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**SCHEME OF AMALGAMATION
OF
EASTERN CONDIMENTS PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
MTR FOODS PRIVATE LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013)**



GENERAL

This Scheme of Amalgamation (**Scheme**) is presented for the amalgamation of Eastern Condiments Private Limited (**Transferor Company**) with MTR Foods Private Limited (**Transferee Company**) pursuant to the provisions of Sections 230 to 232 and all other applicable provisions of the Act (as defined below).

The Scheme is divided into the following parts:

1. **Part A** – which deals with introduction, rationale of the Scheme and the definitions of the terms used in this Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
2. **Part B** – which deals with amalgamation of the business of the Transferor Company into the Transferee Company and related matters; and
3. **Part C** – which deals with dissolution of the Transferor Company, modifications or amendments to the Scheme, effect of non-receipt of approvals, other general terms and conditions applicable to this Scheme and other consequential and integral matters.

PART A

1. INTRODUCTION

- 1.1. The Transferor Company (i.e., Eastern Condiments Private Limited) is a private limited company incorporated on 17 August 1989 bearing Corporate Identification Number U15499KA1989PTC153490, having its registered office at No.1.2nd & 3rd Floor, 100 Feet Inner Ring Road Ejipura, Ashwini Layout, Vivek Nagar Bangalore - 560047, Karnataka, India. The email ID of the Transferor Company is sivau@eastern.in.
- 1.2. The Transferor Company has not changed its name since incorporation.
- 1.3. The Transferor Company is engaged in the manufacture, distribution, marketing and sale of straight spice powder (i.e., single ingredient spice powder), blended spice powders, pickles, tea, coffee powder, rice powders and other rice-based products and "ready to cook" and "ready to eat" range of food products.
- 1.4. The main objects of the Transferor Company under its memorandum of association are set out in Schedule 1.
- 1.5. The Transferee Company (i.e., MTR Foods Private Limited) is a private limited company incorporated on 21 August 1996 bearing CIN U15136KA1996PTC021007, having its registered office at No.1. 2nd & 3rd Floor, 100 Feet Inner Ring Road Ejipura, Ashwini Layout, Vivek Nagar, Bangalore 560047. The email ID of the Transferee Company is ganes.henoy@mtrfoods.com.
- 1.6. The Transferee Company was originally incorporated as 'MTR Foods Limited' and upon conversion into a private company, changed its name to MTR Foods Private Limited with effect from 4 November 2008.
- 1.7. The Transferee Company is engaged in the business of manufacturing, distribution and sales of convenience foods such as instant food mixes and vermicelli, spices and masalas, milk-based products, confectionary and beverages. The Transferee Company is also engaged in the trading of certain food products such as snacks, spices and spice mixes, pickles, papads and oral care products.
- 1.8. The main objects of the Transferee Company under its memorandum of association are set out in Schedule 2.



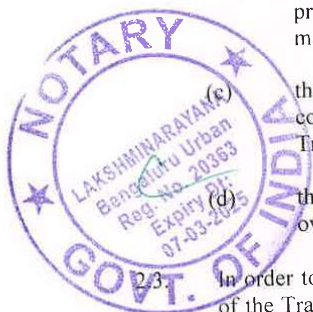
- 1.9. The Transferor Company is a subsidiary of the Transferee Company and the Transferee Company holds 67.82% of the issued and paid up share capital of the Transferor Company.
- 1.10. Clause III(b)(42) of the memorandum of association of the Transferor Company permits the Transferor Company to amalgamate with any company or companies having similar objects to the Transferor Company.
- 1.11. Similarly, Clause III(B)(12) of the memorandum of association of the Transferee Company permits the Transferee Company to amalgamate with any company or companies having similar objects to the Transferee Company.
- 1.12. The Transferor Company and the Transferee Company are collectively referred to as **Parties** and individually as a **Party**.

2. RATIONALE FOR THE SCHEME

The rationale for the amalgamation of the Transferor Company with the Transferee Company is, *inter alia*, as follows:

- 2.1. Both the Transferor Company and the Transferee Company are currently engaged in similar business activities, i.e., manufacturing, distribution and sale of spices and condiments, convenience foods and other food products. Hence, the amalgamation will result in (i) the optimum utilization of resources by bringing them under one entity and consequent consolidation of technical and managerial expertise of the two companies, (ii) the expansion of the existing business operations of the Transferee Company by combining with the business of the Transferor Company, (iii) the creation of enhanced value for the shareholders of both the Transferee Company and the Transferor Company by way of improved financial structure and cash flow, enhanced asset base, consolidated revenues and higher profitability, (iv) improved product availability for customers due to significant synergies in research and development enabling the amalgamated entity to cater to a larger array of consumers and the existing customers with a better selection of products; (v) enhanced scale of operations by optimal utilization of resources and distribution network of the combined entity.
- 2.2. Further, the amalgamation will make available the following benefits to the amalgamated entity and its shareholders:
 - (a) operational synergies, centralisation, simplification, streamlining and facilitation of efficient administration and reduction of administrative costs and productivity gains by pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Parties;
 - (b) enhanced potential for higher revenues and profits for the amalgamated entity and its shareholders. The amalgamation would provide synergistic linkages besides economies of scale by combining the businesses and operations of the Transferor Company and the Transferee Company, and thus contribute to the profitability of the amalgamated entity by *inter alia* rationalization of management and administrative structure;
 - (c) the amalgamation would remove the multiplicity of legal and other regulatory compliances, required to be carried out by the Transferor Company and the Transferee Company separately; and
 - (d) the amalgamation would significantly reduce the various running costs and overheads involved in running the business.

2.3. In order to achieve the above mentioned objectives, the respective Board of Directors of the Transferor Company and the Transferee Company have approved the proposed Scheme and decided to make an application to the Tribunal (as defined below) under Section 230 to 232 and other applicable provisions of the Act for the sanction of this Scheme for the amalgamation of the Transferor Company into the Transferee



Company. This Scheme also makes provisions for various other matters which are consequential or integral to the proposed amalgamation.

3. DEFINITIONS AND INTERPRETATIONS

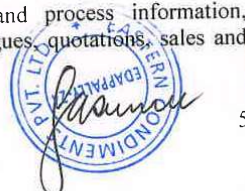
3.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (a) **Act** means the Companies Act, 2013 and shall include any delegated legislation, statutory modification, re-enactment or amendments thereof from time to time.
- (b) **Appointed Date** means 1 April 2021.
- (c) **Board of Directors** or **Board** means the board of directors of the Transferor Company or the Transferee Company, as the case may be.
- (d) **Business Day(s)** means a day (excluding Saturdays, Sundays or any other bank holidays) on which banks are open for business (including for dealings in foreign currency, deposits and exchange) in Bengaluru, India.
- (e) **Effective Date** means the date on which the certified true copy of the order of the Tribunal sanctioning the Scheme is filed with the Registrar of Companies, Bengaluru. Any reference in this Scheme to "**upon the Scheme becoming effective**" shall mean the Effective Date.
- (f) **Eligible Holders** means the shareholders of the Transferor Company as on the Record Date, holding fully paid-up equity shares of the Transferor Company as evidenced by the record of the beneficial owners of the equity shares of the Transferor Company maintained by the National Securities Depository Limited but excluding the Transferee Company.
- (g) **Equity Shares** mean equity shares of face value of INR 10 each to be issued by the Transferee Company to the Eligible Holders in accordance with this Scheme.
- (h) **Government Authority** means any applicable central, state or local government, 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.
- (i) **INR** means Indian Rupees.
- (j) **IT Act** means the Income-tax Act, 1961 and shall include any delegated legislation, statutory modification, re-enactment or amendments thereof from time to time.
- (k) **Transferor Company** means Eastern Condiments Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at No.1, 2nd & 3rd Floor, 100 Feet Inner Ring Road Ejipura, Ashwini Layout, Vivek Nagar, Bangalore 560047.
- (l) **Transferee Company** means MTR Foods Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at No.1, 2nd & 3rd Floor, 100 Feet Inner Ring Road Ejipura, Ashwini Layout, Vivek Nagar, Bangalore 560047.

(m) **Record Date** means the Effective Date, being the cut-off date for determining the list of shareholders of the Transferor Company to whom Equity Shares and ROCPS of the Transferee Company will be issued and allotted upon the Scheme becoming effective, based on their percentage shareholding in the Transferor Company as on such Record Date.



- (n) **ROCPS** means redeemable optionally convertible preference shares of face value of INR 10 each with the terms set out in Schedule 3 to be issued by the Transferee Company to the Eligible Holders in accordance with this Scheme.
- (o) **Scheme** means this scheme of amalgamation in its present form approved by the respective Boards of the Transferor Company and the Transferee Company submitted to the Tribunal and with any modification made under Clause 21 of this Scheme, or with such other modifications as the Tribunal may direct, or as may be approved by the Tribunal.
- (p) **Tribunal** means the National Company Law Tribunal Bench at Bengaluru having jurisdiction over the Transferor Company and the Transferee Company.
- (q) **Undertaking** means all the undertakings and the entire business of the Transferor Company including without limitation:
- (i) all the assets and movable and immoveable properties (real and personal, tangible or intangible, corporeal or incorporeal, in possession or in reversion, present and contingent, of whatsoever nature, wherever situated) and other assets including fixed assets, inventories, cash, cash equivalents and accounts receivables, all investments whether in shares, stocks, debentures or otherwise, deposits, earnest money, security deposits and such other entitlements;
 - (ii) all the employees engaged by the Transferor Company;
 - (iii) all debts, liabilities (including contingent liabilities, present or future);
 - (iv) all intellectual property rights including trademarks, tradenames, designs, patents and copyrights, rights in databases, trade secrets including know-how, recipes, formulations, production technology and processes, techniques, technical information, business data, plans, drawings, blueprints, photographs and other confidential information;
 - (v) approvals, consents, registrations, industrial and other licenses, quota rights, permits and other authorisations;
 - (vi) rights and benefits under all agreements, contracts, arrangements, memorandums of understanding and expression of interest including leasehold and tenancy rights, security deposit, right of set off, claims, powers, authorities, allotments, interest, advantages and other intangibles;
 - (vii) telephones, telex, facsimile and other communication facilities and equipment;
 - (viii) all other interests, rights and powers, of every kind nature or description whatsoever, privileges, liberties, easements, advantages, benefits and approval of whatsoever nature including but not limited to benefits of all tax reliefs, including under the IT Act or any other applicable taxation law, including credit, self-assessment or advance tax (including foreign tax credit, TDS credit, minimum alternative tax credit), taxes deducted at source, brought forward, accumulated tax losses and unabsorbed depreciation, CENVAT credit or VAT or sales tax credits, goods and service tax credits, other indirect tax credits and other tax receivables, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, sales tax set off, deduction for any tax, duty, cess or fee paid;
 - (ix) all records, papers, files, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and



other advertising materials, financial, corporate, statutory, operation and sales books, books of account, sales and purchase records, list of present and former customers and suppliers, business reports, plans and projections, customer credit information, customer pricing information and all other records, documents, files, correspondence, and other data and information, financial or otherwise in connection with or relating to the Transferor Company or which is required to be maintained by the Transferor Company under applicable laws, whether in physical or electronic form.

- 3.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and the IT Act as may be relevant.
- 3.3. Headings, sub-headings, titles, sub-titles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 3.4. Unless the context otherwise requires:
- the singular shall include the plural and vice versa, and references to one gender include all genders.
 - references to a person include any individual, firm, body corporate (whether or not incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality).
- 3.5. Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.

4. SHARE CAPITAL OF THE PARTIES

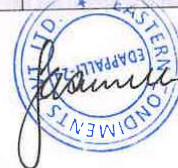
- 4.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31 March 2020 was as follows:

Authorized Capital	Amount (INR)
1,50,00,000 equity shares having face value of INR 10 each	15,00,00,000
44,00,000 redeemable optionally convertible cumulative preference shares having face value of INR 100 each	44,00,00,000
Total	59,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
96,56,900 equity shares having face value INR 10 each fully paid-up	9,65,69,000

Subsequent to 31 March 2020, there has been no change in the authorized, issued, subscribed or paid-up share capital of the Transferor Company.

- 4.2. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 31 March 2020, was as follows:

Authorized Capital	Amount (INR)
5,00,00,000 equity shares having face value of INR 10 each	50,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)



9,80,92,69 equity shares having face value of INR 10 each fully paid-up	9,80,92,690
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- 4.3. The Transferee Company issued further equity shares on 26 March 2021 to the existing shareholders of the Transferee Company. Accordingly, the authorized, issued, subscribed and paid-up share capital of the Transferee Company as on the date of the application to the Tribunal is as follows:

Authorized Capital	Amount (INR)
5,00,00,000 equity shares having face value of INR 10 each	50,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
1,23,30,269 equity shares having face value of INR 10 each fully paid-up	12,33,02,690

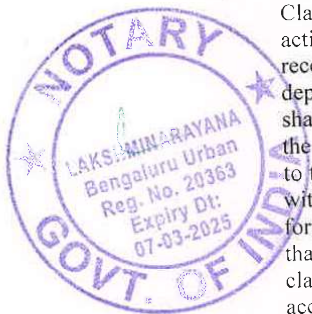
5. DATE OF TAKING EFFECT

The Scheme in its present form or with any modifications approved or directed by the Tribunal shall come into legal operation on and from the Effective Date but shall be effective as of the Appointed Date.

PART B

6. AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEEE COMPANY

- 6.1. On the Effective Date but with effect from the Appointed Date, the Transferor Company shall stand amalgamated into the Transferee Company and its Undertaking shall, pursuant to the sanction of this Scheme by the Tribunal and Sections 230 to 232 of the Act and any other applicable provisions of the Act, be and stand transferred to and vested in the Transferee Company as a going concern without any further act, instrument, deed, matter, or thing, so as to become the undertaking of the Transferee Company.
- 6.2. Without limiting the generality of Clause 6.1 above but subject to the other provisions of this Scheme, upon the Scheme becoming operative from the Effective Date but with effect from the Appointed Date:
- all the movable assets of the Undertaking, capable of passing by physical delivery of possession or by endorsement, shall be so transferred by the Transferor Company to the Transferee Company by actual or constructive delivery and shall on such transfer, become the assets and properties of the Transferee Company without requiring any separate deed or instrument or conveyance for the same.
 - all the movable assets of the Undertaking, other than those specified under Clause 6.2(a) above, including cash and cash equivalents, earnest monies, actionable claims, 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 Authorities, customers and other persons shall, without any requirement of any further act, instrument or deed, become the property of the Transferee Company without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may, without being obliged to do so, if it so deems appropriate, give notice in such form as it deems fit and proper, to each debtor or obligor or any other person, that pursuant to the Scheme becoming effective, such debt, loan, advance, claim, bank balance, deposit or other asset 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 Company to recover or realize all such

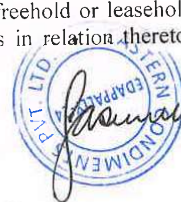


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debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligor or other persons to record such change.

- (c) all shares held by the Transferor Company in other entities shall become shares held by the Transferee Company and accordingly the subsidiaries of the Transferor Company shall become subsidiaries of the Transferee Company without any further act, instrument or deed.
- (d) all intellectual property rights of the Transferor Company shall, without any requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. This Scheme shall serve as requisite consent for assignment and transfer of the intellectual property rights of the Transferor Company, without requiring the execution of any further deed or document, in favor of the Transferee Company.
- (e) all debts, liabilities, duties and obligations of the Undertaking outstanding as on the Effective Date, whether or not provided for in the books of account of the Transferor Company shall without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become, the debts, liabilities, duties and obligations of the Transferee Company.
- (f) loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- (g) all the existing securities, mortgages, charges, encumbrances or liens as on the Appointed Date, if any, over the assets of the Transferor Company shall stand transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company.
- (h) the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- (i) all statutory licenses, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the relevant statutory authorities in favour of the Transferee Company upon the vesting and transfer of the Undertaking pursuant to this Scheme.
- (j) all immovable property of the Undertaking whether freehold or leasehold, and any document of title, rights, interest and easements in relation thereto shall



stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate Government Authorities and third parties pursuant to the sanction of the Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation or substitution pending sanction of the Scheme.

6.3. The amalgamation of the Transferor Company into 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) of the IT Act. This Scheme has been prepared to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of IT Act. At a later date, if any term or provision of the Scheme is found or interpreted to be inconsistent with any provision thereof, including resulting from an amendment of law or for any reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will however not affect other parts of the Scheme.

6.4. Upon the Scheme becoming operative on the Effective Date, the Transferee Company shall be deemed to be authorized under this Scheme to execute any pleadings, submissions, applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

7. CONSIDERATION/ALLOTMENT OF SHARES

7.1 Upon the Scheme becoming effective and in consideration for the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall issue and allot a combination of Equity Shares and ROCPS credited as fully paid-up (**New Shares**) to the Eligible Holders in proportion to their respective holding of equity shares in Transferor Company in the manner set out below:

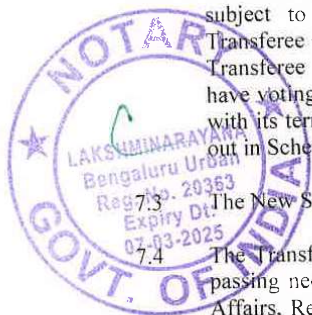
- (i) 757,526 fully paid Equity Shares of face value INR 10; and
- (ii) 611,128 fully paid ROCPS of face value INR 10.

The swap ratio set out above has been computed based on the capital structure of the Transferor Company and the Transferee Company as on the Appointed Date and shall stand appropriately adjusted for any changes to such capital structure during the period between the Appointed Date and the Effective Date, if any.

7.2 The New Shares to be issued to the Eligible Holders pursuant to Clause 7.1 shall be subject to the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* with the existing equity shares of the Transferee Company. For the avoidance of doubt, it is clarified that the ROCPS shall have voting rights on an as-if converted basis and shall, unless redeemed in accordance with its terms of issue, be converted to Equity Shares on a 1:1 basis in the manner set out in Schedule 3.

7.3 The New Shares shall be issued and allotted in physical form to the Eligible Holders.

7.4 The Transferee Company shall take necessary actions including but not limited to: (i) passing necessary resolutions; (ii) making relevant filings with Ministry of Corporate Affairs, Registrar of Companies, Karnataka and other Government Authorities to give effect to the Scheme; (iii) subject to Clause 14.1 of this Scheme, pay the necessary



stamp duty and filing related fees as may be payable under applicable laws and regulations for increase in the authorized share capital and issuance of Equity Shares and ROCPS under the Scheme and consequent amendments to the memorandum of association of the Transferee Company.

- 7.5 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Sections 42, 55, 62 and all other relevant provisions of the Act and all applicable laws for the issue and allotment of the Equity Shares and the ROCPS to the Eligible Holders, as provided in this Scheme.
- 7.6 Any issue arising between the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees or other persons entitled to or claiming any right to any shares in the Transferor Company or any shares in the Transferee Company, as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to the Transferee Company or as to anything else contained in or relating to or arising out of this Scheme, shall be decided jointly by the Boards of each of the Transferor Company and the Transferee Company, whose decision shall be final and binding on all parties concerned.
- 7.7 Where the New Shares are to be allotted to heirs, executors, administrators or successors of deceased equity shareholders of the Transferor Company, the heirs, executors, administrators or successors shall be obliged to furnish to the Transferee Company with evidence of title as is satisfactory to the Board of the Transferee Company.

8. STAFF, WORKMEN & EMPLOYEES

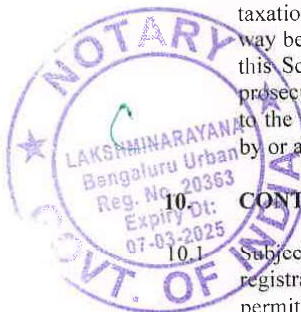
- 8.1 All staff, workmen and employees of the Transferor Company in service on the Appointed Date and who continue to be in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break or interruption in their service and on the basis of continuity of service, with effect from the later of the Appointed Date or the actual date of joining the Transferor Company.
- 8.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special funds or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that for the purpose of administration of the said funds, the services of the staff, workmen and employees of the Transferor Company will be treated to be continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

9. LEGAL PROCEEDINGS

If, on the Effective Date, any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this arrangement or by anything contained in this Scheme, but the said suit, appeal or other legal 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 Company, as if this Scheme had not been made.

10. CONTRACTS, DEEDS, ETC. AND POWER TO GIVE EFFECT TO THIS PART

10.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, registrations, licenses, permissions, approvals, consents, entitlements, sanctions, permits, benefits, rights arising from contracts, deeds, licenses, instruments and



agreements, if any, of whatsoever nature to which the Transferor Company is party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals and other instruments, etc.

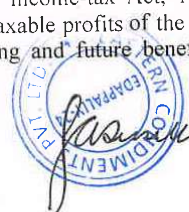
- 10.2 From the Effective Date, the Transferee Company shall (i) be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme, (ii) in its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company.

11. BORROWING LIMITS AND CORPORATE APPROVALS

- 11.1. With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.
- 11.2. Any corporate approvals obtained by the Transferor Company, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliances shall be deemed to have been obtained and complied with by the Transferee Company.

12. TAXATION MATTERS

- 12.1. Upon the Scheme coming into effect, all taxes (including, without limitation, income tax, wealth tax, sales tax, custom duty, service tax, value added tax, central sales tax, GST, etc.) paid or payable by the Transferor Company in respect of the Undertaking, shall be on account of the Transferee Company and, in so far as it relates to any tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, wealth tax, sales tax, custom duty, service tax, value added tax, central sales tax, GST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the Undertaking with effect from the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.
- 12.2. All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective.
- 12.3. Any refund under the applicable tax laws due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts of the Transferor Company as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 12.4. Upon the Scheme becoming effective, the Transferee Company shall be entitled to revise and file income tax returns, sales tax returns, goods and service tax returns, value added tax returns, service tax returns and any other returns, and to claim refunds or credits, pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to such tax benefits, including but not limited to, minimum alternate tax paid under Section 115JA or 115JB of the IT Act and the right to claim credit in accordance with Section 115JAA of the IT Act, including the benefit of brought forward losses or depreciation as admissible under the provisions of the Income-tax Act, 1961 to the extent applicable, of the Transferor Company from the taxable profits of the Transferee Company from the Appointed Date. Further, all existing and future benefits, claim,



relief under the provisions of IT Act shall be available to the Transferee Company in the same manner and to the extent as those were available otherwise to the Transferor Company upon fulfilment of the prescribed conditions. The Transferee Company shall continue to enjoy the tax benefits and concessions provided to the Transferor Company by the authorities.

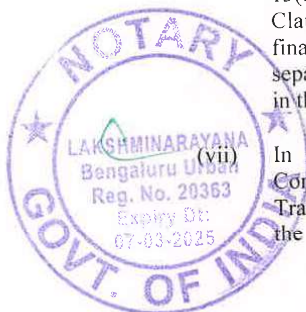
- 12.5. Upon the Scheme becoming effective, any unavailed refund, credit, claim benefits, incentives under any tax laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax, service tax, CENVAT, minimum alternative tax, value added tax, central sales tax, central sales tax, GST, etc.) shall belong to and be received by the Transferee Company. Without prejudice to the generality of the aforesaid provision, all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, in relation to the Undertaking, shall upon the Scheme becoming effective be transferred to and vested in the Transferee Company and all the benefits, entitlements and incentives of any nature whatsoever, including minimum alternate tax credit entitlement, shall be claimed by the Transferee Company as if the Transferee Company was originally entitled to all benefits under such incentives schemes or policies.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

Notwithstanding anything contained in the Scheme, upon satisfaction of all the substantial conditions for the transfer of business, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of account in accordance with the "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 Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, such that:

- (i) The Transferee Company shall record, in its standalone financial statements, the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferee Company;
- (ii) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Transferee Company;
- (iii) The inter-company balances, if any, between the Transferor Company and Transferee Company shall stand cancelled without any further act or deed, upon the Scheme becoming effective;
- (iv) The value of investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to the Scheme becoming effective;
- (v) The Transferee Company shall account in its books the New Shares issued at nominal face value and credited to the "Equity Share Capital Account" of the Transferee Company;
- (vi) The surplus or deficit, if any, arising after taking the effect of Clauses 13(i), 13(ii), 13(iv) and 13(v), and after giving effect to the adjustments referred to in Clause 13(iii), shall be transferred to the "Capital Reserve" in the standalone financial statements of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes to the standalone financial statements;

(vii) In case of any differences in accounting policies between the Transferor Company 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



- (viii) Comparative financial information in the standalone financial statements of the Transferee Company shall be restated for the accounting impact of the amalgamation as envisioned in this Scheme, as stated above, as if the amalgamation had occurred from the beginning of the comparative period. However, if the business combination had occurred after that date, the prior period information shall be restated only from that date.

14. REORGANISATION OF AUTHORIZED CAPITAL, AND AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

- 14.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company.
- 14.2 Pursuant to the reorganization of the authorized share capital of the Transferee Company in accordance with Clause 14.1 above, Clause V of the memorandum of association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act by deleting the existing clause and replacing it with the following:

"The Authorized Share Capital of the Company is INR 109,00,00,000 divided into 8,70,00,000 equity shares having face value of INR 10 each and 2,20,00,000 redeemable optionally convertible preference shares having face value of INR 10 each."

- 14.3 The approval of this Scheme by the shareholders of the Transferee Company in accordance with Sections 230 to 232 of the Act, whether at a meeting or otherwise, shall be deemed to mean and include the approval under Sections 13 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 14.4 Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fees or stamp duty for its increased authorized share capital.

15. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the assets and liabilities of the Transferor Company in accordance with this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company before the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

16. CONDUCT OF BUSINESS AFTER FILING OF THE SCHEME

- 16.1 During the period from the date of filing of this Scheme with the Tribunal up to and including the Effective Date, the Transferor Company and the Transferee Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence and in compliance with applicable laws.

- 16.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to Government Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

- 16.3 Upon the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, realize all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to



the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt it is clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company is so far as it may be necessary.

PART C

17. DISSOLUTION

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

18. CONDITIONALITY OF THE SCHEME

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

- (i) the requisite consent, approval or permission of the Government Authorities, which by law may be necessary for the implementation of this Scheme;
- (ii) the approval by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company;
- (iii) the sanction of the Tribunal being obtained under Sections 230 to 232 and any other applicable provisions of the Act, on behalf of the Transferor Company and the Transferee Company;
- (iv) the certified copy of the order of the Tribunal sanctioning the Scheme being filed with the jurisdictional Registrar of Companies; and
- (v) compliance with such other conditions as may be imposed by the Tribunal.

19. APPLICATION TO TRIBUNAL

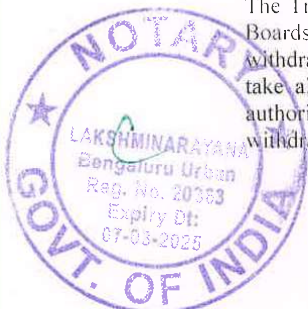
The Transferor Company and the Transferee Company shall make and file all necessary applications under Sections 230 to 232 and other applicable provisions of the Act to the Tribunal for seeking approval of the Scheme and all ancillary or incidental matters.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company through their respective Board of Directors may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company through their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any authority or otherwise, however arising out of or under or by virtue of the Scheme or any matter concerned or connected therewith.

21. WITHDRAWAL OF THE SCHEME

The Transferor Company and the Transferee Company acting through their respective Boards shall each be at liberty to withdraw this Scheme at any time. In the event of withdrawal of this Scheme, the Transferor Company and Transferee Company shall take all necessary steps to withdraw this Scheme from the Tribunal and any other authority and shall make all necessary filings/applications as may be required to withdraw this Scheme.



22. EFFECT OF NON-RECEIPT OF APPROVALS

In the event that the Scheme is not sanctioned by the Tribunal or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions specified in this Scheme are not obtained or complied with or this Scheme cannot be implemented for any other reason, the Scheme shall stand revoked and cancelled and become null and void and each Party shall bear and pay their respective costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

23. COSTS, CHARGES AND EXPENSES

All costs, charges, expenses, taxes including duties, levies and all other expenses, if any arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be accounted in the books of the Transferor Company (for and on behalf of the Transferee Company) and in the books of the Transferee Company, as the case may be and the same shall be discharged, borne and settled by the Transferee Company.



SCHEDULE 1

MAIN OBJECTS – MEMORANDUM OF ASSOCIATION OF TRANSFEROR COMPANY

- (a) To carry on the business of manufacture of all types of curry powder, spices and condiments;
- (b) to carry on the business of manufacture and trading of all kinds of coffee powder, rice powder, heat flour, fruit preparations, vegetables, milk, egg, meat and fish preparations; tinned foods, bread, biscuits, cakes, chocolates, cocoa products, baby foods, instant foods, soft drinks and beverages, table delicacies, vinegar, essences, food flavouring materials, natural essential edible oils, and allied food preparations and products thereof;
- (c) to carry on the business of all kinds of farming agricultural, poultry, dairy, horticulture and gardening, and to grow, produce, manufacture, process, prepare, refine, extract, manipulate, buy, sell, export, import or otherwise deal in all kinds of produce and product of such business including food grains, seeds, oil seeds, trees, plants, flowers, vegetables, fruits, edible oils, meat, fish, eggs, milk and foods and food products and preparations of any nature or description what so ever;
- (d) to construct and run rice mills for separation of husks, and flour mills of all kinds to buy, sell and deal in all kinds of flours; and
- (e) to carry on the business of planters and cultivators in tea, coffee, cocoa, cashew, cardamom, coconut, rubber and other produce and do the business of cultivators, vendors and buyers of every kind of agricultural, vegetable, mineral and other products of the soil.



SCHEDULE 2

MAIN OBJECTS – MEMORANDUM OF ASSOCIATION OF TRANSFEEE COMPANY

- (a) to carry on the business of manufacturing, producing, buying, selling, importing, exporting, marketing and to act as dealers and agents of food products, ready to eat items, spices, pickles, condiments, agro products, frozen foods, instant food mixes of every kind and taste and without limiting the generality of the foregoing, to carry on the business in the manufacture and sale of instant mixes like gulab jamoon, badam, vade, dosai, idli, rasam, sambhar, chutney and garam masala, and dehydrated vegetables, dehydrated foods, wheat products, rice products, pasta products, vermicelli, noodles, macaroni and all kinds of spice powders and blends;
- (b) to carry on the business of purveyors, caterers, dealers, and/ or contractors in food products of all kinds and description, drinks, provisions and other products and/or refreshment contractors, sugar and sweetmeats merchants, bakers, confectioners, butchers, fish mongers, milk sellers, butter sellers, poulterers, green grocers, ice-cream manufacturers, fruiterers, bacon factors, meat sellers, cheesemongers, corn and flower merchants, launderers, cleaners, dry cleaners and carpet beaters, manufacturers and dealers of glassware of various kinds, crockery, cutlery, linen and as licensed victuallers, wine, beer, alcohol and spirit merchants, brewers, distillers, importers, manufacturers and dealers of aerated, miner and artificial waters and other alcoholic and non alcoholic drinks, furniture and furnishings, and all other articles and things required in the said business;
- (c) to carry on the business of purchasing, leasing, selling, exchanging or otherwise acquiring and dealing in all kinds of agricultural lands, plantations, estates, farms and to use the same for carrying on business of the Transferee Company or otherwise;
- (d) to carry on the business of selling agents, purchasing agents, general agents, commission agents, sub-agents, distribution agents, stockists, dealers and manufacturer's representatives, marketing agents or consultants, indenting agents of all types and kinds of goods, commodities and services and to do all such other acts and things which are conducive to the aforesaid business and/or ancillary or incidental to the same; and
- (e) to carry on business as importers, exporters, dealers, agents, merchants, wholesalers or retailers, processors, manufacturers, and to act as carriers, or in any other capacity in India or elsewhere and to deal with any commodity or articles as may be suitable for the Transferee Company.



SCHEDULE 3

TERMS OF THE ROCPS

1. **Nature of the ROCPS**

Each ROCPS shall be a redeemable optionally convertible preference share, having a face value of INR 10 (Rupees Ten).

2. **Voting**

The holders of ROCPS shall be entitled to attend all general meetings of the Transferee Company and will be entitled to voting rights on an as-if converted basis. Each ROCPS will carry 1 (one) vote.

3. **Dividend and Repayment of Capital**

- 3.1 The ROCPS shall carry a preferential right vis-à-vis the Equity Shares with respect to payment of dividend and the holders of ROCPS shall be paid dividend on a non-cumulative basis @ 0.001% (zero point zero zero one percent) or such other rate as may be approved by the Board of the Transferee Company, provided if the Board of the Transferee Company declares dividend on the Equity Shares, the ROCPS shall be entitled to dividend at the same rate.
- 3.2 The ROCPS shall carry a preferential right with respect to repayment in case of a winding up of the Transferee Company, and shall be participating in the surplus funds, assets and profits of the Transferee, if any, which may remain on winding up after the entire capital has been repaid *pari passu* with Equity Shares.

The ROCPS shall be subject to such other terms and conditions as may be agreed between the Eligible Holders and the Transferee Company and as set out in the terms of issue of the ROCPS.



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