

SCHEME OF AMALGAMATION

OF

AVADH SNACKS PRIVATE LIMITED
(“Transferor Company 1”)

AND

RED ROTOPACK PRIVATE LIMITED
(“Transferor Company 2”)

WITH

PRATAAP SNACKS LIMITED
(“Transferee Company”)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Section 230 to 232 and other applicable provisions of the Companies Act, 2013)

A. PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the amalgamation of Avadh Snacks Private Limited (CIN: U15132GJ2017PTC098837) and Red Rotopack Private Limited (CIN: U25199GJ2015PTC085423) with Prataap Snacks Limited (CIN: L15311MP2009PLC021746) as per the terms and conditions mentioned herein (hereinafter referred to as the “**Scheme**”).

B. BACKGROUND OF THE COMPANIES

- 1. AVADH SNACKS PRIVATE LIMITED** is a company incorporated under the Companies Act, 2013 having its registered office at R.S. No. 123/P3, New R.S. No. 128, Ind. Plot No. 1, Nikava, Jamnagar, Gujarat 361162 (hereinafter referred to as the “**Transferor Company 1**”). The Transferor Company 1 is engaged, *inter alia*, in the business of manufacture, sale, trading and distribution of savoury items including but not limited to natural and flavored like snacks, pellets, fryums, namkeen, farsan, salted foods including all kind of baby and diabetic food and all natural, artificial, synthetic, or chemical edible foods, jams, jelly, pickle, cider, chutney, carbonated and non-carbonated drinks, ice-creams, fast foods, frozen foods etc. and confectionery items including but not limited to breads, roti, pizza, cakes, pastries, wafers. The Transferor Company 1 is a subsidiary of the Transferee Company, with the Transferee Company holding 90.48% (Ninety Point Four Eight per cent) of the issued share capital of the Transferor Company 1.
- 2. RED ROTOPACK PRIVATE LIMITED** is a company incorporated under the Companies Act, 2013 having its registered office at Survey No. 128, Plot No. 3, Opp. Supertech, Nikava, Kalawad, Gujarat 361162 (hereinafter referred to as the “**Transferor Company 2**”). The Transferor Company 2 is engaged, *inter alia* in manufacturing, processing, buying, selling, importing, exporting and other wise dealing with all kinds of card-board packing, plastic packing, roto printing, polythene packing, gunny bags, containers, bottles, hollow wares, whether made of leather, plastic, and all types of packing solutions. The Transferor Company 2 is the wholly owned subsidiary of the Transferor Company 1.
- 3. PRATAAP SNACKS LIMITED** is a company incorporated under the Companies Act, 1956 having its registered office at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore, Madhya Pradesh 452020 (hereinafter referred to as the “**Transferee Company**”). The Transferee Company was incorporated as a private company *i.e.*, Prataap Snacks Private Limited on March 23, 2009 and the same was converted into public limited company *i.e.*, Prataap Snacks Limited on September 19, 2016 *vide* certificate of Registrar of Companies, Gwalior. The Transferee Company is, *inter alia*, authorised to and is engaged in the business of manufacturing, producing, processing, stocking of and dealing in processed foods, vegetables, fruits, including tinned vegetables and snacks prepared from any type of vegetable, fruits, cereals, wheat, rice and allied products including potato chips, potato wafers, potato fingers puffs, various namkeens and to run cold storage for storage of vegetables, fruits and food products.

The Transferor Company 1 and the Transferor Company 2 are hereinafter collectively referred to as the “**Transferor Companies**”.

C. RATIONALE OF THIS SCHEME

BACKGROUND

The background for the amalgamation of Transferor Company 1 and Transferor Company 2 with Transferee Company is, amongst others, as under:

- (i) During the financial year 2018-19, with the objective of acquiring the ongoing business operations carried on by the Transferor Company 1, the Transferee Company acquired 80% (Eighty per cent) of the equity share capital of the Transferor Company 1 from its existing and erstwhile shareholders;
- (ii) In February 2021, the Transferee Company further acquired 10.48% (Ten point Four Eight per cent) of the equity share capital of the Transferor Company 1 from its existing shareholders, aggregating its collective shareholding to 90.48% (Ninety point Four Eight per cent) in the Transferor Company 1.
- (iii) The aforesaid acquisition was completed as a steppingstone for acquiring the business of the Transferor Company 1.

It may be pertinent to note that the Transferee Company would have preferred to acquire the businesses of the Transferor Company 1, but owing to various commercial reasons, eventually acquired majority stake of the Transferor Company 1 with an ultimate intention to consolidate the business operations of the Transferee Company with the Transferor Company 1, in order to achieve various benefits including *inter alia*, business synergies, market access, unified platform for growth, access to customer base and cost effectiveness. It is proposed that the Transferor Companies be merged with the Transferee Company followed by dissolution without winding up of the Transferor Companies.

NEED FOR THE MERGER

- (i) To achieve a simplified group and business structure.
- (ii) Business of the Transferor Companies can be carried on more economically.
- (iii) To achieve advantages of the combined assets, resources and complementary strengths for future expansion and growth of the business of the Transferee Company.

RATIONALE OF THE SCHEME

- (i) The proposed amalgamation of the Transferor Companies with the Transferee Company in accordance with this Scheme would enable all the companies to realize benefits of greater synergies between their businesses. Further it would make available to them - financial resources, technological upgradation, technological resources as well as the managerial, technical, distribution and marketing resources of each other in the interest of maximizing shareholder and stakeholder value as the Transferor Companies and Transferee Company's business activities are similar and complement each other.
- (ii) amalgamation will result in better integration, 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 and reduction in operational costs and increase operational efficiency.

- (iii) Improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

- (i) The amalgamation would result in synergy benefits arising out of single value chain and greater sustainable operations of a value adding business line by manufacturing potato chips, wafers, extruded snacks, pellets, various type of namkeens and sweet snacks with greater operational flexibility.
- (ii) Synergy of operations will be achieved, resulting in optimization of the common facilities such as manpower, office space, administration etc. Other infrastructure could also be better utilized, and duplication of facilities could be avoided resulting in optimum use of facilities and cost savings and thus achieving economies of scale.

IMPACT OF THE SCHEME ON THE SHAREHOLDERS

- (i) The amalgamation shall not in any manner be prejudicial to the interests of the concerned shareholders, creditors, employees and/ or general public at large.
- (ii) The proposed scheme will have no detrimental effect on the shareholders of either the Transferor companies or Transferee company.

COST BENEFIT ANALYSIS

Though the Scheme would lead to incurring of some costs towards implementation of the Scheme, however the benefit of the Scheme over the long term horizon far outweigh such cost for the stakeholders of Prataap Snacks considering that the amalgamation would result in enhanced 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 and to maximize shareholders value.

D. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for the amalgamation of the Transferor Companies into the Transferee Company in the manner set out in this Scheme. In addition to the above, this Scheme also provides for the various other matters consequential or otherwise integrally connected therewith.

E. SCHEME TO LEAD TO AMALGAMATION AS DEFINED IN SECTION 2(1B) OF INCOME TAX ACT, 1961

The Scheme shall lead to amalgamation of Transferor Companies into Transferee Company in a manner that:

- (i) All the property of the Transferor Companies before the amalgamation shall become the property of Transferee Company by virtue of this Scheme; and
- (ii) All the liabilities of Transferor Companies immediately before the amalgamation shall become the liabilities of Transferee Company by virtue of this Scheme.

F. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- Part I:** Sets out the definitions of capitalized terms used in this Scheme and interpretation.
- Part II:** Sets out the share capital of the Transferor Companies and the Transferee Company.
- Part III:** Sets out the proposed amalgamation of the Transferor Companies with the Transferee Company and discharge of consideration in lieu thereof.
- Part IV:** Sets out the general terms and conditions that would be applicable to this Scheme.

PART I DEFINITIONS

1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof, the following expression shall have the meanings respectively assigned to them:

“**Act**” means the Companies Act, 2013 and shall include any other statutory amendment or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under law, made thereunder from time to time;

“**Appointed Date**” means 1st April, 2021 or such other date that may be mutually agreed between the Transferor Companies and the Transferee Company, and approved by the Tribunal;

“**Applicable Law**” means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation relevant SEBI Regulations (*as defined below*) applicable on the Transferee Company;

“**Appropriate Authority**” means:

- (i) The government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department,

ministry, agency, instrumentality, court, central bank, commission or other authority thereof;

- (ii) Any public international organization or supranational body and its institutions, departments, agencies and instrumentalities;
- (iii) Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) SEBI (as defined hereinafter) and the Tribunal (as defined hereinafter); and
- (iv) Any Stock Exchange.

“Board” in relation to the Transferor Companies and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorised by the board of directors or such committee of directors duly constituted and authorised for the purposes of matters pertaining to the amalgamation under this Scheme or any other matter relating thereto;

“Business Day” means a day (other than a Saturday, a Sunday or a public holiday) when commercial banks are open for ordinary banking business in Rajkot, Gujarat and Indore, Madhya Pradesh;

“Designated Stock Exchange” means NSE;

“Effective Date” means the last of the dates on which certified copies of order of the Tribunal under Sections 230 to 232 of the Companies Act, 2013 sanctioning the Scheme, are filed with the respective office(s) of the RoC by the Transferor Companies and Transferee Company. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;

“Encumbrance” means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;

“INR” or **“Rs.”** or **“Rupees”** means Indian Rupees, the lawful currency of the Republic of India;

“Parties” shall mean collectively the Transferor Companies and the Transferee Company and **“Party”** shall mean each of them, individually;

“Permits” means all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations or filings from any Appropriate Authority;

“Person” shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union,

association, any Appropriate Authority or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

“**Record Date**” in relation to Part III means a date, 7th (Seventh) Business Day from the Effective Date, for the purpose of determining the shareholders of the Transferor Company 1 for issue of the equity shares of Transferee Company pursuant to this Scheme;

“**RoC**” means the relevant Registrar of Companies having jurisdiction over the Transferor Companies and the Transferee Company, as the case may be;

“**Scheme**” means this scheme of amalgamation between Transferor Companies and the Transferee Company and their respective shareholders and creditors, with or without any modification approved or imposed or directed by the Tribunal or a SEBI;

“**SEBI**” means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

“**SEBI Circular**” means circular number SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December, 2020 issued by SEBI or any other circular issued by SEBI applicable to scheme of arrangement, from time to time.

“**SEBI Regulations**” means the rules and regulations framed by SEBI from time to time including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued thereunder, including the SEBI Circular.

“**Stock Exchanges**” means BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”) where the shares of the Transferee Company are listed and any other recognized stock exchange, as the case may be;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of direct or indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Companies or the Transferee Company or any other Person and all surcharges, education cess, penalties, charges, costs and interest relating thereto;

“**Tax Laws**” means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

“**Transferor Companies**” means collectively, **Avadh Snacks Private Limited** a company incorporated under the Companies Act, 2013 having its registered office at R.S. No. 123/P3, New R.S. No. 128, Ind. Plot No. 1, Nikava, Jamnagar, Gujarat 361162 and **Red Rotopack Private Limited** a company incorporated under the Companies Act, 2013 having its registered office at Survey No. 128, Plot No. 3, Opp. Supertech, Nikava, Kalawad Gujarat 361162;

“Transferee Company” means Prataap Snacks Limited a public limited company incorporated under the Companies Act, 1956 having its registered office at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore, Madhya Pradesh 452020; and

“Tribunal” or **“NCLT”** means the National Company Law Tribunal having jurisdiction over the Transferee Company and Transferor Companies, as the case may be.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income Tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and words denoting any gender shall include all genders;

1.2.2 headings, subheadings, titles, subtitles to Clauses, sub-Clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the annexures hereto and shall be ignored in construing the same;

1.2.3 the words “include” and “including” are to be construed without limitation;

1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.2.5 references to days, months and years are to calendar days, calendar months and calendar years, respectively;

1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

1.2.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or SEBI, unless otherwise specified in the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

**PART II
SHARE CAPITAL**

3. SHARE CAPITAL

3.1 The share capital of the Transferor Companies as on August 31, 2021 is as follows:

Avadh Snacks Private Limited

Particulars	INR
Authorised Share Capital	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Share Capital	
6,50,000 equity shares of INR 10 each	65,00,000
1,01,563 equity shares of INR 10 each, paid up INR 6 each	6,09,378
Total	71,09,378

Red Rotopack Private Limited

Particulars	INR
Authorised Share Capital	
7,50,000 equity shares of INR 10 each	75,00,000
Total	75,00,000
Issued, Subscribed and Paid-up Share Capital	
7,50,000 equity shares of INR 10 each	75,00,000
Total	75,00,000

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

3.2 The share capital structure of the Transferee Company as on August 31, 2021 is as follows:

Particulars	INR
Authorised Share Capital	
3,20,00,000 equity shares of INR 5 each	16,00,00,000
Total	16,00,00,000
Issued, Subscribed and Paid-up Share Capital	
2,34,53,036 equity shares of INR 5 each	11,72,65,180
Total	11,72,65,180

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

The equity shares of the Transferee Company are listed on the BSE and NSE.

PART III

AMALGAMATION OF TRANSFEROR COMPANIES WITH TRANSFEREE COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

4.1 With effect from the opening of business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act and in compliance with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961, the Transferor Companies shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. of the Transferor Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.

4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

4.2.1 All assets of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or actual and/ or constructive delivery or by paying over or endorsement and/ or delivery, the same may be so transferred and delivered by the Transferor Companies by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties) investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other Persons, whether or not the same is held in the name of the Transferor Companies, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company;

4.2.3 Without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Companies, whether freehold or leasehold or under a license or permission to use (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Companies, without any act or deed to be done or executed by the Transferor Companies, as the case may be and/ or the Transferee Company. It is clarified that with effect from the Appointed Date, the Transferee Company shall be liable to pay the rent and taxes and fulfil all obligations in relation to the immovable properties and the relevant owners, licensors and lessors in accordance with the terms of the relevant lease/ license or rent agreements. Further, any security

deposits and advance/ prepaid lease/ license fee paid with respect to the immovable property shall accrue to the Transferee Company;

- 4.2.4 All the brands, trademarks of the Transferor Companies including registered (more particularly set out in **Schedule 1** hereto) and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to the Transferee Company by operation of law. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/ or registered in the name of the Transferee Company;
- 4.2.5 All debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.6 Unless otherwise agreed to between the Parties, the vesting of all the assets of the Transferor Companies, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Companies or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Companies are a party) related to any assets of Transferor Companies shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/ to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;
- 4.2.7 On and from the Effective Date and until the time, the name of the bank accounts of the Transferor Companies has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and
- 4.2.8 Without prejudice to the foregoing provisions of Clause 4.2, the Transferor Companies, and the Transferee Company shall be entitled to execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person, to give effect to the above

provisions.

5. PERMITS

- 5.1 With effect from the Appointed Date, all the Permits (including the licenses and registrations granted by any Governmental, statutory or regulatory bodies) held or availed of by, and all rights and benefits that have accrued to, the Transferor Companies, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorised to carry on business in the name and style of the Transferor Companies, and under the relevant license and/ or Permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.
- 5.2 Any statutory licenses (including certification, marks and license issued by Bureau of Indian Standards, if any), licenses under the Factories Act, 1948, manufacturing related licenses, permits, deposits, authorisations, approvals, recognitions and registrations granted by the Food Safety and Standards Authority of India (FSSAI), no objection certificates, permissions, consents, approvals, allotment or linkages required to be obtained or obtained or any applications made for the same by the Transferor Companies, as the case may be, shall stand vested in or be transferred to the Transferee Company without any further act or deed, and shall be appropriately granted/ mutated/ recorded by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of the assets and liabilities of the Transferor Companies in the Transferee Company pursuant to this Scheme. All applications made by the Transferor Companies for obtaining any consent, permission, license or approval, allotment or linkages including applications for grant of transfer of lease shall stand transferred to and vest in the Transferee Company as if the Transferee Company was the applicant and the Transferee Company shall be entitled to all the rights, benefits and obligations arising therefrom.

6. CONTRACTS, DEEDS ETC.

- 6.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) for the purpose of carrying on the business of the Transferor Companies, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Companies, or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the Appropriate Authority sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) of the Transferee Company. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts

and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Transferor Companies. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Companies substituted party or beneficiary or obligor thereto. It being always understood that the Transferee Company shall be the successor in the interest of the Transferor Companies. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Companies (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Companies.

- 6.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.
- 6.3 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as “Insured” in the policies as if the Transferee Company was initially a party thereto.

7. EMPLOYEES

- 7.1 On the Scheme becoming effective, all employees, whether temporary or permanent employees and including all employees on probation, trainees and interns of the Transferor Companies in service on the Effective Date, shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Companies on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Companies with any union/employee of the Transferor Companies recognized by the Transferor Companies. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of the Transferor Companies are members shall be transferred to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company.
- 7.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Companies would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Companies.

7.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts, if any, created for such funds by the Transferor Companies shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the employees of the Transferor Companies will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

7.4 **Directors of the Transferor Companies:** It is hereby clarified that no directors of the Transferor Companies will be entitled for any directorship in the Transferee Company by the virtue of this Scheme.

8. LEGAL PROCEEDINGS

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the “**Proceedings**”) by or against the Transferor Companies is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and 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 and enforced by or against the Transferor Companies as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

9. TAXES/ DUTIES/ CESS ETC.

Upon the Scheme becoming effective, by operation of law pursuant to the order of the Tribunal:

9.1 The unutilized credits relating to excise duties, sales tax, service tax, VAT, goods and services tax, minimum alternate tax or any other tax under the law as applicable, which remain unutilized in the electronic ledger of the Transferor Companies shall be transferred to the Transferee Company upon filing of requisite forms. Thereafter, the unutilized credit so specified shall be credited to the electronic credit ledger of the Transferor Companies and the input and capital goods shall be duly adjusted by the Transferee Company in its books of account.

9.2 Direct Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, minimum alternative tax, wealth tax, if any, paid by the Transferor Companies shall be treated as paid by or on behalf of the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Minimum alternative tax credit available to the Transferor Companies and any brought forward loss of the Transferor Companies under the Income Tax Act, 1961, if any, shall be available to the Transferee Company.

9.3 If the Transferor Companies are entitled to any benefits under incentive schemes and policies of Central Government or State Government or under Tax Laws including Goods and Service Tax Act, all such benefits under all such incentive schemes and policies shall be and stand vested in the Transferee Company.

9.4 The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / CENVAT / VAT / GST returns, as may be applicable and has expressly reserved the

right to make such provision in its returns and to claim unabsorbed depreciation, refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of dividend distribution tax, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.

- 9.5 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realize the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 9.6 It is hereby clarified that, if any terms or provisions of the Scheme are found or interpreted to be inconsistent with the above provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

10. CONSIDERATION

10.1 Cancellation of Shares held by Transferee Company

- (a) The Transferor Company 1 is a subsidiary of the Transferee Company and the Transferee Company holds 6,79,986 (Six lakh seventy nine thousand nine hundred and eighty six) equity shares (including 1,01,563 (One lakh one thousand five hundred and sixty three) partly paid-up equity shares, INR 6 (Rupees Six only) paid-up against face value of INR10 (Rupees Ten only) each) in the Transferor Company 1, constituting 90.48% (Ninety point four eight per cent) of the issued share capital of the Transferor Company 1. On amalgamation of the Transferor Company 1 with the Transferee Company, no shares (whether equity or preference shares) of the Transferee Company shall be issued or allotted in respect of the equity shares held by the Transferee Company in the Transferor Company 1.
- (b) The Transferor Company 2 is a wholly owned subsidiary of the Transferor Company 1 and the Transferor Company 1 together with its nominee holds all the shares issued by the Transferor Company 2. Given that the Transferor Company 1 is a subsidiary of the Transferee Company (as mentioned in (a) above), on amalgamation of the Transferor Company 2 with the Transferee Company, no shares (whether equity or preference shares) of the Transferee Company shall be issued or allotted in respect of the equity shares held by the Transferee Company (indirectly through the Transferor Company 1) in the Transferor Company 2.
- (c) Upon coming into effect of the Scheme, and in consideration of the amalgamation of each of the Transferor Companies into the Transferee Company in terms of this Scheme, all equity shares issued by the respective Transferor Companies and held by the Transferee Company (in Transferor Company 1) and Transferor Company 1 (in Transferor Company 2) and/or their respective nominees shall stand cancelled and extinguished without any further application, act

or deed and in lieu thereof, no allotment of shares in the Transferee Company shall be made to any person whatsoever.

10.2 **Amalgamation Consideration for Shareholders other than Transferee Company**

Upon this Scheme becoming effective and in consideration of the amalgamation of the Transferor Companies into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot 4,06,556 (Four lakhs six thousand five hundred fifty six) equity shares of face value of Rs. 5/- (Rupees Five only), credited as fully paid-up, to the shareholders of the Transferor Company 1 (except the Transferee Company) whose names appear in the register of members as member of the Transferor Company 1, including records of beneficial owners maintained by a depository or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company, on the Record Date in the following share exchange ratio:

568 (Five hundred sixty eight) equity shares of Transferee Company of Rs. 5 (Rupees five only) each as fully paid-up to be issued and allotted for every 100 (One hundred) equity shares of the face value of Rs. 10 (Rupees ten only) each held by the shareholders (other than the Transferee Company) in the Transferor Company 1.

- 10.3 The share exchange ratio has been arrived at on basis of the valuation report of Mr. Paras K. Savla, Registered Valuer.
- 10.4 The equity shares of the Transferee Company shall be issued in dematerialised form.
- 10.5 Upon this Scheme becoming effective, the equity shares of Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company 1 (except the Transferee Company) pursuant to Clause 10.2 above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank pari passu from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends.
- 10.6 The Transferee Company shall make necessary applications and carry out necessary formalities for listing of the equity shares with the Stock Exchanges as per applicable provisions of the Act and SEBI Regulations. Immediately upon receipt of such approval, the Transferee Company shall further take all necessary steps to ensure that trading of equity shares commences within the period prescribed by the SEBI Circular and SEBI Regulations. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges. There shall be no change in the shareholding pattern or control of the Transferee Company between the Record Date and listing of equity shares which may affect the status of approval of Stock Exchanges.
- 10.7 Fractional entitlements to which the shareholders of the Transferor Company 1 may be entitled on issue and allotment of equity shares in the Transferee Company, shall be rounded off to the nearest integer for the purposes of determining number of equity shares in the Transferee Company to be allotted to the shareholders of the Transferor Company 1.

- 10.8 The issue and allotment of the equity shares to the shareholders of the Transferor Company 1 (other than, for the avoidance of any doubt, the Transferee Company) as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Sections 42 and 62 of the Act and any other applicable provisions of the Act and Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as may be applicable and such other statutes and regulations as may be applicable were duly complied with.
- 10.9 The equity shares shall be issued free from all liens, charges, equitable interests, encumbrances and other third party rights of any nature whatsoever to respective equity shareholder of Transferor Company whose name is recorded in the register of members of Transferor Company 1 as of the Record Date.

11. ACCOUNTING TREATMENT BY THE TRANSFEEE COMPANY IN RESPECT OF ASSETS AND LIABILITIES

- 11.1 Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation of the Transferor Companies in the books of accounts in accordance with “Pooling of Interest Method” of accounting as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 11.1.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Companies vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferee Company;
- 11.1.2 The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the Transferor Companies, at the carrying amount as appearing in the consolidated financial statements of Transferee Company;
- 11.1.3 The value of all investments held by the Transferee Company in the Transferor Companies shall stand cancelled pursuant to amalgamation;
- 11.1.4 The difference, if any arising after taking the effect of clause 1.1 to 1.3 shall be transferred to “Capital Reserve Account” in the financial statements of the Transferee Company;
- 11.1.5 Pursuant to the amalgamation of the Transferor Companies with the Transferee Company, inter-company balances between Transferee Company and the Transferor Companies, if any, appearing in the books of the Transferee Company shall stand cancelled;
- 11.1.6 The Transferee Company shall settle the put liability towards remaining shareholders of Transferor Company 1 (shown as ‘Deferred contingent consideration’ in financial statements of Transferee Company) by issuance of fully paid up equity shares pursuant to Clause 10 of the Scheme. Issue of fully paid up equity shares by the Transferee Company shall be recorded at fair value;
- 11.1.7 In case of any differences in accounting policies between the Transferor Companies and the

Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies; and

11.1.8 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

12. COMBINATION OF AUTHORISED CAPITAL AND CHANGE IN THE OBJECTS CLAUSE

12.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company 1 amounting to Rs. 10,00,00,000 (Rupees Ten crore only) comprising of 1,00,00,000 (One crore) equity shares of Rs. 10 (Rupees Ten only) each and the authorised share capital of the Transferor Company 2 amounting to Rs. 75,00,000 (Rupees Seventy five lakhs only) comprising of 7,50,000 (Seven lakh fifty thousand) equity shares of Rs.10 (Rupees Ten only) each will get amalgamated with that of the Transferee Company without payment of any additional fees, duties and Taxes as the same have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms, if required, with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act. The stamp duty and fees paid on the authorised capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee and/or Taxes by the Transferee Company for increase in the authorised share capital to that extent. Consequently, Clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and other applicable provisions of the Act, as set out below:

V. The Authorised Share Capital of the Company is Rs. 26,75,00,000/- (Rupees Twenty six crore seventy five lakh only) divided into 5,35,00,000 (Five crore thirty five lakh) equity shares of Rs. 5 (Rupees Five only) each.

12.2 Consequently, Clause III(A) of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 of the Act and other applicable provisions of the Act by inserting the following new sub clause number 2:

2. To carry on the business of manufacturing, preserving, packaging, bottling, preparing, processing, marketing and selling foods including baby and dietetic foods, cereals, beverages, jams, jelly, pickles, cider, chutney, marmalades, mayonnaise, deserts, condiments, pancakes, doughnuts, vinegar, ketchup, sauces, juices, squashes, soups, gelatins, essences, ice creams, dairy products, fast food, frozen foods, khakhara, papad, and other eatables, bakery products and confectionery items such as breads, biscuits, sweets, cakes, pastries, cookies, wafers, chocolate, chewing gum, toffees, sugar candies, lozenge, water ice products and mouth freshener.

12.3 Accordingly, the sub clauses of Clause III(A) of the Memorandum of Association of Transferee Company shall be read as under:

1. To carry on the business of manufacturing, producing, processing, stocking of and dealing in

processed foods, vegetables, fruits, including tinned vegetables and snacks prepared from any type of vegetable, fruits, cereals, wheat, rice and allied products including potato chips, potato wafers, potato fingers, various namkeens including extruded snacks and to run cold storage for storage of vegetables, fruits and food products.

2. To carry on the business of manufacturing, preserving, packaging, bottling, preparing, processing, marketing and selling foods including baby and dietetic foods, cereals, beverages, jams, jelly, pickles, cider, chutney, marmalades, mayonnaise, deserts, condiments, pancakes, doughnuts, vinegar, ketchup, sauces, juices, squashes, soups, gelatins, essences, ice creams, dairy products, fast food, frozen foods, khakhara, papad, and other eatables, bakery products and confectionery items such as breads, biscuits, sweets, cakes, pastries, cookies, wafers, chocolate, chewing gum, toffees, sugar candies, lozenge, water ice products and mouth freshener.

- 12.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum of Association of the Transferee Company as required under Sections 13, 61 and 64 of the Act and other applicable provisions of the Act.

13 POWER TO GIVE EFFECT TO THIS PART

- 13.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.
- 13.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Companies shall, with reasonable dispatch or apply for transition of all licenses and statutory registrations of the Transferor Companies including but not limited to manufacturing licenses, product permissions, certificates, market authorisations, filings, dossiers (including experience and pre- qualification submissions), industrial licenses, municipal permissions, approvals, consent, permits, quotas, registration with FSSAI, incentives and subsidies.

14 DISSOLUTION OF THE TRANSFEROR COMPANIES AND VALIDITY OF RESOLUTIONS

- 14.1. Upon the effectiveness of this Scheme, the Transferor Companies shall be dissolved without winding up, and the Board and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand discharged. The name of the Transferor Companies shall be struck off from the records of the RoC and the Transferee Company shall make necessary filings, if any, in this regard.
- 14.2. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which

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

15 OPERATIVE DATE OF THE SCHEME & RATIONALE FOR THE APPOINTED DATE

- 15.1. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 to 232 of the Companies Act, 2013 sanctioning the Scheme, are filed in the respective office(s) of the RoC by the Transferor Companies and Transferee Company. Such date is called as the Effective Date.
- 15.2. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.
- 15.3. The Appointed Date has been fixed keeping in mind the objective of the Transferee Company of acquiring the ongoing business operations carried on by the Transferor Company 1 for reasons and benefits as more particularly set out in Section C of this Scheme and it is hereby declared and confirmed that it is not against the public interest.

16 SAVING OF CONCLUDED TRANSACTIONS

- 16.1. Subject to the terms of this Scheme, the amalgamation of the Transferor Companies into the Transferee Company in the manner set out in this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company in accordance with this Scheme.

PART IV GENERAL TERMS & CONDITIONS

17 DIVIDENDS

- 17.1. During the period between the date of approval of the Scheme by the Board of the Transferee Company and up to and including the Effective Date, the Transferor Companies shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 17.2. For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders. The shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

18 BUSINESS UNTIL EFFECTIVE DATE

- 18.1. With effect from the date when the Board of the Transferor Companies approves this Scheme and up

to and including the Effective Date, the Transferor Companies shall carry on its business in ordinary course consistent with past practice.

19 PROPERTY IN TRUST

- 19.1. Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Transferor Companies are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), regulatory bodies or otherwise, in favour of the Transferee Company, the Transferee Company is deemed to be authorised to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till the time entry is made in the records of the Appropriate Authority(ies) and till such time as may be mutually agreed by the Transferor Companies and the Transferee Company, the Transferor Companies will continue to hold the property and / or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

20 APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 20.1. The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and for dissolution of the Transferor Companies without being wound up.
- 20.2. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company may require to own the assets and/ or liabilities of the Transferor Companies, and to carry on the business of Transferor Companies.

21 MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 21.1. On behalf of each of the Transferee Company and the Transferor Companies, the Board of the respective companies acting themselves or through authorised persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards Transferee Company and the Transferor Companies) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- 21.2. For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Transferee Company and Transferor Companies acting themselves or through authorised persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

22 CONDITIONS PRECEDENT

- 22.1. Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 22.1.1. Obtaining no-objection/ observation letter from the Designated Stock Exchange in relation to the Scheme under the SEBI Regulations;
 - 22.1.2. Approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Companies and the Transferee Company and such other classes of persons of the Transferor Companies and the Transferee Company, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
 - 22.1.3. No business shutdown event or material adverse effect (as agreed between the Transferor Companies and the Transferee Company) having occurred in relation to the Transferor Companies;
 - 22.1.4. The sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act for approving the Scheme, being obtained by the Transferor Companies and the Transferee Company;
 - 22.1.5. Certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned RoC having jurisdiction over the Parties by all the Parties; and
 - 22.1.6. Any other matters expressly agreed as conditions precedent to the effectiveness of the Scheme as amongst the Parties in writing.
- 22.2. It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses the Transferee Company and the Transferor Companies may have under or pursuant to all Applicable Laws.

23 EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

- 23.1. The Transferee Company and the Transferor Companies acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.
- 23.2. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 12 (Twelve) months from the date of approval of the Scheme by the Boards of the Parties or within such other period as may be mutually agreed upon, between the Transferee Company and the Transferor Companies through their respective Boards or their authorised representative, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.
- 23.3. In the event of revocation/ withdrawal under this Clause 23, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferee Company and Transferor Companies 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 as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

- 23.4. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferee Company and the Transferor Companies through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

24 COSTS AND TAXES

- 24.1. Parties have agreed to bear the costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme in the following manner:

24.1.1. The Transferee Company shall bear the stamp duty costs in connection with the Scheme; and

24.1.2. All other costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall also be borne by the Transferee Company.

[Signature blocks of the Parties as follows]

Transferee Company	Transferor Company 1	Transferor Company 2
Prataap Snacks Limited through its Authorised Signatory	Avadh Snacks Private Limited through its Authorised Signatory	Red Rotopack Private Limited through its Authorised Signatory
Name: Amit Kumat Title: Managing Director and Chief Executive Officer DIN: 02663687	Name: Neel Rasikbhai Jagani Title: Director DIN: 07357621	Name: Neel Rasikbhai Jagani Title: Director DIN: 07357621

SCHEDULE 1

List of intellectual properties of the Transferor Companies as on includes the following:

S.No.	Trademark	Trademark Application Number	Class	Status
1.	AVADH WITH DEVICE OF CAP	3165387	29	Registered
2.	AVADH	2270881	30	Registered
3.	AVADH WITH DEVICE OF CAP	3165386	30	Registered
4.	AVADH WITH DEVICE OF CARTOON AND GATHIYA	3165388	30	Registered
5.	AVADH	3771495	30	Registered
6.	AVADH	3771494	30	Accepted & Advertised