

SCHEME OF AMALGAMATION

AMONGST

**ESCORTS KUBOTA INDIA PRIVATE LIMITED
(AMALGAMATING COMPANY NO. 1)**

AND

**KUBOTA AGRICULTURAL MACHINERY INDIA PRIVATE LIMITED
(AMALGAMATING COMPANY NO. 2)**

WITH

**ESCORTS KUBOTA LIMITED
(AMALGAMATED COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE SECTIONS OF THE
COMPANIES ACT, 2013)**



INTRODUCTION

1. PREAMBLE

This Composite Scheme of Amalgamation ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*), and the rules and regulations issued thereunder, and Section 2(1B) and other applicable provisions of the IT Act (*as defined hereinafter*), in each case, as amended from time to time and as may be applicable, for:

- (i) the amalgamation of Escorts Kubota India Private Limited ("**Amalgamating Company No. 1**") and Kubota Agricultural Machinery India Private Limited ("**Amalgamating Company No. 2**") into and with Escorts Kubota Limited ("**Amalgamated Company**"); and
- (ii) various other matters consequential or otherwise integrally connected herewith.

2. BACKGROUND AND DESCRIPTION OF THE PARTIES TO THIS SCHEME

2.1. Background and Description of the Amalgamated Company

- (i) The Amalgamated Company, i.e., **Escorts Kubota Limited**, is a public limited company, incorporated on October 17, 1944, under the provisions of the Companies Act, 1913, under the name '*Escorts (Agents) Limited*'. Pursuant to the effectiveness of Section 24 of the Companies Act, 1956, the word '*Private*' was added before the word '*Limited*' in the name of the Amalgamated Company and the name of the Amalgamated Company was changed to '*Escorts (Agents) Private Limited*'. Further, consequent to the fresh certificate of incorporation dated January 18, 1960, issued upon change of name by the Registrar of Companies, Delhi and Haryana, the name of the Amalgamated Company was changed from '*Escorts (Agents) Private Limited*' to '*Escorts Limited*'. Furthermore, consequent to the fresh certificate of incorporation dated June 9, 2022, issued by the Registrar of Companies, NCT of Delhi and Haryana, the name of the Amalgamated Company was changed from '*Escorts Limited*' to '*Escorts Kubota Limited*'.
- (ii) The registered office of the Amalgamated Company was changed from the state of Delhi to the state of Haryana, pursuant to the order of the Company Law Board, New Delhi, dated April 4, 2009, and upon issuance of a certificate of registration of the Company Law Board order for change of state dated May 15, 2009. The registered office of the Amalgamated Company is currently situated at 15/5, Mathura Road, Faridabad - 121003, Haryana, India, within the jurisdiction of this Tribunal.
- (iii) The corporate identity number of the Amalgamated Company is L74899HR1944PLC039088, and PAN (*as defined hereinafter*) is AAACE0074B.



- (iv) The shares of the Amalgamated Company are currently listed on 2 (two) stock exchanges - the BSE (*as defined hereinafter*) and NSE (*as defined hereinafter*). The shares of the Amalgamated Company were listed on the DSE (*as defined hereinafter*). However, DSE has been de-recognized and allowed to exit as a stock exchange by SEBI (*as defined hereinafter*) vide order no. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated January 23, 2017. For the avoidance of doubt, the securities of the Amalgamated Company are currently not listed on DSE owing to DSE having been de-recognized by SEBI.
- (v) The Amalgamated Company is, *inter alia*, engaged in the business of manufacturing and sale of various agricultural tractors, construction equipment, railway products, implements and spares thereof.

2.2. Background and Description of the Amalgamating Company No. 1

- (i) Amalgamating Company No. 1, i.e., **Escorts Kubota India Private Limited**, is a private limited company, incorporated under the Companies Act, 2013 on February 23, 2019, having its registered office at 18/4, Mathura Road, Faridabad - 121007, Haryana, India.
- (ii) Amalgamating Company No. 1 is engaged in the business of production and sale of tractors for the Indian and global markets. The Amalgamating Company No. 1 is a joint venture of the Amalgamated Company wherein Amalgamated Company holds 40% (Forty Percent) of the total paid-up equity share capital of the Amalgamating Company No. 1 and 60% (Sixty Percent) of the total paid-up equity share capital of the Amalgamating Company No. 1 is held by KBT (*as defined hereinafter*).
- (iii) The corporate identity number of the Amalgamating Company No. 1 is U34300HR2019FTC078790, and the PAN of Amalgamating Company No. 1 is AAFCE3923J.

2.3. Background and Description of the Amalgamating Company No. 2

- (i) Amalgamating Company No. 2, i.e., **Kubota Agricultural Machinery India Private Limited**, is a private limited company, incorporated under the provisions of the Companies Act, 1956 (as amended), on December 5, 2008, and having its registered office at 18/4, Mathura Road, Faridabad - 121007, Haryana, India.
- (ii) The registered office of Amalgamating Company No. 2 was changed from the state of Tamil Nadu to the state of Haryana, pursuant to the order of the Registrar of Companies, New Delhi dated March 2, 2021. Upon the issuance of a certificate of registration of Regional Director order for Change of State dated February 1, 2021, the registered office of the Amalgamating Company No. 2 changed from TVH Beliciaa Towers, 8th Floor, Tower-I, Block No. 94, MRC Nagar, Chennai-600028, Tamil Nadu to 18/4, Mathura Road, Faridabad - 121007, Haryana, India.



- (iii) Amalgamating Company No. 2 is engaged in the business of assembly, procurement, whether locally or through import, sales, servicing and consultancy within the territory of India, of tractors, combine harvesters and rice transplanters, and other agricultural machineries manufactured or assembled by KBT (including those manufactured or assembled by KBT's subsidiaries), as well as implements, accessories and spare parts of the foregoing. The Amalgamating Company No. 2 is also a joint venture of the Amalgamated Company wherein Amalgamated Company holds 40% (Forty Percent) of the total paid-up equity share capital of the Amalgamating Company No. 2, and 60% (Sixty Percent) of the total paid-up equity share capital of the Amalgamating Company No. 2 is held by KBT.
- (iv) The corporate identity number of the Amalgamating Company No. 2 is U29210HR2008FTC093295, and the PAN of Amalgamating Company No. 2 is AADCK5472E.

3. NEED AND RATIONALE FOR THIS SCHEME

3.1 Rationale for the Scheme

- (i) The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company No. 1 and Amalgamating Company No. 2, such that the Amalgamated Company will be the exclusive vehicle for the agri-machinery business in India. Amalgamation is proposed to consolidate their respective manufacturing/service capabilities, thereby increasing efficiencies in operations and use of resources, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically and globally and to ensure optimization of working capital utilization.
- (ii) The management of the respective Companies (*as defined hereinafter*) are of the view that the amalgamation proposed in this Scheme is, in particular, expected to have the following benefits:
 - (a) Reduction in management overlaps and reduction of legal and regulatory compliances and associated costs due to operation of multiple companies.
 - (b) Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities.
 - (c) Consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage given the simplified capital structure, improved balance sheet, and optimized management structure.
 - (d) Consolidation of businesses under the amalgamation, would result in the pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for the stakeholders.



- (e) Consolidation of production capabilities, integration and efficiency of operations, economies of scale, to create a larger scale of business and operations to cater to the demand of agro-machinery industry. Consolidation of the complementing strengths will enable the Amalgamated Company to be the exclusive vehicle for the agri-machinery business in India.
- (iii) The management of the respective Companies are of the view that this Scheme is in the interest of the customers, employees, creditors, shareholders and all other stakeholders of the respective Companies.

4. OVERVIEW OF THIS SCHEME

4.1 This Scheme is divided into the following parts:

- | | | |
|---------------|---|---|
| PART A | - | Definitions, Compliance with Tax Laws, Capital Structure and Date of Taking Effect |
| PART B | - | Amalgamation of Amalgamating Company No. 1 and Amalgamating Company No. 2 into and with Amalgamated Company, Conduct of Affairs until the Effective Date, Treatment of Taxes, Conduct of Affairs After the Effective Date, Saving of Concluded Transactions, Change in Authorized Share Capital of the Amalgamated Company, Discharge of Consideration, Issuance Mechanics, Dissolution of Amalgamating Company No. 1 and Amalgamating Company No. 2 and Accounting Treatment |
| PART C | - | General Terms and Conditions applicable to the Scheme |



PART A

DEFINITIONS, COMPLIANCE WITH TAX LAWS AND CAPITAL STRUCTURE

1. DEFINITIONS

1.1. In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- (i) **"Act"** means, as the context may admit, the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- (ii) **"Amalgamated Company"** has the meaning ascribed to such term in Paragraph 1(i) of the Preamble.
- (iii) **"Amalgamating Companies"** means collectively, Amalgamating Company No. 1 and Amalgamating Company No. 2, and shall, subject to the relevant provisions of the Scheme, include the whole of the business and undertakings of such Amalgamating Companies, including for each such Amalgamating Company:
 - (a) all of its movable assets, whether present or future, whether tangible or intangible, and all rights, title, interests, covenants, undertakings and continuing rights in relation thereto;
 - (b) all of its immovable properties and all its rights, title, interests, covenants, undertakings and continuing rights in relation thereto, including all its land (together with all the buildings and structures standing thereon), whether freehold or leasehold;
 - (c) all of its present and future liabilities, including contingent liabilities, charges and debts appertaining thereto;
 - (d) all of its investments, including shares and other securities, loans and advances, including interest and dividend accrued thereon;
 - (e) all of its permits, rights, entitlements and licences (including the industrial or other licences) granted by any Governmental Authority, environmental clearances, permissions, approvals, consents, exemptions, subsidies, registrations, no-objection certificates, quotas, privileges, powers, offices, facilities whether granted/available/renewed/applied for;
 - (f) all of its intellectual property rights, websites, emails, trade names, trademarks, service marks, copyrights, domain names, brand names, logos and applications thereof;
 - (g) all of its indirect and direct tax credits, including but not limited to service tax credit, CENVAT credit, GST credit, VAT credit, income-tax refunds, carry forward losses, unabsorbed depreciation, TDS, TCS, and MAT credit entitlement, etc.;



- (h) all of its privileges and benefits under all contracts, agreements, memoranda of understanding and all other rights, powers and facilities of every kind and description whatsoever;
 - (i) all of its debts, borrowings, obligations and liabilities, whether present, future or contingent, and whether secured or unsecured;
 - (j) all of its staff and employees, including those employed at its offices, factories and branches, and all other personnel employed by it;
 - (k) all of the advance monies and earnest monies as may be lying with it and any and all of its security deposits, bank and contractual guarantees and other entitlements; and
 - (l) all of its other properties, assets, liabilities, rights, obligations and employees, etc., of any nature whatsoever not covered under (a) to (k) above.
- (iv) **"Amalgamating Company No. 1"** has the meaning ascribed to such term in Paragraph 1(i) of the Preamble.
- (v) **"Amalgamating Company No. 2"** has the meaning ascribed to such term in Paragraph 1(i) of the Preamble.
- (vi) **"Applicable Law(s)"** means all statutes, notifications, bye-laws, rules, regulations, guidelines, rules or common law, policies, codes, directives, ordinances, schemes or orders enacted or issued or sanctioned by any Governmental Authority, including any modification or re-enactment thereof for the time being in force.
- (vii) **"Appointed Date"** means the opening of business hours on April 1, 2023, with effect from which the Scheme shall be effective, in the manner described in the Scheme.
- (viii) **"Board of Directors"** means the respective boards of directors of the Companies and shall, unless repugnant to the context or otherwise, include any duly authorized committee of directors or any person duly authorized by the Board of Directors or such committee of directors.
- (ix) **"BSE"** means BSE Limited and includes any successor thereof.
- (x) **"Capital Reduction Scheme"** has the meaning ascribed to such term in Clause 3.1(iii).
- (xi) **"CENVAT"** means central value-added tax.
- (xii) **"Companies"** means collectively, Amalgamated Company, Amalgamating Company No. 1, and Amalgamating Company No. 2.
- (xiii) **"DSE"** means Delhi Stock Exchange Limited.
- (xiv) **"DGFT"** means Directorate General of Foreign Trade.



- (xv) **"Effective Date"** means the date on which a certified true copy of the order of the NCLT sanctioning the Scheme or any particular parts of the Scheme, is filed by the Companies with the RoC.
- (xvi) **"Government"** or **"Governmental Authority"** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- (xvii) **"GST"** means goods and services tax.
- (xviii) **"IT Act"** means the Indian Income-tax Act, 1961 and the rules, regulations, circulars, notifications and orders issued thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- (xix) **"KBT"** means Kubota Corporation.
- (xx) **"MAT"** means minimum alternate tax.
- (xxi) **"NSE"** means National Stock Exchange of India Limited and includes any successor thereof.
- (xxii) **"New Equity Shares"** means the fully paid-up equity shares of the Amalgamated Company having face value of Rs. 10/- each to be issued and allotted by the Amalgamated Company to the respective shareholders of the Amalgamating Companies in accordance with Clause 11 of PART B of this Scheme.
- (xxiii) **"PAN"** means permanent account number.
- (xxiv) **"RBI"** means the Reserve Bank of India or any successor thereof.
- (xxv) **"Registrar of Companies"** or **"RoC"** means the Registrar of Companies, National Capital Territory of Haryana and/or such other Registrar of Companies having jurisdiction over any of the Companies.
- (xxvi) **"Rs."** or **"INR"** means Indian Rupees being the lawful currency of the Republic of India.
- (xxvii) **"Scheme of Amalgamation"** or **"Scheme"** means this composite scheme of amalgamation in its present form, or with or without any modification(s), as may be approved or imposed or directed by the NCLT, SEBI and any other Governmental Authority.
- (xxviii) **"SEBI"** means the Securities and Exchange Board of India or any successor thereof.



(xxix) **"SEBI Circular"** means the SEBI circular bearing reference no. CFD/DIL3/CIR/201721 dated March 10, 2017, as amended and supplemented by SEBI, from time to time, read with the SEBI master circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, issued by the SEBI.

(xxx) **"Share Exchange Ratio 1"** has the meaning ascribed to such term in Clause 101.1(i).

(xxxi) **"Share Exchange Ratio 2"** has the meaning ascribed to such term in Clause 101.1(i).

(xxxii) **"Share Exchange Ratios"** means, collectively, Share Exchange Ratio 1 and Share Exchange Ratio 2.

(xxxiii) **"Stock Exchanges"** means collectively, the NSE and BSE.

(xxxiv) **"TCS"** means Tax Collected at Source.

(xxxv) **"TDS"** means Tax Deducted at Source.

(xxxvi) **"Tribunal"** or **"NCLT"** means the Chandigarh Bench of the Hon'ble National Company Law Tribunal, or such other forum or authority as may be vested with any of the powers of the NCLT under the Act and/or as may be having jurisdiction for sanctioning this Scheme.

(xxxvii) **"VAT"** means value added tax.

1.2. The expressions which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the IT Act, the Depositories Act, 1996, and other Applicable Laws.

1.3. In this Scheme, unless the context otherwise requires:

- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders;
- (iv) words in the singular shall include the plural and *vice versa*;
- (v) any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" or likewise shall be construed to be a reference to the Effective Date;



- (vi) words "include" and "including" are to be construed without limitation;
- (vii) terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;
- (viii) a reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form, including e-mail;
- (ix) a reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;
- (x) reference to the Recital or Clause shall be a reference to the Recital or Clause of this Scheme; and
- (xi) references to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.

2. COMPLIANCE WITH TAX LAWS

2.1. The amalgamation of Amalgamating Company No. 1 and Amalgamating Company No. 2 into the Amalgamated Company in accordance with this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:

- (i) all the properties of the Amalgamating Companies, immediately before the amalgamation, shall become the property of the Amalgamated Company, by virtue of the amalgamation;
- (ii) all the liabilities of the Amalgamating Companies, immediately before the amalgamation, shall become the liabilities of the Amalgamated Company, by virtue of the amalgamation; and
- (iii) shareholders holding not less than three-fourths in value of the shares in the Amalgamating Companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Amalgamated Company or its subsidiary) shall become shareholders of the Amalgamated Company by virtue of the amalgamation.



- 2.2. This Scheme has been drawn up to comply with the conditions relating to 'amalgamation' as specified under the tax laws, including Section 2(1B) and other relevant sections of the IT Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail, and this Scheme (including any parts hereof) shall then stand modified to comply with such laws. The power to make such amendments shall vest with the Board of Directors of the Companies, which power shall be exercised reasonably in the best interest of the Companies and their stakeholders, provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the secured and unsecured creditors and shareholders without seeking their approval. Further, such modification/withdrawal will not affect other parts of the Scheme which have not been so modified or withdrawn.

3. **CAPITAL STRUCTURE**

3.1. **Amalgamated Company**

- (i) The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on March 31, 2022 is as under:

Authorised Share Capital	Amount in Rs.
40,10,00,000 equity shares of Rs. 10/- each	4,01,00,00,000
88,80,00,000 unclassified shares of Rs. 10/- each	8,88,00,00,000
Total	12,89,00,00,000
Issued, Subscribed and Paid-up Share Capital	Amount in Rs.
13,19,40,604 equity shares of Rs. 10/- each	1,31,94,06,040
Total	1,31,94,06,040

- (ii) Subsequent to March 31, 2022, and until the date of the Scheme being approved by the Board of Directors of the Amalgamated Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Amalgamated Company, if any, issued by the Amalgamated Company.
- (iii) Further, the Board of Directors of the Amalgamated Company, in its meeting held on February 18, 2022, had approved the scheme for cancellation of 2,14,42,343 (Two Crores Fourteen Lakhs Forty-Two Thousand and Three Hundred and Forty-Three) shares of the Amalgamated Company held by 'Escorts Benefit and Welfare Trust' (hereinafter referred to as "**Capital Reduction Scheme**"). The Amalgamated Company has already received no objection certificate/observation letter in relation to such capital reduction from the stock exchanges. The Amalgamated Company has filed the application before the Tribunal on August 14, 2022 in relation to the Capital Reduction Scheme post receipt of approval from shareholder on August 5, 2022. Upon effectiveness of the abovementioned Capital Reduction Scheme and the consequent cancellation of the equity share capital as provided above, the



authorised, issued, subscribed and paid-up share capital of the Amalgamated Company would be as under:

Authorised Share Capital	Amount in Rs.
40,10,00,000 equity shares of Rs. 10/- each	4,01,00,00,000
88,80,00,000 unclassified shares of Rs. 10/- each	8,88,00,00,000
Total	12,89,00,00,000
Issued, Subscribed and Paid-up Share Capital	Amount in Rs.
11,04,98,261 equity shares of Rs. 10/- each	1,10,49,82,610
Total	1,10,49,82,610

3.2. Amalgamating Company No. 1

- (i) The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company No. 1, as on March 31, 2022 is as under:

Authorised Share Capital	Amount in Rs.
3,00,00,000 equity shares of INR 100/- each	3,00,00,00,000
Total	3,00,00,00,000
Issued, Subscribed and Paid-up Share Capital	Amount in Rs.
3,00,00,000 equity shares of INR 100/- each	3,00,00,00,000
Total	3,00,00,00,000

- (ii) Subsequent to March 31, 2022 and until the date of the Scheme being approved by the Board of Directors of the Amalgamating Company No. 1, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Amalgamating Company No. 1.

3.3. Amalgamating Company No. 2

- (i) The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company No. 2, as on March 31, 2022 is as under:

Authorised Share Capital	Amount in Rs.
5,00,00,000 equity shares of INR 10/- each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up Share Capital	Amount in Rs.
5,00,00,000 equity shares of INR 10/- each	50,00,00,000
Total	50,00,00,000

- (ii) Subsequent to March 31, 2022 and until the date of the Scheme being approved by the Board of Directors of the Amalgamating Company No. 2, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Amalgamating Company No. 2.



- 3.4. It is expressly clarified that until this Scheme becomes effective, the Companies are free to alter their authorised, issued, subscribed or paid-up share capital by way of buy-back or stock split or further issue or consolidation or capital reduction or any other manner, as may be required for their respective business requirements, subject to receipt of the necessary approvals from their respective Board of Directors, shareholders, and/or Tribunal, if required.

4. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, shall be effective from the Appointed Date but shall be operative from the Effective Date.



PART B

AMALGAMATION OF AMALGAMATING COMPANY NO. 1 AND AMALGAMATING COMPANY NO. 2 INTO AND WITH THE AMALGAMATED COMPANY

5. AMALGAMATION OF AMALGAMATING COMPANY NO. 1 AND AMALGAMATING COMPANY NO. 2 INTO AND WITH THE AMALGAMATED COMPANY

- 5.1. Subject to the provisions of PART B and PART C of this Scheme in relation to the modalities of amalgamation, upon this Scheme becoming effective on the Effective Date, and with effect from the Appointed Date, the Amalgamating Companies along with all their assets, liabilities, contracts, employees, licenses, records, approvals, rights and obligations and their entire business and undertakings, including all their properties, rights, benefits and interests therein, shall by virtue of this PART B of the Scheme stand amalgamated with, transferred to and vested in, or shall be deemed to have been transferred to or vested in, the Amalgamated Company, as a going concern, and shall become the assets, liabilities, contracts, employees, licenses, records, approvals, rights, obligations, business and undertakings of the Amalgamated Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders), without any further act, instrument or deed being required from the Amalgamating Companies and / or the Amalgamated Company and without any approval or acknowledgement of any third party, in accordance with Sections 230 to 232 of the Act read with Section 2(1B) of the IT Act and all other applicable provisions of law, if any, in accordance with the provisions contained herein.
- 5.2. Without prejudice to the generality of the above, in particular, the Amalgamating Companies shall stand amalgamated with the Amalgamated Company in the manner described in the sub-paragraphs below, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders).
- (i) Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all the assets (including investments) of the Amalgamating Companies that are movable in nature, or incorporeal or intangible in nature, or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by transfer or by delivery instructions in relation to dematerialized shares or by vesting and recordal of whatsoever nature, including plant, machinery and equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company, wherever located, and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-clause 5.2 (i) shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly;



- (ii) Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, any and all other movable properties of the Amalgamating Companies, including cash and cash equivalents, sundry debts and receivables, earnest monies, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any, with any person or body including without limitation any government, semi-government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party, become the property of the Amalgamated Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard;
- (iii) Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all immovable properties of the Amalgamating Companies, including without limitation, all land together with all buildings and structures standing thereon, and all rights and interests therein, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall stand transferred and be vested in and/or be deemed to have been transferred and vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed being required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay all rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The appropriate authorities shall grant all clearances/permissions, if any, required for enabling the Amalgamated Company to absolutely own and enjoy the rights/privileges attached to the immovable properties in accordance with Applicable Law. The Amalgamated Company shall be entitled to seek mutation/substitution of title in its name in such immovable properties, for the purposes of information and record, and such mutation/substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Amalgamated Company, by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective on the Effective Date in accordance with the terms hereof. However, it is hereby clarified that the absence of any such mutation/substitution shall not adversely affect the rights, title or interest of the Amalgamated Company in such immovable properties, which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Scheme becoming effective on the Effective Date.
- (iv) Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, whether present or future, secured or unsecured of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of accounts of the respective Amalgamating Companies or disclosed in the balance sheets of the respective Amalgamating Companies, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company, without any further act, instrument or deed being required

from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party. The Amalgamated Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Amalgamating Companies after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, without any further act, instrument or deed being required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party, shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, and shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company. It is hereby clarified that 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 and obligations have arisen in order to give effect to the provisions of this sub-clause (iv). However, the Amalgamated Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the NCLT or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the creditors, pursuant to this Scheme becoming effective in accordance with the terms hereof. The Amalgamated Company shall be entitled to take the benefit of all duties and charges already paid by the Amalgamating Companies for the creation/modification of any such security interest. Where any of the loans, liabilities and obligations have been discharged by the Amalgamating Companies after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Amalgamating Companies for and on behalf of the Amalgamated Company.

- (v) Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due from, or any guarantees or similar obligations undertaken on behalf of the Amalgamating Companies by the Amalgamated Company or *vice versa*, if any, and all contracts between the Amalgamating Companies and the Amalgamated Company shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party. No further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.
- (vi) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Amalgamating Companies shall stand transferred to and vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company without any further act, instrument or deed required by either the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party.



- (vii) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Amalgamating Companies to the extent necessary until the transfer of the rights and obligations of the Amalgamating Companies to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Companies after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the accounts of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the banker of the Amalgamated Company shall honour all cheques issued by the Amalgamating Companies for payment after the Effective Date. All bank accounts operated or entitled to be operated by the Amalgamating Companies shall be deemed to have transferred and shall stand transferred to the Amalgamated Company and names of the Amalgamating Companies shall be substituted by the name of the Amalgamated Company in the bank's records.
- (viii) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, requests for proposal, tenders, bids, letters of award, expressions of interest, experience and/or performance statements, contracts, agreements, arrangements, undertakings, guarantees and indemnities, whether written or otherwise, deeds, bonds, schemes, and other instruments of every nature and description including without limitation, those relating to tenancies, privileges, powers and facilities of every kind and description, to which the Amalgamating Companies are party or to the benefit of which the Amalgamating Companies may be eligible or entitled or under which the Amalgamating Companies are obligor and which are subsisting or having effect immediately prior to the Scheme coming into effect on the Effective Date, shall be and shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced by or against it as fully and effectually as if, instead of the Amalgamating Companies, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto, without any further act, instrument or deed being required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party. If the Amalgamating Companies enter into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Amalgamated Company will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company(ies) (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney holder of the Amalgamating Company(ies), as the case may be.
- (ix) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all statutory or regulatory licenses and permits, including without limitation, all such licenses and permits as set out in grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, certificates, consents, quotas, exemptions, clearances, tenancies, privileges, powers



offices, facilities, entitlements or rights (including licenses issued by the DGFT under the Export Promotion Capital Goods Scheme, Advance Authorization Scheme, Focused Products Scheme, Focused Marketing Scheme, Duty Drawback Scheme and other schemes or approvals of a like nature issued by the DGFT) granted/available / renewed / applied for, to or by the Amalgamating Companies shall stand transferred to and vested in the Amalgamated Company, without any further act, instrument or deed being required from the Amalgamating Companies and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect on the Effective Date, the Amalgamated Company shall be entitled to all the benefits thereof, and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by Amalgamating Companies (and not by any of their successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Companies. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this sub-clause (ix), the said third party or authority shall duly provide such consent or approval and shall make the necessary substitution / endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company may file appropriate applications/documents with relevant authorities concerned for information and record purposes. However, it is hereby clarified that the absence of any such substitution / endorsement shall not adversely affect the rights, benefits or interest of the Amalgamated Company which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Scheme becoming effective on the Effective Date.

- (x) Upon the Scheme coming into effect on the Effective Date, all staff and employees (including, workmen, if any) of the Amalgamating Companies, who are on their payrolls and all other personnel employed by the Amalgamating Companies, shall become, and be deemed to have become, employed by the Amalgamated Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they were engaged with the Amalgamating Companies immediately prior to the Effective Date, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the Amalgamating Companies immediately prior to the Scheme coming into effect on the Effective Date and transferred to the Amalgamated Company, the Amalgamated Company shall stand substituted for the Amalgamating Companies for all intents and purposes whatsoever, upon this Scheme becoming effective on the Effective Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and / or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Amalgamated Company and all such benefits and schemes shall be continued by the Amalgamated Company for the benefit of such personnel employed by the Amalgamating Companies and transferred to the Amalgamated Company, on the



same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Companies in relation to such schemes or funds shall become those of the Amalgamated Company. It is clarified that the services of all personnel employed by the Amalgamating Companies who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of Directors of the Amalgamated Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the respective Amalgamating Companies; or (b) merge the pre-existing funds of the respective Amalgamating Companies with other similar funds of the Amalgamated Company.

- (xi) Upon the Scheme coming into effect on the Effective Date, the Amalgamated Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Amalgamating Companies. The Amalgamated Company agrees that for the purpose of payment of any future retrenchment compensation, gratuity and other terminal benefits, the past services of such employees, if any, with the Amalgamating Companies, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable. Further, upon the Scheme coming into effect on the Effective Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Amalgamating Companies shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Amalgamated Company.
- (xii) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, applications, registrations and renewals relating to trademarks, trade names, service marks, copyrights, domain names, brand name, logos, patents and other intellectual property rights of every kind and description, including without limitations, whether registered, unregistered or pending registration, and the goodwill arising therefrom, if any, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, to which the Amalgamating Companies are party or to the benefit of which the Amalgamating Companies may be eligible or entitled, shall stand transferred to and vested in the Amalgamated Company, and shall become the rights, entitlement or property of the Amalgamated Company and shall be enforceable by or against the Amalgamated Company, as fully and effectually as if, instead of the Amalgamating Companies, the Amalgamated Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required from the Amalgamating Companies and / or the Amalgamated Company and without any approval or acknowledgement of any third party.
- (xiii) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of Amalgamating Companies and/or any of its assets or employees and the name of the Amalgamated Company shall stand substituted as the 'insured' in all such policies as if the Amalgamated Company was originally a party thereto, without any further act, instrument or deed required from the Amalgamating Companies and/or the



Amalgamated Company and without any approval or acknowledgement of any third party. Further, the Amalgamated Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of Amalgamating Companies and / or any of their assets or employees.

- (xiv) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited to all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, withholding tax, banking cash transaction tax, taxes withheld / paid in a foreign country, customs duty, entry tax, VAT, GST, sales tax, service tax etc.) including any interest, penalty, surcharge, and cess, if any, payable by or refundable to the Amalgamating Companies, including all or any refunds or claims shall be treated as the tax liability or refunds / claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Amalgamating Companies, shall pursuant to this Scheme becoming effective on the Effective Date, be available to the Amalgamated Company, without any further act, instrument or deed required from the Amalgamating Companies and / or the Amalgamated Company and without any approval or acknowledgement of any third party, but in the manner more particularly set out herein below. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including Modified Value Added Tax/ CENVAT), customs, VAT, sales tax, and service tax to which the Amalgamating Companies are entitled shall be available to and shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed required by either the Amalgamated Company or the Amalgamating Companies and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Amalgamating Companies until the Effective Date shall be deemed to have been deducted on behalf of the Amalgamated Company.
- (xv) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the benefit of any and all corporate approvals and limits as may have already been taken by the Amalgamating Companies, whether being in the nature of compliances or otherwise, including without limitation, the approvals and limits under Sections 42, 62, 179, 180, 185, 186, 188 etc., of the Act, shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Amalgamated Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Amalgamating Companies, shall be added to the limits, if any, under the like resolutions passed by the Amalgamated Company.



- (xvi) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all other estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Amalgamating Companies shall be deemed to have been accrued to and/or acquired for and on behalf of the Amalgamated Company and shall, upon this Scheme coming into effect, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.
- (xvii) Upon the Scheme coming into effect on the Effective Date, all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Amalgamating Companies shall be deemed to have been transferred to or acquired for and on behalf of the Amalgamated Company and shall, upon this Scheme coming into effect, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Amalgamated Company.
- (xviii) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative, regulatory or other proceedings initiated by or against the Amalgamating Companies. If any suit, appeal or other proceeding of whatsoever nature by or against the Amalgamating Companies shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of such Amalgamating Companies and transfer and vesting of the same in the Amalgamated Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Amalgamated 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 Amalgamating Companies as if this Scheme had not been made effective. Upon the Scheme becoming effective, the Amalgamated Company undertakes to have such legal or other proceedings initiated by or against the Amalgamating Companies transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company to the exclusion of the Amalgamating Companies. The Amalgamated Company also undertakes to handle all legal or other proceedings which may be initiated against the Amalgamating Companies after the Effective Date in its own name and account and further undertakes to pay all amounts, including interest, penalties, damages etc., pursuant to such legal/ other proceedings.



- 5.3. Upon the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of the past experience, accreditation and/or performance of the Amalgamating Companies for all purposes without any further act, instrument or deed required by either of the Amalgamating Companies or the Amalgamated Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause 5.3 by the Amalgamated Company, the Amalgamated Company shall, under the provisions of PART B of the Scheme, be deemed to be duly authorized to execute all such writings on behalf of the Amalgamating Companies and to carry out or perform all such formalities or compliances referred to above on behalf of the Amalgamating Companies.

6. CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

- 6.1. The Amalgamating Companies and the Amalgamated Company agree that during the period between the approval of the Scheme by the respective Board of Directors of the Amalgamating Company and the Amalgamated Company and up to the Effective Date, the businesses of the Amalgamating Companies and the Amalgamated Company shall be carried out with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, in good faith and in accordance with Applicable Law.

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

- (i) the Amalgamating Companies shall be deemed to have carried on their respective business activities and to have held and stood possessed of their properties and assets for, on behalf of and in trust for, the Amalgamated Company;
- (ii) all profits or income accruing to or received by the Amalgamating Companies, losses arising in or incurred by the Amalgamating Companies and expenditure incurred by the Amalgamating Companies (including taxes, if any, accruing or paid thereon, including but not limited to advance tax, TDS, TCS, MAT, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, VAT, GST, sales tax, service tax etc.) for the period from the Appointed Date based on the accounts of the Amalgamating Companies shall, subject to the Scheme being effective, for all purposes, be treated as and deemed to be the profits, income, expenditure, losses or taxes, as the case may be, of the Amalgamated Company;
- (iii) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Amalgamating Companies, which arise or accrue to the Amalgamating Companies on or after the Appointed Date, shall be deemed to be of the Amalgamated Company;
- (iv) all assets and properties comprised in the Amalgamating Companies as on the date immediately preceding the Appointed Date, whether or not included in the books of the Amalgamating Companies and all assets and properties relating thereto, which are acquired by the Amalgamating Companies, on or after the Appointed Date, shall be deemed to be the assets and properties of the Amalgamated Company; and



- (v) any of the rights, powers, authorities, privileges exercised by the Amalgamating Companies shall be deemed to have been exercised by such Amalgamating Companies for and on behalf of, and in trust for the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Amalgamating Companies shall be deemed to have been undertaken for and on behalf of the Amalgamated Company;
- 6.3. For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Amalgamated Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Amalgamating Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Amalgamated Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Tribunal.
- 6.4. The Amalgamated Company shall also be entitled, pending the sanction of this Scheme, to apply to the relevant Governmental Authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Amalgamated Company may require, including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the Amalgamating Companies.
- 6.5. Upon this Scheme becoming effective, the Amalgamated Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Amalgamating Companies with effect from the Appointed Date, in order to give effect to the foregoing provisions.

7. TREATMENT OF TAXES

- 7.1 Upon this Scheme becoming effective and with effect from the Appointed Date, any surplus in the provision for taxation/duties/levies account, including but not limited to the advance tax, TDS or TCS and MAT credit, CENVAT credit or, GST credit, as on the date immediately preceding the Appointed Date will also be transferred from the Amalgamating Companies to the Amalgamated Company. Any refund under the IT Act or other Applicable Laws dealing with taxes/duties/levies, including GST, allocable or related to the business of Amalgamating Companies or due to the Amalgamating Companies, consequent to the assessment made in respect of the Amalgamating Companies, for which no credit is taken in the book of accounts of the Amalgamating Companies as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Amalgamated Company and shall be deemed to have been on account of or paid by the Amalgamated Company and the relevant Governmental Authorities shall be bound to transfer to the account of and give credit for the same to the Amalgamated Company upon the approval of this Scheme by the NCLT and upon relevant proof and documents being provided to the said authorities.



- 7.2 Without prejudice to the generality of the above, deductions, benefits, entitlements, incentives, right to carry forward and set off accumulated losses and unabsorbed depreciation, and credits (including but not limited to MAT, CENVAT, TDS, and GST credits etc.), or any concessional or statutory forms under applicable tax laws, or local levies issued or received by the Amalgamating Companies, under the IT Act, or under any other applicable tax laws, central government/state government incentive schemes etc., to which the Amalgamating Companies are/would be entitled to in terms of the Applicable Laws of the central and state government or of any foreign jurisdictions, shall be available to and vest in or be deemed to be issued or received, as the case may be, in the name of Amalgamated Company, in the same manner and to the same extent as would have been available to the Amalgamating Companies.
- 7.3 Upon this Scheme becoming effective and with effect from the Appointed Date, the tax payments (including without limitation income tax, central and state GST, tax on the distribution of dividends, excise duty, central sales tax, custom duty, applicable state value added tax and entry tax or any other taxes as may be applicable from time to time) whether by way of TDS or TCS by the parties, advance tax, all earnest monies, security deposits provisional payments, or otherwise howsoever, by the Amalgamating Companies on or after the Appointed Date, shall be deemed to be paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly, and the Amalgamated Company shall be entitled to credit for such taxes / duties paid against its tax/ duty liabilities, notwithstanding that the certificates / challans or other documents for payment of such taxes / duties are in the name of Amalgamating Companies.
- 7.4 Upon the Scheme becoming effective on the Effective Date and with effect from the Appointed Date, the Amalgamated Company is expressly permitted to prepare, file and / or revise, as the case may be, its financial statements and statutory / tax returns (including but not limited to income tax returns, withholding tax returns, TDS certificates, GST returns, and other tax returns) along with the prescribed forms, filings and annexures under the IT Act, (including for MAT purposes and tax benefits including brought forward book losses but subject to compliance with the provisions of Section 72A of the IT Act) and/or in relation to central sales tax, custom duty, entry tax, applicable state value added tax, central and state GST and other tax laws, and to claim tax benefits, refunds, and / or credits for the taxes paid (including MAT and TDS, among others) under the IT Act, and / or other tax laws, and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The order of the jurisdictional NCLT sanctioning the Scheme shall be deemed to be an order of the competent authority permitting the Amalgamated Company to prepare and / or revise its financial statements and books of accounts and any such revisions shall be permitted, notwithstanding that the time prescribed for filing or revising such returns may have elapsed, without incurring any liability on account of interest, penalty or any other sum, and no further act shall be required to be undertaken by the Amalgamated Company.
- 7.5 Upon this Scheme becoming effective and with effect from the Appointed Date, all inter-party transactions between Amalgamating Companies and the Amalgamated Company shall be considered as intra-party transactions for all purposes (including for tax compliances, credits, refunds, etc.).



- 7.6 Upon this Scheme becoming effective and with effect from the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Companies or for collection of tax at source on any supplies made by or to be made by Amalgamating Companies shall be made or deemed to have been made and duly complied with by the Amalgamated Company. Further, any tax deducted at source or collected at source by the Amalgamating Companies and Amalgamated Company on transactions with each other, if any (after the Appointed Date until Effective Date) and deposited with Governmental Authorities shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings be dealt with accordingly.
- 7.7 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all tax compliances under any tax laws by the Amalgamating Companies on or after the Appointed Date shall be deemed to be made by the Amalgamated Company.
- 7.8 Upon this Scheme becoming effective and with effect from the Appointed Date, all tax assessment proceedings and appeals of whatsoever nature by or against the Amalgamating Companies, pending and/or arising as at the Appointed Date and relating to the Amalgamating Companies, shall be continued and/enforced until the Effective Date as desired by the Amalgamated Company. As and from the Effective Date, the tax assessment proceedings/appeals shall be continued and enforced by or against the Amalgamated Company (for and on behalf of the Amalgamating Companies) in the same manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Companies. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by the reason of the amalgamation of the Amalgamating Companies with the Amalgamated Company or anything contained in PART B of this Scheme.
- 7.9 Upon this Scheme becoming effective and with effect from the Appointed Date, all the expenses incurred by the Amalgamating Companies and the Amalgamated Company in relation to the amalgamation of the Amalgamating Companies with the Amalgamated Company as per this Scheme, including stamp duty expenses and/or transfer charges, if any, shall be allowed as a deduction to Amalgamated Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.
- 7.10 Upon this Scheme becoming effective and with effect from the Appointed Date, all the deductions otherwise admissible to the Amalgamating Companies, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS (like Section 43B, Section 40, Section 40A etc. of the IT Act) will be eligible for deduction to the Amalgamated Company upon fulfilment of required conditions under the IT Act.
- 7.11 The amalgamation under this Scheme is in compliance with the IT Act, specifically Section 2(1B) and other relevant provisions. If any of the terms of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the IT Act at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the IT Act shall to the extent of such inconsistency, prevail and this the Scheme shall, stand and be deemed to be modified to that extent determined necessary to comply with Section 2(1B) of the IT Act and such modifications shall not affect the other parts of this Scheme.]

8. CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

8.1. The Amalgamated Company shall, at any time after this Scheme becomes effective on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the provisions of this Scheme and for this purpose, the Amalgamated Company shall, under the provisions hereof, be deemed to be authorised on behalf of the Amalgamating Companies. Without prejudice to the generality of the above, the Amalgamated Company shall be entitled and deemed to be authorised to:-

- (i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry etc.) in relation to which the Amalgamating Companies have been a party or to the benefit of which the Amalgamating Companies may have been entitled, and to make any filings with the Governmental Authorities, in order to give formal effect to the provisions of the Scheme; and
- (ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Amalgamated Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Amalgamating Companies including without limitation, execute all necessary or desirable writings and confirmations on behalf of the Amalgamating Companies and to carry out and perform all such acts, formalities and compliances as may be required in this regard.

8.2. The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.

9. SAVING OF CONCLUDED TRANSACTIONS

9.1. Except as expressly provided hereunder, the transfer of assets, liabilities and obligations of the Amalgamating Companies, and the continuance of proceedings by or against, the Amalgamated Company shall not affect any transaction or proceedings already concluded by the Amalgamating Companies on or before the Appointed Date or after the Appointed Date and until the Effective Date, and to such end and intent the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Amalgamating Companies as acts, deeds and things done and executed on behalf of itself.



10. CHANGE IN AUTHORISED SHARE CAPITAL OF THE AMALGAMATED COMPANY

10.1. As an integral part of the Scheme and upon this Scheme becoming effective on the Effective Date, the authorised share capital of Amalgamating Companies as on the Effective Date shall stand transferred to and be merged/amalgamated with the authorised share capital of the Amalgamated Company. The fee and/or stamp duty, if any, paid by the Amalgamating Companies on their respective authorised share capital shall be deemed to have been so paid by the Amalgamated Company on the combined authorised share capital, and such fee and/or stamp duty, if any, paid by the Amalgamating Companies shall be set off against any fee payable by the Amalgamated Company on such increase in its authorised share capital, consequent to the amalgamation. It is clarified that the Amalgamated Company shall not be required to pay fee and/or stamp duty to the extent set off and accordingly, shall be required to pay only the balance fee and/or stamp duty, if any, in relation to combined authorised share capital after setting off the fee and/or stamp duty already paid by the Amalgamating Companies on their authorised share capital.

10.2. Consequently, upon the Scheme becoming effective, and without any further act or instrument or deed, Clause V of the Memorandum of Association of the Amalgamated Company shall stand modified and shall read as under:-

"The Authorised Share Capital of the Company is INR 1639,00,00,000 (One Thousand Six hundred and thirty nine crore) consisting of 75,10,00,000 (Seventy Five crore and ten lakh) Equity Shares having face value of Rs. 10 (Rupees Ten) each and 88,80,00,000 (Eighty eight crore and eighty lakh) unclassified shares of Rs 10 (Rupees Ten) each."

10.3. Upon this Scheme becoming effective, the Amalgamated Company shall file necessary forms of notice of increase of the authorised share capital of the Amalgamated Company with the Registrar of Companies in accordance with Applicable Law.

10.4. In the event the authorised share capital of the Amalgamated Company undergoes any change prior to the date on which this Scheme comes into effect, the clauses specified in this Scheme to replace the existing Clause V of the of the Memorandum of Association of the Amalgamated Company shall be modified accordingly to take into account the effect any such change.

10.5. It is hereby clarified that the consent of the shareholders of the Amalgamated Company and shareholders of the Amalgamating Companies of this Scheme shall be sufficient for the purposes of effecting the aforesaid additions in the Memorandum of Association of the Amalgamated Company and that no further resolutions, whether under the applicable provisions of the Act or under the Articles of Association, shall be required to be separately passed. All actions taken in accordance with this Clause 10.4 shall be deemed to be in full compliance with Sections 13, 61 and 64 and other applicable provisions of the Act and rules and regulations issued thereunder, and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the Amalgamated Company.



11. DISCHARGE OF CONSIDERATION

11.1. Upon the Scheme coming into effect on the Effective Date, and upon the amalgamation of the Amalgamating Companies into and with the Amalgamated Company, the Amalgamated Company shall, without any further application, act, instrument, or deed, issue and allot to the respective shareholders of the Amalgamating Companies whose names are recorded in the respective register of members as a member of the Amalgamating Companies on the Effective Date, New Equity Shares, free and clear from all encumbrances together with all rights and benefits attaching thereto, in consideration for the amalgamation of the Amalgamating Companies with and into the Amalgamated Company, in the following ratio:

- (i) 5 (Five) equity shares of Amalgamated Company having face value of INR 10 each fully paid up shall be issued for every 129 (One Hundred Twenty-Nine) equity shares held in Amalgamating Company No. 1 having face value of INR 100 each fully paid up. ("Share Exchange Ratio 1"); and
- (ii) 5 (Five) equity shares of Amalgamated Company having face value of INR 10 each fully paid up shall be issued for every 220 (Two Hundred Twenty) equity shares held in Amalgamating Company No. 2 having face value of INR 10 each fully paid up. ("Share Exchange Ratio 2").

11.2. To the extent Amalgamated Company is a shareholder of the Amalgamating Companies as on the Effective Date, no shares shall be issued by the Amalgamated Company in lieu of any such shareholding in Amalgamating Companies.

11.3. In the event of any increase in the issued, subscribed or paid up share capital of the Amalgamating Companies or the Amalgamated Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split / consolidation / issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Amalgamating Companies or the Amalgamated Company, including pursuant to the Capital Reduction Scheme, at any time before the Effective Date, the share exchange ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

12. ISSUANCE MECHANICS

12.1. In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant listing agreement, SEBI Circular and other Applicable Laws, if any, in each case, as amended, the New Equity Shares to be issued by the Amalgamated Company to the shareholders of the Amalgamating Companies, pursuant to this Scheme, shall be listed and admitted to trading on all the Stock Exchanges on which the equity shares of the Amalgamated Company are listed as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to the Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of the Amalgamated Company. The Amalgamated Company shall enter into such arrangement, make necessary application(s) to the stock exchange and other competent authorities, if any, and shall provide such



confirmations and/or undertakings as may be necessary for this purpose and will comply with the provisions of all Applicable Laws in this regard.

- 12.2. The New Equity Shares of the Amalgamated Company issued as per Clause 11 of PART B shall be subject to the memorandum and articles of association of Amalgamated Company and shall rank *pari passu* in all respects, including voting rights, with the existing equity shares of the Amalgamated Company as on the Effective Date, including in respect of dividend, if any, that may be declared by the Amalgamated Company on or after the Effective Date.
- 12.3. The Amalgamated Company shall complete all formalities, as may be required, for allotment of the New Equity Shares to the shareholders of the Amalgamating Companies as provided in this Scheme within 30 (Thirty) days from the Effective Date. The issue and allotment of New Equity Shares by Amalgamated Company to the shareholders of the Amalgamating Companies as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders, and shall be deemed to have been carried out in full compliance with all the procedures laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act and the rules and regulations issued thereunder, and such other statutes and regulations as may be applicable were duly complied with. Upon the Scheme coming into effect, the Amalgamated Company shall, if required, file all necessary documents/intimations as per the provisions of the Act and Applicable Law with the RoC or any other applicable Governmental Authority to record the amalgamation of the Amalgamating Companies with and into the Amalgamated Company, issuance of New Equity Shares by Amalgamated Company to the shareholders of the Amalgamating Companies and dissolution of the Amalgamating Companies in the manner set out in this Part B of the Scheme.
- 12.4. In accordance with the regulatory requirements, the New Equity Shares required to be issued by the Amalgamated Company to the shareholders of the Amalgamating Companies shall be issued in dematerialized form and shall be credited to the depository account of the equity shareholders of the Amalgamating Companies to the extent the details of such depository participant accounts have been provided to/are available with the Amalgamated Company.
- 12.5. For the purpose of allotment of the shares, pursuant to this Scheme, in case any shareholder holding shares in the Amalgamating Companies becomes entitled to a fraction of a share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Amalgamated Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders, to whom they belong, for the specific purpose of selling such shares in the market at such price or prices within 90 (ninety) days from the date of allotment of shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Amalgamated Company pertaining to the fractional entitlements.



- 12.6. In the event of any increase in the issued, subscribed or paid-up share capital of the Amalgamating Companies or the Amalgamated Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital, including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Amalgamating Companies or the Amalgamated Company at any time before the Effective Date, the Share Exchange Ratios shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 12.7. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Stock Exchanges.
- 12.8. The Board of Directors (including any committee thereof) of Amalgamating Companies and the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of the difficulties if any in the transition period.

13. DISSOLUTION OF AMALGAMATING COMPANY NO. 1 AND AMALGAMATING COMPANY NO. 2

- 13.1. Upon this Scheme becoming effective on the Effective Date, Amalgamating Company No. 1 and Amalgamating Company No. 2 shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the respective Amalgamating Companies and/or the Amalgamated Company.
- 13.2. It is hereby clarified that upon the dissolution of the Amalgamating Companies, in the event there are any further acts, deeds or instruments to be executed to make the Scheme effective, then the Amalgamated Company shall be able to execute such acts, deeds or instruments without any further act, deed or instrument required from either the Amalgamated Company and/or the Amalgamating Companies.

14. ACCOUNTING TREATMENT

- 14.1 Upon the Scheme becoming effective, the Amalgamated Company shall account for the amalgamation in its books of accounts, as per 'Pooling of Interest Method' and restate the financial statements from the date of common control, or from the beginning of preceding period presented in the financial statements, whichever is later, in accordance with accounting principles as laid down in Appendix-C to Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:
- (i) The Amalgamated Company, subject to the provisions of this Scheme, shall follow the method of accounting as prescribed for the 'Pooling of Interest Method' under the Indian Accounting Standards 103 – 'Business Combination' notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.



- (ii) The Amalgamated Company shall, upon the Scheme becoming effective, record the assets, liabilities and reserves of the Amalgamating Companies at their respective carrying values and in the same form as appearing in its books of Amalgamating Companies.
- (iii) The balance of the earnings in the books of Amalgamating Companies as on the Appointed Date shall be aggregated with the corresponding balance of earnings of the Amalgamated Company. The identity of the reserves shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Companies. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination.
- (iv) Face value of the New Equity Shares issued and allotted by Amalgamated Company to the shareholders of the Amalgamating Companies in accordance with this Scheme shall be recorded as equity share capital of the Amalgamated Company.
- (v) All inter-company balances between the Amalgamating Companies and Amalgamated Company, if any, shall stand cancelled.
- (vi) Upon this Scheme becoming effective, all the inter-company investments between the Amalgamating Companies and Amalgamated Company will stand cancelled without any further application, act, instrument or deed.
- (vii) The difference between the consideration discharged by the Amalgamated Company pursuant to 11.2 above and the carrying amount of net assets and reserves of Amalgamating Companies transferred and recorded by Amalgamated Company as aforesaid after taking into consideration the cancellation of inter-company balances and inter-company investments as per clause **Error! Reference source not found.** and **Error! Reference source not found.** above shall be transferred to capital reserve and should be presented separately from other reserves of the Amalgamated Company.

In case of any difference in accounting policy between the Amalgamating Companies and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail and the difference till the Appointed Date shall be quantified and adjusted in the books of the Amalgamating Companies.

- 14.2 Upon the Scheme becoming effective, the Amalgamating Companies shall stand dissolved without being wound up and hence there is no accounting treatment prescribed under this Scheme in the books of the Amalgamating Companies.



PART C

GENERAL TERMS AND CONDITIONS

15. PROVISIONS APPLICABLE TO PART B

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

- (i) the amalgamation of the Amalgamating Companies into the Amalgamated Company in accordance with PART B of the Scheme;
- (ii) transfer of the authorised share capital of the Amalgamating Companies to the Amalgamated Company as provided in PART B of this Scheme, and consequential increase in the authorised share capital of the Amalgamated Company as provided in PART B of this Scheme;
- (iii) issuance and allotment of New Equity Shares to the shareholders of the Amalgamating Companies, without any further act, instrument or deed, in accordance with PART B of this Scheme; and
- (iv) dissolution of the Amalgamating Companies without winding up.

16. CONDITIONALITY OF THE SCHEME

16.1. The effectiveness of this Scheme is conditional upon and subject to the following:

- (i) receipt of an 'Observation Letter' or a 'No-objection Letter' from the designated stock exchange on the Scheme, as required under Applicable Laws, which shall be in a form and substance acceptable to the Amalgamating Companies and the Amalgamated Company, each acting reasonably and in good faith;
- (ii) this Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Companies as may be required under Applicable Laws or as may be directed by the NCLT;
- (iii) this Scheme shall be acted upon only if the votes cast by public shareholders of Amalgamated Company in favour of the Scheme are more than the number of votes cast by public shareholders against it, through e-voting in terms of Paras (A)(10)(a) and (A)(10)(b) of Part I of the SEBI master circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021;
- (iv) the sanction to the Scheme by the NCLT;
- (v) compliance with such conditions as may be imposed by the NCLT;



- (vi) the receipt of the order of the NCLT for approving the Capital Reduction Scheme by the Amalgamated Company, and the Amalgamated Company having filed the certified copy of such order of the NCLT with the Registrar of Companies, and the capital reduction pursuant to the Capital Reduction Scheme having come into effect;
- (vii) receipt of the approval from the CCI in respect of the Scheme contemplated herein, (if applicable), in accordance with the provisions of the Competition Act, 2002, pursuant to a joint application filed by the Amalgamating Companies and the Amalgamated Company, which shall be in form and substance acceptable to the Amalgamating Companies and the Amalgamated Company, each acting reasonably and in good faith, or the waiting period during which the CCI is required to provide its decision in respect of the application for approval in respect of the Scheme contemplated herein, together with any extensions thereof, shall have expired.
- (viii) the receipt of such other approvals, including approvals of any Governmental Authority as may be necessary under Applicable Laws or under any material contract to make this Scheme or the relevant Part of this Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
- (ix) the certified copies of the order of the NCLT sanctioning this Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.

16.2. The Scheme shall not come into effect unless the aforementioned conditions mentioned in 16.1 of PART C above are satisfied, and in such an event, unless each of the conditions is satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Amalgamating Companies, the Amalgamated Company or their respective shareholders or creditors or employees or any other person.

17. APPLICATIONS TO THE NCLT

Subject to Clauses 16.1((i), 18 and 19 of this Scheme,

- 17.1. the Companies shall, with all reasonable dispatch, make and file, jointly, all applications and petitions to the NCLT, under Sections 230 to 232 and other applicable provisions of the Act, seeking orders for dispensing with or convening of the meetings of the different classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved/required by the SEBI, the NCLT or any other Governmental Authority.
- 17.2. upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Companies (wherever required), the Companies shall make and file, jointly, all applications and petitions before the NCLT for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the NCLT may deem fit for bringing this Scheme into effect. Upon this Scheme becoming effective, the shareholders and the creditors of the Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the specific provisions contained in this Scheme.



18. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 18.1. The Companies, acting through their respective Boards of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may, jointly and as mutually agreed in writing, assent to any modifications or amendments to this Scheme, which the NCLT, SEBI and/or any other Governmental Authorities may deem fit to direct or impose, or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in implementing and/or carrying out this Scheme provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the secured creditors without seeking their approval. The Companies, acting through their respective Boards of Directors, be and are hereby authorised to take all such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of SEBI or any other Governmental Authorities or otherwise howsoever, arising, out of, under, or by virtue of this Scheme and/or any matters related to or connected therewith.
- 18.2. If, at any time, before or after the Effective Date, any provisions or parts of this Scheme are found to be, or interpreted to be, invalid or illegal or inconsistent with any Applicable Laws, or rejected, or unreasonably delayed, or not sanctioned by the NCLT, or is or becomes unenforceable, under present or future Applicable Laws, or due to any change in any Applicable Laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and subject to other parts/provisions of this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies in the sole opinion of the Board of Directors of the relevant Companies. In such a case, the Companies, acting through their respective Boards of Directors, may, at their discretion, either bring about such modification in this Scheme, as is likely to best preserve for the relevant Companies, the benefits and obligations of this Scheme and/or withdraw the Scheme or any part thereof, wholly or partially.
- 18.3. The Companies, acting through their respective Boards of Directors, shall each be at liberty to withdraw this Scheme, wholly or partially, in case any condition or alteration imposed by the NCLT, SEBI or any other Governmental Authority is unacceptable to any of them or otherwise if so decided by their respective Board of Directors. In the event any parts or provisions of this Scheme are withdrawn and the Companies decide to implement the remaining Parts or provisions of this Scheme, to the extent of such withdrawn provisions, this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred by, the relevant Companies, their respective shareholders and/or creditors and/or any other persons with respect to such provisions or parts of the Scheme.

19. EFFECT OF NON-RECEIPT OF APPROVALS/SEVERABILITY

- 19.1. In the event any of the sanctions, consents or approvals referred to in Clause 16 above are not obtained or received and/or the Scheme, or any part thereof, has not been sanctioned by the NCLT, the Board of Directors of each of the Companies, shall, by mutual agreement, determine whether:



- (i) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or under Applicable Law and in such event, each company shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or
- (ii) such part shall be severable from the remainder of the Scheme and the remainder of the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any Company, in which case each of the Companies, (acting through their respective Boards of Directors) shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies, the benefits and obligations of this Scheme, including but not limited to such Part. Provided, however, that no modification to the Scheme shall be made which adversely affects the rights or interests of the secured creditors, without seeking their approvals.

20. COMPLIANCE WITH LAWS

- 20.1. This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 and other applicable provisions of the Act, for the purpose of amalgamation of the Amalgamating Companies into and with the Amalgamated Company; and other actions incidental or connected therewith.
- 20.2. This Scheme has been drawn up to comply with the conditions relating to 'amalgamation' with respect to PART B as defined under Section 2(1B) of the IT Act.
- 20.3. The Companies undertake to comply with all Applicable Laws, including all applicable compliances required by the SEBI and the Stock Exchanges including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the central government, RBI (if required) or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme.

21. CANCELLATION OF INTER-SE TRANSACTIONS

- 21.1. Upon this Scheme becoming effective on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due, from or by or any guarantees given on behalf, any of the Amalgamating Companies to or for each other or to the Amalgamated Company or *vice versa*, if any, and all contracts, arrangements and transactions, of any nature whatsoever, between any of the Amalgamating Companies and the Amalgamated Company (other than this Scheme) shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from any of the Companies and without any approval or acknowledgement of any third party. No further taxes, fees, duties or charges shall be required to be paid by the Amalgamating Companies or the Amalgamated Company on account of such cancellation or termination.



22. POWER TO GIVE EFFECT TO THIS SCHEME

- 22.1. The Amalgamated Company shall enter into and/or issue and/ or execute deeds writings or confirmation or enter into any tripartite arrangements, confirmations or novations, to which the Amalgamating Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, upon the coming into effect of the Scheme, the Amalgamated Company shall be deemed to be authorised to execute any such deeds, writings, confirmations on behalf of the Amalgamating Companies and to implement or carry out all formalities required on the part of the Amalgamating Companies to give effect to the provisions of this Scheme.
- 22.2. Upon coming into effect of the Scheme, the Amalgamated Company and/or the Amalgamating Companies shall, with reasonable dispatch/time lines apply for transition of all licenses and statutory registrations of the Amalgamating Companies including but not limited to product registrations (including applications and authorizations for product registrations), manufacturing licenses, insurance policies, product permissions, certificates, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licenses, municipal permissions, approvals, consents, permits, quotas, incentives, subsidies and recognitions. The period between Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "**Transitory Period**". During the Transitory Period the Amalgamated Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Amalgamating Companies under any license and/or statutory registration, if any, while conducting the business of the Amalgamating Companies, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered products for export purposes.
- 22.3. Even after the Scheme becomes operative, the Amalgamating Companies shall be entitled to operate all banks accounts and use all bank guarantees and letter of credit of the Amalgamated Company and release all monies and complete and enforce all subsisting contracts and transactions in respect of the Amalgamating Companies in the name of Amalgamating Companies in so far as may be necessary, till the transfer of rights and obligations of the Amalgamating Companies to the Amalgamated Company until this Scheme is formally accepted by the all the parties concerned.

23. CAPITAL AND DIVIDENDS

- 23.1. Nothing in this Scheme shall be interpreted to restrict the ability of any of the Companies to declare and/or pay dividends, whether interim and/or final or issue bonus shares, to their respective shareholders prior to the Effective Date.
- 23.2. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and if applicable as per the provisions of the Act, shall also be subject to the approval of the shareholders of the relevant Company or Companies.



23.3. Nothing in this Scheme shall be interpreted to restrict the ability of any of the Companies to raise capital or funds whether by way of equity or debt, in any manner whatsoever, at any time prior to the Effective Date.

24. COSTS

24.1 All costs, charges, taxes including stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Companies and the Amalgamated Company arising out of or incurred in connection with implementing this Scheme and matters incidental thereto on or prior to the Effective Date shall be borne by the respective Parties.

24.2 All costs, charges, taxes including stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Companies and the Amalgamated Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto after the Effective Date shall be borne by the Amalgamated Company.

25. SCHEME AS AN INTEGRAL WHOLE AND SEVERABILITY

The provisions contained in this Scheme are inextricably inter-linked with the other provisions and this Scheme constitutes an integral whole, except to the extent that the Companies may agree otherwise in writing.

