

SCHEME OF MERGER BY ABSORPTION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013
OF
WALKO QSR COMPANY PRIVATE LIMITED
(TRANSFEROR COMPANY)
WITH
WALKO FOOD COMPANY PRIVATE LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

This Scheme of Merger by Absorption (herein after referred to as “*the Scheme*”) is presented and formulated under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for Merger by Absorption of Walko QSR Company Private Limited (Transferor Company) with Walko Food Company Private Limited (Transferee Company).

1. **Background of companies**

Transferor Company



Walko QSR Company Services Private Limited (hereinafter referred to as '**Walko QSR**' or the '**Transferor Company**') is a private limited company bearing CIN U55204MH2013PTC245264, a company incorporated under the Companies Act, 1956 on the 05 July 2013. The Registered Office of the company is situated at, 701B, Churchgate Chambers, 5 New Marine Lines, Mumbai, Maharashtra - 400020. It is currently engaged in the business of manufacturing and processing confectionaries which is run through a franchisee based model and institutional sales.

Transferee Company

Walko Food Company Private Limited (hereinafter referred to as '**Walko Food**' or the '**Transferee Company**') is a private limited company bearing CIN U15549MH2012PTC232875, a company incorporated under the Companies Act, 1956 on 03 July 2012. The Registered Office of the company is situated 701B, Churchgate Chambers, 5 New Marine Lines, Mumbai, Maharashtra - 400020. It is currently engaged in the business of manufacturing and processing of agro foods and other agro based products.

2. **Rationale and purpose of the Scheme**

The Transferee Company and the Transferor Company are engaged in similar business under the same sector being the manufacturing and processing of food. Further, the Transferor Company is a wholly owned subsidiary of Transferee Company wherein the entire paid-up share capital is held by the Transferee Company along with its nominees. Accordingly, the management of the Transferor Company and the Transferee Company have decided to consolidate the business in a single entity i.e. the Transferee Company with effect from the Appointed Date by way of amalgamation under this Scheme of Merger by Absorption. Further,



the amalgamation of the Transferor Company (as defined hereinafter) with the Transferee Company would inter alia also have the following benefits:

- Consolidation of similar businesses under single entity and achieve simplified corporate structure, eliminate duplicate corporate procedures and facilitate in exploiting the significant potential for growth;
- Result in optimizing and leveraging existing resources of these companies for the most beneficial utilization of these factors in the combined entity. Further, it would be advantageous to combine the activities and operations of all these companies in a single entity and build strong capabilities to effectively meet future challenges in the competitive business environment;
- Result in elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency and also to enable Companies to combine their managerial and operation strength, to build wider capital and financial base and to promote and secure overall growth;
- Result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferor Company and the Transferee Company; and
- Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities. The proposed amalgamation would enhance the shareholders' value of the Transferor Company and the Transferee Company.

There is no likelihood that any creditor of the Transferor Company or the Transferee Company will be prejudiced as a result of the Scheme (*as defined hereinafter*). The Scheme will neither



impose any additional burden on the shareholders of the Transferor Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Company and Transferee Company. Further, the Scheme is only for the merger by absorption of the Transferor Company with the Transferee Company and is not an arrangement with the creditors of any of the entities involved.

The merger of the Transferor Company with the Transferee Company pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) and other applicable provisions of the Income-tax Act, 1961.

The Scheme is divided into the following sections:

PART A	Dealing with Definitions, Date of taking effect and Share Capital.
PART B	Dealing with the Transfer and Vesting of the Transferor Company into the Transferee Company, Accounting Treatment and Books and Records of the Transferee Company.
PART C	Dealing with General Terms and Conditions of the Scheme.

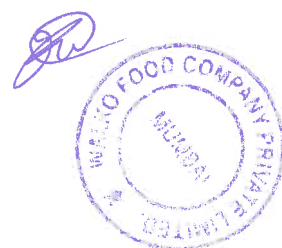


PART A – DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1. **‘Act’ or ‘the Act’** the Companies Act, 2013 and rules made thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force as the case may be.
- 1.2. **‘Appointed Date’** means 01 April 2023 for merger of Walko QSR into Walko Food;
- 1.3. **‘Board of Directors’** means and includes the respective Board of Directors of Walko QSR and Walko Food as the case may be, or any committee constituted by the Board of Directors of any of the respective companies for the purpose of this Scheme.
- 1.4. **‘Effective Date’** means the date or last of the dates on which the certified / authenticated copy of the order of the National Company Law Tribunal, Mumbai (‘NCLT’) sanctioning this Scheme is filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.
- 1.5. **‘Government’** means any applicable Central, State Government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal,



board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.

- 1.6. **‘Input Tax Credit’** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and GST Input credit as defined in Central Goods & Service Tax Act, 2017 (‘CGST’), Integrated Goods & Service Tax Act, 2017 (‘IGST’) and respective State Goods & Service Tax laws (‘SGST’) and any other tax credits under any indirect tax law (including Goods & Services Tax Rules/ Act) for the time being in force.
- 1.7. **‘NCLT’** means the National Company Law Tribunal, Mumbai Bench having jurisdiction over Walko QSR and Walko Food for the purpose of approving any scheme of compromises, arrangement, and merger of companies under Sections 230 to 232 and other applicable sections of the Companies Act, 2013.
- 1.8. **‘ROC’** means the Registrar of Companies, Mumbai.
- 1.9. **‘Scheme of Merger by absorption** or **‘Scheme’** or **‘the Scheme’** or **‘this Scheme’** or **‘Scheme of Amalgamation’** means this Scheme of Merger by absorption in its present form with any modification(s) made under Clause 20 of this Scheme as approved or directed by the NCLT.
- 1.10. **‘Transferor Company’** means ‘Walko QSR Company Private Limited’ or ‘Walko QSR’ bearing CIN U55204MH2013PTC245264.



1.11. **‘Transferee Company’** means ‘Walko Food Company Private Limited’ or ‘Walko Food’ bearing CIN U15549MH2012PTC232875.

1.12. **‘Undertaking of Transferor Company’** means and includes the whole of the undertaking and entire business on a going concern including:

- a) All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (freehold or leasehold), all plant and machinery, fixed assets, work in progress, current assets, reserves, provisions, funds, owned, leased, licenses, registrations, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions, remissions, remedies, subsidies, guarantees, bonds, rights and licenses, tenancy rights, premises, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, technology/ technical agreements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, non- compete fee, benefit and advantage, deposits including security deposits, reserves, preliminary expenses, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements,



subsidies, grants, incentives, tax and other credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, tax deducted at source, tax collected at source, value added tax, central sales tax, sales tax, CENVAT, excise duty, service tax, goods and service tax etc.), all losses (including but not limited to brought forward tax losses, tax unabsorbed depreciation, brought forward book losses, unabsorbed depreciation as per books), tax benefits and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date;

- b) All intellectual property rights including patents, designs, copyrights, trademarks, brands (whether registered or otherwise), records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company business activities and operations whether recorded in the books of Transferor Company or not;
- c) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Government, and in respect of set-off, carry forward of unabsorbed losses and/ or unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other



- countries, or any other or like benefits under the said statute(s) or under and in accordance with any law or statute, whether in India or anywhere outside India;
- d) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining those Transferor Company only as are vested in Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the merger and Transferee Company shall not be obliged to create any further or additional security thereof after the merger has become effective;
- e) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment; and
- f) All employees, as on the Effective Date, engaged by the Transferor Company at various locations.
- g) It is intended that the definition of Transferor Company under this clause will enable the transfer of all property, assets, rights, duties, obligations, entitlements,



benefits, employees and liabilities of Transferor Company into Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Companies Act 2013, the Income-Tax Act, 1961, or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

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 NCLT, 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 merger would have been deemed to be effective from the Appointed Date of this Scheme.

3. SHARE CAPITAL

- 3.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company (Walko QSR) as on 01 April 2023 is as under:

Particulars	Amount (in Rs)
<u>Authorised Share Capital</u>	
2,00,000 Equity Shares of Rs. 10/- each	20,00,000
2,00,000 2% Redeemable Preference Share of Rs. 10/- each	20,00,000



Particulars	Amount (in Rs)
TOTAL	40,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
1,00,000 Equity Shares of Rs. 10/- each	10,00,000
1,62,500 2% Redeemable Preference Share of Rs. 10/- each	16,25,000
TOTAL	26,50,000

The entire paid-up share capital of the Transferor Company is held by the Transferee Company along with its nominees.

- 3.2. The authorized, issued, subscribed and paid-up share capital of Transferee Company (Walko Food) as on 01 April 2023 is as under:

Particulars	Amount (in Rs)
<u>Authorised Share Capital</u>	
17,50,000 Equity shares of Rs. 10/- each	1,75,00,000
3,50,000 Equity shares of Rs. 10/- each	35,00,000
TOTAL	2,10,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
254,122 Class A equity shares of INR 10 each	25,41,220
414,461 Class B equity shares of INR 10 each	41,44,610
346,215 compulsorily convertible preference shares of INR 10 each	34,62,150



Particulars	Amount (in Rs)
26,425 compulsorily convertible preference shares Class A1 of INR 10 each	264,250
61,652 compulsorily convertible preference shares Class A2 of INR 10 each	616,520
TOTAL	11,028,750

PART B – AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

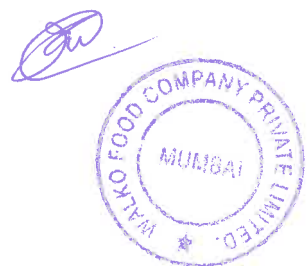
4. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO THE TRANSFeree COMPANY

- 4.1. Subject to the provisions of this Scheme in relation to modalities of Merger by Absorption, upon this Scheme coming into effect on the Effective Date, the Transferor Company, altogether with all its present and future properties, assets, investments, rights, obligations, liabilities, benefits and interest therein, whether known or unknown, shall amalgamate into and with Transferee Company, and all the present and future properties, assets, liabilities, investments, rights, obligations, liabilities, benefits and interest of the Transferor Company shall become the property of, and integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by the Transferor Company on their properties and assets in favour of lenders, as going concern, by operation of law pursuant to the vesting order of National Company Law Tribunal sanctioning this Scheme, without any further act or deed required by either of the above, in particular, the Transferor Company shall



stand amalgamated into and with the Transferee Company, in the manner described in sub-paragraph (a) to (o):

- a) Upon this scheme coming into effect from the Appointed Date, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 to Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c), (d) and (e) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the Undertaking of Transferor Company and to vest in the Transferee Company all the rights, title, interest or obligations therein;
- b) The mutation of the ownership or title, or interest in the immovable properties if any in favor of the Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof;
- c) All the movable assets including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 232 of the Act (as an integral part of the Undertaking of the Transferor Company). The plant and machinery, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and



machinery are fastened to land only with a view to have better enjoyment of the movable properties.

- d) All packaging material, merchandise, raw materials, consumables and others shall be owned by the Transferor Company from the Appointed Date.
- e) In respect of all movables, other than those specified in sub-clause (b) and (c) above, including trade receivables, 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, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of the Act.
- f) In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement.
- g) All debts, liabilities (including deferred tax liability), duties, guarantees, indemnities and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet shall also, under the provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company on the same terms and conditions, as applicable, so as to become as from the



Appointed Date the debts, liabilities, duties, guarantees, indemnities and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause.

- h) However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the creditors, or lenders, as the case may be, or in favor of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.
- i) The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.
- j) Provided however, that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to the Transferor Company



as is vested in the Transferee Company by virtue of the aforesaid clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company. Further, the 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.

- k) All existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses, refunds available and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source and advance tax), excise (including MODVAT/ CENVAT), customs, VAT, sales tax, service tax (including input credit), goods and service tax (GST) etc. which Transferor Company are entitled to shall be available to and vest in Transferee Company.
- l) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), granted by any Government body, local authority or by any other person and availed of by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions as presently available to the Transferor Company.



- m) Upon coming into effect of this Scheme and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank account of the Transferor Company, in their names, in so far as may be necessary.
- n) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, intellectual property (trademarks, patents and copy rights), privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favor of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- o) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/ or consents held by the Transferor Company as required to carry on its operations shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favor of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company upon the Scheme coming into effect.



- 4.2. All registrations, benefits, incentives, exemptions etc. which the Transferor Company are eligible for and / or which are actually availed by the Transferor Company will be transferred to the Transferee Company upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and / or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc. as were availed by the Transferor Company.
- 4.3. All customer contracts, leases, vendor contracts, employee contacts and other contracts executed by the Transferor Company will be transferred to the Transferee Company from the Appointed Date without any further action or deed and the Transferee Company shall be deemed to be a party in place of the Transferor Company in all such customer contracts, leases, vendor contracts, employee contacts and other contracts and entitled to rights, interests and benefits therein from the Appointed Date.
- 4.4. The Transferee Company, under the provisions of this Scheme, is hereby authorized or be deemed to be authorized to execute all and any writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances in relation to the above mentioned clause(s), if required.

5. CONSIDERATION



5.1. Upon the coming into effect of the Scheme, and in consideration for the transfer of and vesting of the properties, assets and liabilities and Undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall not be required to issue any shares, since the entire paid-up share capital of the Transferor Company is held directly or indirectly by the Transferee Company along with its nominees. Accordingly, the entire paid-up share capital held by the Transferee Company in the Transferor Company, either individually or through nominee, shall be cancelled.

6. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation of the Transferor Company in its books of accounts with effect from the Appointed Date as per "Pooling of Interest Method" as following:

- 6.1. All the assets, liabilities and reserves in the books of the Transferor Company transferred to and vested in the Transferee Company pursuant to the Scheme shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Company.
- 6.2. The identity of the reserves of the Transferor Company 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 statement of the Transferor Company, prior to this Scheme becoming effective.



- 6.3. Upon coming into effect of this Scheme, to the extent there are inter-corporate loans advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company (if any), 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.
- 6.4. The value of all the investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation.
- 6.5. The surplus/deficit, if any arising after taking the effect of clause 6.1, clause 6.2, and clause 6.4, after adjustment of clause 6.3 shall be transferred to Capital Reserve / Goodwill, as the case maybe, in the financial statements of the Transferee Company and should be presented separately from other capital reserves / intangible assets with disclosure of its nature and purpose in the notes.

7. BOOKS AND RECORDS OF TRANSFeree COMPANY

All books, records, files, papers, engineering and process information, building plans, business 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.



PART C – GENERAL TERMS AND CONDITIONS

8. COMPLIANCE WITH TAX LAWS

- 8.1. This Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) and Section 72A of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961 involving merger as aforesaid. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and Section 72A of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961.
- 8.2. On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961, (including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law, goods and service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits, etc., and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 8.3. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor



Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.

8.4. Any tax liabilities under the Income-tax Act, 1961, Customs Act 1962, Service Tax laws, Goods and Service Tax Laws and other applicable State Value Added Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax, tax deducted at source and tax collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

8.5. Any refund under the Income-tax Act, 1961, Customs Act 1962, Service Tax laws, Goods and Service Tax Laws and other applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the Transferor Company and due to the Transferor Company consequent to the assessment



made on the Transferor Company for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 8.6. All taxes/ credits including income-tax, tax on book profits, credit on Minimum Alternate Tax under section 115JAA of the Income-tax Act, 1961, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax or any other direct or indirect taxes as may be applicable, etc. paid or payable by the Transferor Company in respect of the operations and/ or the profits of the Undertaking before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction at source, collection at source, advance tax, MAT credit or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source or tax collected at source by the Transferor Company/ Transferee Company on payables to Transferee Company/ the Transferor Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.



- 8.7. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, customs law, state value added tax, Goods and Service tax laws or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 8.8. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax on book profits, service tax, applicable state value added tax, goods and service tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.
- 8.9. 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, tax collected at source returns, 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.

9. CONTRACTS, DEEDS, CONSENTS AND OTHER INSTRUMENTS

- 9.1. Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, instruments, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives (minimum



alternative tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), remissions, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favor of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as applicable as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

9.2. Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, the Transferee Company may 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 Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

9.3. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and



sanctions which Transferee Company may require to own and operate the Undertakings of Transferor Company.

9.4. The above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

9.5. The approval of Scheme by the NCLT shall be deemed as novation of such contracts in the name of the Transferee Company in place of the Transferor Company.

10. LEGAL AND OTHER PROCEEDINGS

10.1. Upon the Scheme becoming effective, all legal and other proceedings including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced by or against Transferee Company only, to the exclusion of the Transferor Company in the same manner and to the same extent as would have been continued and enforced by or against the Transferor Company.

10.2. Further, the aforementioned proceedings shall not abate or be discontinued nor in any way be prejudicially affected by reason of merger by way of absorption of the Transferor



Company into the Transferee Company as applicable or anything contained in the Scheme.

- 10.3. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

11. STAFF, WORKMEN AND EMPLOYEES

- 11.1. On the Scheme coming into effect, all staff, workmen and employees (if any, including those on sabbatical / maternity leave) of the Transferor Company in service on the Effective Date shall stand transferred and vested and / or be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break or interruption in their service and on the terms and conditions not less favorable than those applicable to them with reference to the Transferor Company on the Effective Date. The position, rank and designation of the employees would however be decided by the Transferee Company.
- 11.2. It is expressly provided that, in so far as the gratuity fund, provident fund and super annuation fund (hereinafter referred as "Fund or Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferor Company shall be substituted by the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to



the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Company under such Fund or Funds shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the Fund or Funds and for other benefits such as long service awards.

- 11.3. In so far as the Fund or Funds created or existing for the benefit of the employees (including employee stock option schemes, if any) of the Transferor Company is concerned, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Company to the corresponding Fund or Funds set up by the Transferee Company.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of Undertaking of Transferor Company under Clause 4 on Transfer And Vesting of Transferor Company into Transferee Company above, the effectiveness of contracts and deeds under Clause 9 - Contracts, Deeds, Consents and Other Instruments above and continuance of proceedings by or against the Transferee Company under Clause 10 - Legal and Other Proceedings above shall not affect any



transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

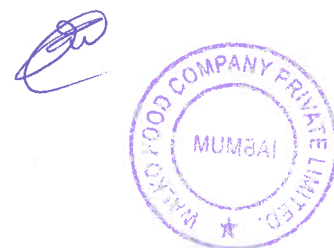
13. BUSINESS AND PROPERTY IN TRUST FOR TRANSFeree COMPANY

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

- a) The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of whole of its Undertaking of Transferor Company, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- b) Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses (including brought forward losses, book losses, etc.) or taxes (including but not limited to advance tax, tax deducted at source, minimum alternative tax, credit, taxes withheld, etc.), incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

14. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

14.1. With effect from the Appointed Date and up to the Effective Date:



- a. The Transferor Company shall carry on its business with reasonable diligence and in the same manner as they have been doing hitherto in normal course.
- b. The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not sell, alienate, charge, mortgage, encumber, or otherwise deal with or dispose of the assets comprising the Undertaking of Transferor Company or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business without the prior consent in writing of any of the persons authorized by Board of Directors of the Transferee Company.

14.2. With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Company.

14.3. The Transferor Company shall continue to comply with the provisions of the Act, including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.

14.4. The Transferor Company shall not make any modification to its capital structure either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organization, or in any other manner whatsoever, except by mutual consent of the Board of Directors of Transferor Company and Transferee Company, as the case may be.



15. CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

- 15.1. Upon this Scheme becoming effective, the aggregate of authorized share capital of Transferor Company as mentioned in clause 3.1 i.e. Rs. 30,00,000/- shall be added to the Authorized Share Capital of the Transferee Company and the Transferee Company shall accordingly increase its authorized share capital and reclassify the shares into equity shares and/or preference shares of the Transferee Company as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly Clause [V] of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended.
- 15.2. In order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferee Company shall be amended to include the main objects contained in the memorandum of association of each of Transferor Company.
- 15.3. Pursuant to the Scheme, the Transferee company shall file the requisite forms with the Registrar of Companies for Alteration and reclassification of its Authorised Share Capital.
- 15.4. Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment in the Memorandum and Articles of Association of the Transferee Company, viz. Change in the Capital Clause shall become operative on the



Scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14, 61 and 230-232 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

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 and Articles of Association of the Transferee Company as may be required under the Act.

16. DIVIDENDS AND PROFITS

16.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

16.2. It is clarified, however, that the aforesaid provisions in respect of declaration of dividend 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 Act, shall be entirely at the discretion of the Board of Directors and subject, wherever necessary, to the approval of the shareholders of the Transferee Company.



17. OWNERSHIP AND USE OF THE EXISTING PACKAGING MATERIAL, CONSUMABLES, RAW MATERIAL AND MERCHANDISE OF THE TRANSFEROR COMPANY

17.1. From the Effective Date the Transferee Company shall be entitled to use the existing packaging material, consumables, raw material and merchandise of the Transferor Company lying in inventory or in respect of which orders have been placed by the Transferor Company on or before the Effective Date shall be used by the Transferee Company by putting appropriate stickers on such packaging material, consumables, raw material and merchandise of the Transferor Company notwithstanding anything to the contrary set out in Food Safety and Security Act, 2006 ("FSSAI") and Legal Metrology Act, 2009 and approval of the NCLT to the Scheme shall be deemed approval of requisite authority under FSSAI and/or Legal Metrology Act, 2009 to such use.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

18.1. Pursuant to the Effective Date, the Transferor Company shall, without any further act or deed, matter or thing, stand dissolved without winding up.

18.2. Even after the Scheme becomes effective, the Transferee Company as applicable shall be entitled to operate all bank accounts relating to Transferor Company and realize all the monies and complete and enforce all pending contracts and transactions in the name of Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligation of Transferor Company to the Transferee Company under this Scheme is formally effected by the parties concerned.



19. APPLICATIONS TO THE NCLT OR SUCH OTHER APPROPRIATE AUTHORITY

19.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make Applications to the NCLT or such other appropriate authority under Sections 230 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders of the Transferor Company and the Transferee Company as may be directed by the NCLT or such other appropriate authority.

19.2. On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and of the Transferor Company and the Transferee Company, whether at a meeting or otherwise, as prescribed under law and / or as directed by the NCLT or such other appropriate authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the NCLT or such other appropriate authority for sanctioning the Scheme under Sections 230 to 232 of the Act, and for such other order or orders, as the said NCLT or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding-up.



20. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 20.1. The Transferor Company and the Transferee Company, through unanimous approval by their Board of Directors may consent on behalf of all persons concerned, to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in carrying out this Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect, including but not limited to withdrawal of the Scheme before the Scheme is approved by the NCLT.
- 20.2. For the purpose of giving effect to this Scheme or to any modification, amendment or condition thereof, the Board of Directors of the Transferee Company are authorized to give such directions and/or to take such step as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

21. CONDITIONALITIES TO THE SCHEME

- 21.1. This Scheme is conditional upon and subject to:
- a) The approval of the Scheme by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company, unless the meeting of the shareholders and/or creditors of either or all the companies is dispensed with by the order of the NCLT; and



- b) Sanctions under the provisions of Sections 230 and 232 of the Act and the necessary orders of NCLT under Section 232 of the Act being obtained and filed with the Registrar of Companies, Mumbai;

22. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS AND / OR REVOCATION OF THE SCHEME

22.1. In the event of necessary sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.

22.2. In the event of revocation under Clause 22.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the 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 Company shall bear its own costs unless otherwise mutually agreed.

22.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme anytime prior to the Effective Date.



22.4. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors of the Transferor Company and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have an adverse implication(s) on all or any of the Transferor Company or the Transferee Company.

22.5. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the any of the Transferor Company and /or the Transferee Company, then in such case the Transferor Company and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

23. SEQUENCING OF EVENTS

23.1. Upon the sanction of this Scheme, and upon this Scheme becoming effective, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder;



- a. Amalgamation of Transferor Company into Transferee Company in accordance with the Scheme.
- b. Dissolution of Transferor Company without winding up in accordance with Clause 17 of Part C of this Scheme.

24. REMOVAL OF DIFFICULTIES

The Transferor Company and the Transferee Company may, through mutual consent and acting through the respective board of directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the National Company Law Tribunal or any directives or orders of any governmental authorities or otherwise rising out of, under or by the virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

25. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court / governmental authority, or unenforceable under present or future laws, then it is the intention of the Transferee Company and the Transferor Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferee Company or any of the Transferor Company, in which case the Transferee Company and Transferor Company may, through mutual consent and acting through their respective board of directors, attempt to bring about appropriate modification to this



Scheme, as will best preserve for each of them, the benefits and obligation of this Scheme, including but not limited to such part.

26. REPEAL AND SAVINGS

26.1. The Transfer of assets, Liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Effective Date, to the end and intend that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deed and things done or executed by Transferor Company.

27. COSTS, CHARGES AND EXPENSES

27.1. All taxes including duties (including the adjudication charges/ fees and stamp duty, if any, applicable in relation to this Scheme), levies and all other similar expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.



