sr. no | Description | No. of Shares held | (For) I/We assent to the Resolution | (Against) I/We dissent to the Resolution |
|--------|--|--------------------|-------------------------------------|--|
| 1 | Approval of the Scheme of Amalgamation of RKD Trendy Retailers Private Limited with Himalchuli Food Products Limited and their respective shareholders | | | |

Place:

Date:

Signature of the Shareholder /Power of Attorney Holder / Authorised Representative

ELECTRONIC VOTING PARTICULARS

| EVEN (Electronic Voting Event Number) | User ID | Password |
|--|---------|----------|
| | | |

Note: - Please read instructions printed overleaf carefully before exercising your vote. Shareholders desiring to exercise e-voting option may refer to detailed procedure on electronic voting provided in the notice of the meeting.

INSTRUCTIONS

- 1 Please convey your assent in column “FOR” and dissent in the column “AGAINST” by placing a tick (√) mark in the appropriate column the ballot form only. The assent or dissent received in any other form or manner will not be considered.
- 2 Equity Shareholders who have received the Postal Ballot form by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Applicant Company’s website www.hfpltd.in or seek duplicate postal ballot form from the applicant company.
- 3 Equity Shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer before 5.00 p.m. on or before 21st day of November, 2019. Postal Ballot form, if sent by courier or by registered post/ speed post at the expenses of an equity shareholders will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the Equity shareholders has not been received.
- 4 Unsigned, incomplete, improperly or incorrectly tick marked postal ballot forms will be rejected.
- 5 The vote on postal ballot cannot be exercised by a proxy.
- 6 There will be only one (1) postal ballot form for every registered folio / client ID irrespective of the number of joint equity shareholders.
- 7 The Postal Ballot Form should be completed and signed by the Equity Shareholders (as per specimen signature registered with the Applicant Company and /or furnished by the Depositories). In case, shares are jointly held, this Form should be completed and signed by the first named member and in his/her absence, by the next named Equity shareholder. Holders of Power of Attorney (POA) on behalf of Equity shareholder may vote on the Postal Ballot mentioning the registration No. of the POA with the Applicant Company or enclosing a copy of the POA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.

- 8 Kindly note that Equity shareholders (which includes Public shareholders) can opt only one mode for voting i.e. either by postal ballot or e-voting. If you are opting for e-voting, then he/she should not vote by postal ballot form and vice versa. However, in case Equity shareholder (s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
- 9 Shareholders are requested not to send any other paper along with the postal Ballot in the enclosed self addressed postage prepaid envelope.
- 10 CS Sanjay B. Shringarpure or in his absence Mr. Narayan Parekh (ACS - 8059) Partner PRS Associates, Company Secretaries, Mumbai has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner.

ROUTE MAP FOR THE VENUE OF THE MEETING

