

**COMPOSITE SCHEME OF AMALGAMATION (MERGER BY ABSORPTION) CUM  
DEMERGER AND ARRANGEMENT**

**AMONGST**

**JOHN FOWLER OCULAR LENSES PRIVATE LIMITED  
("JOHN FOWLER" OR "TRANSFEROR COMPANY 1" OR "AMALGAMATING  
COMPANY 1")**

**AND**

**DECCAN PLANTATIONS PRIVATE LIMITED  
("DECCAN" OR "TRANSFEROR COMPANY 2" OR "AMALGAMATING COMPANY 2")**

**AND**

**SEVEN STAR FRUITS PRIVATE LIMITED  
("SEVEN STAR" OR "TRANSFeree COMPANY 1" OR "AMALGAMATED COMPANY  
1")**

**AND**

**MAHYCO GROW FINANCE PRIVATE LIMITED  
("MAHYCO GROW" OR "TRANSFEROR COMPANY 3" OR "DEMERGED COMPANY"  
OR "AMALGAMATING COMPANY 3")**

**AND**

**PRABHAVATI AGRO GREEN ENERGIES PRIVATE LIMITED  
("PRABHAVATI" OR "TRANSFeree COMPANY 2" OR "RESULTING COMPANY")**

**AND**

**RAJUR GANAPATI INVESTMENT AND TRADING PRIVATE LIMITED  
("RAJUR" OR "TRANSFEROR COMPANY 4" OR "AMALGAMATING COMPANY 4")**

**AND**

**DUDHNA INVESTMENT AND TRADING PRIVATE LIMITED  
("DUDHNA" OR "TRANSFEROR COMPANY 5" OR "AMALGAMATING COMPANY 5")**

**AND**  
**CHITTODA INVESTMENT AND TRADING PRIVATE LIMITED**  
**(“CHITTODA” OR “TRANSFEROR COMPANY 6” OR “AMALGAMATING COMPANY 6”)**

**AND**  
**HARBHAJAN INVESTMENT AND TRADING PRIVATE LIMITED**  
**(“HARBHAJAN” OR “TRANSFEROR COMPANY 7” OR “AMALGAMATING COMPANY 7”)**

**AND**  
**JAMWADI INVESTMENT AND TRADING PRIVATE LIMITED**  
**(“JAMWADI” OR “TRANSFEROR COMPANY 8” OR “AMALGAMATING COMPANY 8”)**

**AND**  
**LEADBETER SEEDS PRIVATE LIMITED**  
**(“LEADBETER” OR “TRANSFEROR COMPANY 9” OR “AMALGAMATING COMPANY 9”)**

**AND**  
**BARWALE SEEDS PRIVATE LIMITED**  
**(“BARWALE SEEDS” OR “TRANSFEROR COMPANY 10” OR “AMALGAMATING COMPANY 10”)**

**AND**  
**GANGABISHAN BHIKULAL INVESTMENT AND TRADING LIMITED**  
**(“GANGABISHAN” OR “TRANSFEROR COMPANY 11” OR “AMALGAMATING COMPANY 11”)**

**AND**  
**MAHYCO PRIVATE LIMITED**  
**(“MAHYCO” OR “TRANSFEREE COMPANY 3” OR “AMALGAMATED COMPANY 2”)**

**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

**(UNDER SECTION 230 TO 232 AND SECTION 66 AND OTHER APPLICABLE  
PROVISIONS OF THE COMPANIES ACT, 2013)**

## A. PREAMBLE

This Composite Scheme of Amalgamation (merger by absorption) cum Demerger and Arrangement (“the Scheme” as more particularly defined hereunder) is presented under Sections 230 to 232 and Section 66 and other applicable provisions of the Act (as defined below) provides for:

- a) Amalgamation of John Fowler Ocular Lenses Private Limited (“John Fowler” or “Transferor Company 1” or “Amalgamating Company 1”) and Deccan Plantations Private Limited (“Deccan” or “Transferor Company 2” or “Amalgamating Company 2”) with Seven Star Fruits Private Limited (“Seven Star” or “Transferee Company 1” or “Amalgamated Company 1”),
- b) Along with part (a) of the scheme, demerger of the Demerged Undertaking (*defined in clause 1.21*) from Mahyco Grow Finance Private Limited (“Mahyco Grow” or “Transferor Company 3” or “Demerged Company” or “Amalgamating Company 3”) into Prabhavati Agro Green Energies Private Limited (“Prabhavati” or “Transferee Company 2” or “Resulting Company”),
- c) Subject to satisfactory fulfilment and accomplishment of (b) above, amalgamation of Transferor Company 3 and Rajur Ganapati Investment And Trading Private Limited (“Rajur” or “Transferor Company 4” or “Amalgamating Company 4”) with Mahyco Private Limited (“Mahyco” or “Transferee Company 3” or “Amalgamated Company 2”),
- d) Subject to satisfactory fulfilment and accomplishment of (c) above, amalgamation of Dudhna Investment And Trading Private Limited (“Dudhna” or “Transferor Company 5” or “Amalgamating Company 5”) and Chittoda Investment And Trading Private Limited (“Chittoda” or “Transferor Company 6” or “Amalgamating Company 6”) and Harbhajan Investment And Trading Private Limited (“Harbhajan” or “Transferor Company 7” or “Amalgamating Company 7”) and Jamwadi Investment And Trading Private Limited (“Jamwadi” or “Transferor Company 8” or “Amalgamating Company 8”) and Leadbeter Seeds Private Limited (“Leadbeter” or “Transferor Company 9” or “Amalgamating Company 9”) and Barwale Seeds Private Limited (“Barwale Seeds” or “Transferor Company 10” or “Amalgamating Company 10”) and Gangabishan Bhikulal Investment And Trading Limited (“Gangabishan” or “Transferor Company 11”

or “Amalgamating Company 11”) with Mahyco Private Limited, (“Mahyco” or “Transferee Company 3” or “Amalgamated Company 2”)

John Fowler, Deccan, Seven Star, Mahyco Grow, Prabhavati, Rajur, Dudhna, Chittoda, Harbhajan, Jamwadi, Leadbeter, Barwale Seeds, Gangabishan and Mahyco are collectively referred to as “Companies” and individually as “Company”.

Further John Fowler, Deccan, Mahyco Grow, Rajur, Dudhna, Chittoda, Harbhajan, Jamwadi, Leadbeter, Barwale Seeds and Gangabishan are collectively referred to as “Transferor Companies” and Seven Star, Prabhavati and Mahyco are collectively referred to as “Transferee Companies”.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

## **B. BACKGROUND**

1. John Fowler is a private limited company incorporated on 28<sup>th</sup> February 1990 with Corporate Identification Number: U67120MH1990PTC055592 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 48.95% stake in John Fowler. John Fowler owns agricultural lands and carries out agricultural activities and is exploring opportunities to carry out industrial / commercial activities.
2. Deccan is a private limited company incorporated on 24<sup>th</sup> September 1949 with Corporate Identification Number: U01110MH1949PTC007795 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 96.26% stake in Deccan. Deccan is engaged in the cultivation of agricultural land the state of Telangana.
3. Seven Star is a private limited company incorporated on 25<sup>th</sup> November 1993 with Corporate Identification Number: U74899MH1993PTC192449 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 94.37% stake in Seven Star. Seven Star is an Indian company engaged

in the research, development, production, processing, marketing, licensing and sale of horticultural produce and planting material.

4. Mahyco Grow is a private limited company incorporated on 15<sup>th</sup> February 1990 with Corporate Identification Number: U67120MH1990PTC055473 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow is a Registered Non-Banking Financial Company and the entire shareholding is held by the Barwale family. This holding is either direct or indirect through the Barwale Family Trust and R. B. Barwale HUF. Mahyco Grow is engaged in the business of investment in the securities of listed companies, mutual funds and other non-strategic investments like jewellerys, fixed deposits and providing loans / inter corporate deposit to persons outside group viz. treasury business. Further it has made strategic investments in the group companies and other agro based companies and also engaged in the business of agriculture and allied activities and it extends loans/ inter corporate deposits to group companies viz. strategic business.
5. Prabhavati is a private limited company incorporated on 13<sup>th</sup> February 2019 with Corporate Identification Number: U01114MH2019PTC321133 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. The entire shareholding of Prabhavati is held by the Barwale Family. As per the memorandum of association, Prabhavati is inter alia engaged in agriculture and investment business.
6. Rajur is a private limited company incorporated on 15<sup>th</sup> February 1990 with Corporate Identification Number: U65990MH1990PTC055470 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Rajur is a wholly owned subsidiary of Mahyco Grow and conducts agricultural activities on its agricultural lands.
7. Dudhna is a private limited company incorporated on 15<sup>th</sup> February 1990 with Corporate Identification Number: U65990MH1990PTC055475 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 63.05% stake in Dudhna. Further, Rajur holds 36.95% stake in Dudhna. Dudhna owns agricultural lands on which it conducts agricultural activities.

8. Chittoda is a private limited company incorporated on 28<sup>th</sup> February 1990 with Corporate Identification Number: U67120MH1990PTC055591 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 51.16% stake in Chittoda. Further, Rajur holds 46.51% stake in Chittoda. Chittoda owns agricultural lands on which it conducts agricultural activities.
9. Harbhajan is a private limited company incorporated on 15<sup>th</sup> February 1990 with Corporate Identification Number: U67120MH1990PTC055474 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 56.52% stake in Harbhajan. Further, Rajur holds 43.48% stake in Harbhajan. Harbhajan owns agricultural lands on which it conducts agricultural activities.
10. Jamwadi is a private limited company incorporated on 15<sup>th</sup> February 1990 with Corporate Identification Number: U65990MH1990PTC055468 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 54.66% stake in Jamwadi. Further, Rajur holds 45.34% stake in Jamwadi. Jamwadi owns agricultural lands on which it conducts agricultural activities.
11. Leadbeter is a private limited company incorporated on 8<sup>th</sup> May 1979 with Corporate Identification Number: U15142MH1979PTC199022 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 90.76% stake in Leadbeter. Leadbeter is engaged in the business of seed production, processing, and marketing of all varieties of vegetable seeds, including hybrids.
12. Barwale Seeds is a private limited company incorporated on 19<sup>th</sup> October 1978 with Corporate Identification Number: U01110MH1978PTC020708 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 34.38% stake in Barwale Seeds. Barwale Seeds is engaged in the business of sale of variety of agricultural seeds. Further, it owns agricultural land on which it carries out agricultural activities.
13. Gangabishan is a public company incorporated on 10<sup>th</sup> May 1996 with Corporate Identification Number: U65990MH1996PLC099431 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds

70.17% stake in Gangabishan. Gangabishan owns agricultural land on which it carries out agricultural activities.

14. Mahyco is a private limited company incorporated on 06<sup>th</sup> June 1991 with Corporate Identification Number: U74999MH1991PTC061969 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020. Mahyco Grow holds 58.67% stake in Mahyco. Mahyco is focused on research and development, production, processing, and marketing of hybrid and varietal seeds for India's farming fraternity.

### **C. RATIONALE**

The Mahyco Grow<sup>®</sup> group has been engaged in the agriculture sector and various allied and related business spread across several companies. The ultimate shareholders of all the companies under the scheme are members of the Barwale Family. Now, with an intent to rationalise the group holding structure by way of reduction of number of entities through which the business is carried out and consolidate the value of the business by consolidating entities engaged in business of similar nature under a single entity, segregate the various lines of business in which the group companies are engaged and also demonstrate direct commitment to and engagement with the flagship company of the group of / by the promoters of Mahyco Grow group, the Board of Directors of all the Companies propose to enter into the proposed Scheme to hive off the treasury business of Demerged Company into Resulting Company, and further merge the remaining business of the Demerged Company and other Transferor Companies, with the identified group Companies. The proposed Scheme would *inter alia* have the following benefits:

1. Streamline the corporate structure of the group and consolidate the assets and liabilities of the Transferor Companies with the Transferee Companies, which shall be directly administered by the promoter group.
2. Lead to clear strategic direction on account of segregation of the various businesses in which the group is engaged, viz. treasury business, traditional seeds business, export of fruits, fruit concentrate business, and other agriculture business.
3. Further, bifurcation of these businesses will enable unlocking value of the consolidated business of each vertical thereby paving way for focused growth with a view to create significant stakeholder value.

4. Improve organisational capability and leadership, arising from the pooling of human capital that have the diverse skills, talent, and vast experience to compete successfully in an increasingly competitive industry.
5. Enhance business potential and increased capability through improvement in management oversight to bring in operational efficiencies.
6. Enable greater access to different market segments in conduct of its business and inclusion of additional products in the portfolio would improve the competitive position of the combined entity.
7. Result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and rationalisation of costs by simplification of management structure leading to better administration and cost savings and further optimise the valuation of the consolidated entity and enable fund raising for future expansion.
8. Further, the synergies arising out of the consolidation of business will lead to enhancement of net worth of the combined business and enhancement in earnings and cash flow would optimise the value of the Transferee Companies and enhance the shareholder's value.
9. Moreover, the Scheme is expected to increase the long-term value for all the shareholders of the Transferor Companies and Transferee Companies.

In view of the aforesaid, the Board of Directors of the Companies have considered and proposed this Scheme and matters incidental thereto pursuant to the provisions of Sections 230 to 232 and Section 66 and other relevant provisions of the Act.

#### **D. PARTS OF THE SCHEME**

The Scheme is divided into following parts:

1. Part I deals with Definitions, Interpretations and Share Capital
2. Part II deals with the amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company 1
3. Part III deals with the demerger of the Demerged Undertaking (*as defined below*) from Demerged Company into the Resulting Company.

4. Part IV deals with the amalgamation of the Transferor Company 3 and Transferor Company 4 with the Transferee Company 3
5. Part V deals with the amalgamation of the Transferor Company 5, Transferor Company 6, Transferor Company 7, Transferor Company 8, Transferor Company 9, Transferor Company 10 and Transferor Company 11 with the Transferee Company 3.
6. Part VI deals with General Terms and Conditions applicable to the Scheme and other matters consequential and integrally connected thereto.

Though this Scheme is divided into various parts for the purpose of convenience, it is to be implemented as a single inseparable comprehensive Scheme.

#### **E. NO ARRANGEMENT WITH CREDITORS**

Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Companies. The liability towards the creditors of Transferor Company 1 and Transferor Company 2 is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company 1 in its ordinary course of business. Similarly, the liability towards the creditors of the Demerged Company (relating to the Demerged Undertaking) is neither being reduced nor being extinguished but shall be assumed and discharged by the Resulting Company in its ordinary course of business, and the liability towards the creditors of the Transferor Company 3 (other than Demerged Undertaking), Transferor Company 4, Transferor Company 5, Transferor Company 6, Transferor Company 7, Transferor Company 8, Transferor Company 9, Transferor Company 10 and Transferor Company 11 is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company 3 in its ordinary course of business.

### **PART I - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

#### **1. Definitions**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

- 1.1 **“Act”** means the Companies Act, 2013 and the rules and regulations made thereunder and shall include any statutory modification, amendments, or re-enactment thereof for the time being in force.
- 1.2 **“Amalgamated Company 1” or “Transferee Company 1” or “Seven Star”** means Seven Star Fruits Private Limited (Corporate Identification Number: U74899MH1993PTC192449), a private limited company incorporated under provisions of the Companies Act, 2013 and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.3 **“Amalgamated Company 2” or “Transferee Company 3” or “Mahyco”** means Mahyco Private Limited (Corporate Identification Number: U74999MH1991PTC061969), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.4 **“Amalgamating Company 1” or “Transferor Company 1” or “John Fowler”** means John Fowler Ocular Lenses Private Limited (Corporate Identification Number: U67120MH1990PTC055592), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.5 **“Amalgamating Company 2” or “Transferor Company 2” or “Deccan”** means Deccan Plantations Private Limited (Corporate Identification Number: U01110MH1949PTC007795), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.6 **“Amalgamating Company 3” or “Transferor Company 3” or “Demerged Company” or “Mahyco Grow”** means Mahyco Grow Finance Private Limited (Corporate Identification Number: U67120MH1990PTC055473), a private limited company incorporated under provisions of the Act and having its registered office at 19, RajMahal, 84, Veer Nariman Road, Mumbai 400 020.

- 1.7 **“Amalgamating Company 4”** or **“Transferor Company 4”** or **“Rajur”** means Rajur Ganapati Investment And Trading Private Limited (Corporate Identification Number: U65990MH1990PTC055470), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.8 **“Amalgamating Company 5”** or **“Transferor Company 5”** or **“Dudhna”** means Dudhna Investment And Trading Private Limited (Corporate Identification Number: U65990MH1990PTC055475), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.9 **“Amalgamating Company 6”** or **“Transferor Company 6”** or **“Chittoda”** means Chittoda Investment And Trading Private Limited (Corporate Identification Number: U67120MH1990PTC055591), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.10 **“Amalgamating Company 7”** or **“Transferor Company 7”** or **“Harbhajan”** means Harbhajan Investment And Trading Private Limited (Corporate Identification Number: U67120MH1990PTC055474), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.11 **“Amalgamating Company 8”** or **“Transferor Company 8”** or **“Jamwadi”** means Jamwadi Investment And Trading Private Limited (Corporate Identification Number: U65990MH1990PTC055468), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.12 **“Amalgamating Company 9”** or **“Transferor Company 9”** or **“Leadbeter”** means Leadbeter Seeds Private Limited (Corporate Identification Number: U15142MH1979PTC199022), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.

- 1.13 **“Amalgamating Company 10” or “Transferor Company 10” or “Barwale Seeds”** means Barwale Seeds Private Limited (Corporate Identification Number: U01110MH1978PTC020708), a private limited company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.14 **“Amalgamating Company 11” or “Transferor Company 11” or “Gangabishan”** means Gangabishan Bhikulal Investment And Trading Limited (Corporate Identification Number: U65990MH1996PLC099431), a public company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.15 **“Appointed Date 1”** means 1<sup>st</sup> April, 2023 or such other date as may be determined by the Board of Directors of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferee Companies or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority / Appropriate Authority.
- 1.16 **“Appointed Date 2”** means the Effective Date as defined in clause 1.22 of the Scheme.
- 1.17 **“Appointed Dates”** means Appointed Date 1 and Appointed Date 2.
- 1.18 **“Applicable Law”** means any applicable statute, law, regulation, ordinance, rule, judgement, order, decree, clearance, approval, directive, guideline, requirement, or any similar form of determination by or decision of any Appropriate Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Board of the Companies or at any time thereafter.
- 1.19 **“Appropriate Authority”** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or

any non-governmental regulatory or administrative authority, body or other organisation to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;

1.20 **“Board of Directors”** means Board of Directors of the Companies, or any committee thereof duly constituted, or any other person duly authorised by the Board for the purpose of this Scheme;

1.21 **“Demerged Undertaking”** means the treasury business of the Demerged Company as identified by the Board of Directors of Demerged Company, on a going concern basis, comprising, inter alia, of all assets, properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to such treasury business and shall include without limitation:

- i. all properties and assets of the Demerged Undertaking including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company with respect to Demerged Undertaking;
- ii. all current assets including inventories, sundry debtors, receivables, cash, and bank accounts (including bank balances), fixed deposits, loans and advances,

- actionable claims, bills of exchanges and debit notes for the purpose of carrying on the business of Demerged Undertaking;
- iii. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities pertaining to Demerged Undertaking;
  - iv. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the company or in connection with or relating to the said company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of Demerged Undertaking;
  - v. all permissions, approvals, consents, subsidies privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to Demerged Undertaking;
  - vi. all licenses (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat

Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever for the purpose of carrying on the business of Demerged Undertaking ;

- vii. all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements with respect to Demerged Undertaking;
- viii. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under; for the purpose of carrying on the business of Demerged Undertaking;
- ix. all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income-tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Demerged Company with respect to Demerged Undertaking;
- x. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Demerged Undertaking;
- xi. all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual

property rights of the Demerged Company pertaining to Demerged Undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to Demerged Undertaking;

- xii. all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales, and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Demerged Undertaking; and
- xiii. all permanent and/or temporary employees, workmen, staff, contract staff or laborers engaged in the business of Demerged Undertaking as may be determined by the board of directors of Demerged Company.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between Board of Directors of the Demerged Company and the Resulting Company.

Further the Board of Directors of the Demerged Company and the Resulting Company may mutually decide the modalities/commercial arrangement between the said Companies with regard to utilisation of resources to ensure smooth transition and functioning of the respective businesses.

- 1.22 **“Effective Date** “means fifteen days from the Appointed Date 1 or the last of the dates on which all the conditions and matters referred to in Clause 50 of the Scheme occur or have been fulfilled, obtained, or waived, as applicable, in accordance with this Scheme, whichever is later. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date.
- 1.23 **“Encumbrance” or to “Encumber”** means without limitation any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring

any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

- 1.24 **“IT Act” or “Income-tax Act”** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments, or amendments thereof for the time being in force.
- 1.25 **“Governmental Authority” or “Government Body”** means any applicable central, state, or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 1.26 **“National Company Law Tribunal” or “NCLT” or “Tribunal”** means the National Company Law Tribunal having jurisdiction in relation to the Companies and/ or the National Company Law Appellate Tribunal (“NCLAT”) as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;
- 1.27 **“Optionally Convertible Redeemable Preference Shares of Transferee Company 3”** means 9.5% cumulative optionally convertible redeemable preference shares of face value of Rs. 10/- each issued by the Transferee Company 3 to the equity shareholders of Transferor Company 3 pursuant to Part -IV of this Scheme.
- 1.28 **“Part II Transferor Companies”** shall mean Transferor Company 1 and Transferor Company 2.
- 1.29 **“Part IV Transferor Companies”** shall mean Transferor Company 3 (other than Demerged Undertaking) and Transferor Company 4.

- 1.30 **“Part V Transferor Companies”** shall mean Transferor Company 5, Transferor Company 6, Transferor Company 7, Transferor Company 8, Transferor Company 9, Transferor Company 10 and Transferor Company 11.
- 1.31 **“Parties” or “Companies”** means collectively the Transferor Company 1, Transferor Company 2, Transferor Company 3/Demerged Company, Transferor Company 4, Transferor Company 5, Transferor Company 6, Transferor Company 7, Transferor Company 8, Transferor Company 9, Transferor Company 10, Transferor Company 11, Transferee Company 1, Transferee Company 2/ Resulting Company and Transferee Company 3 and “Party” or “Company” shall mean each of them, individually.
- 1.32 **“Record Date 1”** means a mutually agreed date to be fixed by the Board of Directors of the Transferee Company 1 for the purposes of determining the shareholders of the Part II Transferor Companies to whom shares would be issued and allotted in accordance with Clause 11.1 of this Scheme.
- 1.33 **“Record Date 2”** means a mutually agreed date to be fixed by the Board of Directors of the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom shares would be issued and allotted in accordance with Clause 19.1 of this Scheme.
- 1.34 **“Record Date 3”** means a mutually agreed date to be fixed by the Board of Directors of the Transferee Company 3 for the purposes of determining the shareholders of the Part IV Transferor Companies to whom shares would be issued and allotted in accordance with Clause 29.1 of this Scheme.
- 1.35 **“Record Date 4”** means the mutually agreed date to be fixed by the Board of Directors of the Transferee Company 3 for the purposes of determining the shareholders of the Part V Transferor Companies to whom shares would be issued and allotted in accordance with Clause 38.1 of this Scheme.
- 1.36 **“Registrar of Companies”** means the Registrar of Companies having jurisdiction over the Companies.

- 1.37 **“Redeemable Preference Shares of Transferee Company 1”** means 9.5% cumulative redeemable preference shares of face value of Rs. 10/- each issued by the Transferee Company 1 to the equity shareholders of Part II Transferor Companies pursuant to Part II of this Scheme.
- 1.38 **“Redeemable Preference Shares of Transferee Company 2/ Resulting Company”** means 9.5% cumulative redeemable preference shares of face value of Rs.10/- each issued by the Resulting Company to the equity shareholders of Demerged Company pursuant to Part III of this Scheme.
- 1.39 **“Redeemable Preference Shares of Transferee Company 3”** means 9.5% cumulative redeemable preference shares of face value of Rs. 10/- each issued by the Transferee Company 3 to the equity shareholders of Part V Transferor Companies pursuant to Part V of this Scheme.
- 1.40 **“Resulting Company” or “Transferee Company 2” or “Prabhavati”** means Prabhavati Agro Green Energies Private Limited (Corporate Identification Number: U01114MH2019PTC321133), a private company incorporated under provisions of the Act and having its registered office at 19, Raj Mahal, 84, Veer Nariman Road, Mumbai 400 020.
- 1.41 **“Retained Business” or “Remaining Business” or “Remaining Business of the Demerged Company” or “Retained Business of the Demerged Company”** means all the business, units, divisions, undertakings, assets, investments, and liabilities of the Demerged Company other than the Demerged Undertaking (*as defined in clause 1.21*).
- 1.42 **“Scheme” or “the Scheme” or “this Scheme” or “the Scheme of Amalgamation”** means this Composite Scheme of Amalgamation (Merger by absorption) cum Demerger and Arrangement in its present form submitted to the NCLT or with any modification(s) made under Clause 47 of this Scheme or with such other modifications/amendments as the NCLT may direct.
- 1.43 **“Transferee Companies”** means collectively the Transferee Company 1, Transferee Company 2, and Transferee Company 3.

- 1.44 **“Transferor Companies”** means collectively the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5, Transferor Company 6, Transferor Company 7, Transferor Company 8, Transferor Company 9, Transferor Company 10 and Transferor Company 11.
- 1.45 **“Undertaking”** means the entire business and whole of assets, properties, liabilities, debts, employees, duties, obligations and the undertaking(s) and business(s) of Transferor Company 1, Transferor Company 2, Transferor Company 4, Transferor Company 5, Transferor Company 6, Transferor Company 7, Transferor Company 8, Transferor Company 9, Transferor Company 10 and Transferor Company 11 and the entire business and whole of assets, properties, liabilities, debts, employees, duties, obligations and the undertaking(s) and business(s) of Transferor Company 3 (other than the Demerged Undertaking) of whatsoever nature and kind and wherever situated, on a going concern which shall include, without limitation:
- i. all the assets and properties (whether movable or immovable properties, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts), including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks;
  - ii. all current assets including inventories, sundry debtors, receivables, cash, and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes.
  - iii. all investments (including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds and other securities), including dividends declared or interest accrued thereon;
  - iv. all rights or benefits (including right to claim not preferred or made), benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security

- arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the company or in connection with or relating to the said company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the company;
  - vi. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the company;
  - vii. all licenses (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorisations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the company;
  - viii. all agreements, contracts, arrangements, understandings, engagements, deeds, and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers,

- purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under;
- ix. all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements of the company;
  - x. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the company;
  - xi. all intellectual property rights such as, but not limited to registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, registrations, designs and domain names, used by or held for use by the company, whether or not recorded in the books of accounts and other intellectual rights of any nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the company, whether used or held for use by it; and
  - xii. any and all permanent employees, who are on the payrolls of the company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the company.

2. In this Scheme, unless the context otherwise requires:
- a) words denoting the singular shall include the plural and vice versa;
  - b) headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
  - c) references to the word “include” or “including” shall be construed without limitation;
  - d) a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section, or part of this Scheme.
  - e) unless otherwise defined, the reference to the word “days” shall mean calendar days.
  - f) reference to a document includes an amendment or supplement to, or replacement or novation of that document.
  - g) word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
  - h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, byelaws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other statutory authorities or in terms of this Scheme shall take effect from the respective Appointed Dates but shall be operative from the Effective Date.

4. **SEQUENCE OF EFFECTIVENESS OF THE SCHEME**

Upon the Scheme becoming effective, with effect from the respective Appointed Dates, the following shall be deemed to have occurred and become effective and operative only in the order mentioned hereunder:

- a. Part II which provides for amalgamation and vesting of Part II Transferor Companies with Transferee Company 1, and Part III which provides for the Demerger of the Demerged Undertaking from Demerged Company into Resulting Company shall be operative simultaneously and prior to coming effect of Part IV and V of the Scheme,
- b. Part IV which provides for amalgamation and vesting of Part IV Transferor Companies with Transferee Company 3, shall be operative subsequent to coming effect of Part II and Part III of the Scheme but prior to coming effect Part V of the Scheme,
- c. Part V which provides for amalgamation and vesting of Part V Transferor Companies with Transferee Company 3, shall be operative subsequent to coming effect of Part II, Part III, and Part IV of the Scheme

## 5. SHARE CAPITAL

5.1 The share capital of the Transferor Company 1 as on 31<sup>st</sup> March 2022 is as under:

Particulars	Amount (Rs.)
<b>Authorised Share Capital</b>	
2,50,000 Equity Shares of Rs. 10/- each	25,00,000
<b>Total</b>	<b>25,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2,39,000 Equity Shares of Rs. 10/- each	23,90,000
<b>Total</b>	<b>23,90,000</b>

The Transferor Company 3 holds 48.95% of the paid-up share capital of the Transferor Company 1. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 1 subsequent to 31<sup>st</sup> March 2022.

5.2 The share capital of the Transferor Company 2 as on 31<sup>st</sup> March 2022 is as under:

Particulars	Amount (Rs.)
<b>Authorised Share Capital</b>	
2,00,000 Equity Shares of Rs. 100/- each	2,00,00,000
<b>Total</b>	<b>2,00,00,000</b>

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
61,800 Equity Shares of Rs. 100/- each	61,80,000
<b>Total</b>	<b>61,80,000</b>

The Transferor Company 3 holds 96.26% of the paid-up share capital of the Transferor Company 2. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 3 subsequent to 31<sup>st</sup> March 2022.

5.3 The share capital of the Transferor Company 3 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
51,00,000 Equity Shares of Rs. 10/- each	5,10,00,000
10,000 Preference Shares of Rs. 100/- each	10,00,000
<b>Total</b>	<b>5,20,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
37,65,957 Equity Shares of Rs. 10/- each	3,76,59,570
<b>Total</b>	<b>3,76,59,570</b>

There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 3 subsequent to 31<sup>st</sup> March 2022.

5.4 The share capital of the Transferor Company 4 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
2,40,000 Equity Shares of Rs. 10/- each	24,00,000
1,000 Redeemable Preference Shares of Rs. 100/- each	1,00,000
<b>Total</b>	<b>25,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
75,978 Equity Shares of Rs. 10/- each	7,59,780
<b>Total</b>	<b>7,59,780</b>

The Transferor Company 3 holds 100% of the paid-up share capital of the Transferor Company 4. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 4 subsequent to 31<sup>st</sup> March 2022.

5.5 The share capital of the Transferor Company 5 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
2,90,000 Equity Shares of Rs. 10/- each	29,00,000
1,000 Redeemable Preference Shares of Rs. 100/- each	1,00,000
<b>Total</b>	<b>30,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2,70,600 Equity Shares of Rs. 10/- each	27,06,000
<b>Total</b>	<b>27,06,000</b>

The Transferor Company 3 and Transferor Company 4 hold 63.05% and 36.95% of the paid-up share capital of the Transferor Company 5, respectively. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 5 subsequent to 31<sup>st</sup> March 2022.

5.6 The share capital of the Transferor Company 6 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
4,40,000 Equity Shares of Rs. 10/- each	44,00,000
1,000 Redeemable Preference Shares of Rs. 100/- each	1,00,000
<b>Total</b>	<b>45,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
4,30,000 Equity Shares of Rs. 10/- each	43,00,000
<b>Total</b>	<b>43,00,000</b>

The Transferor Company 3 and Transferor Company 4 hold 51.16% and 46.51% of the paid-up share capital of the Transferor Company 6, respectively. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 6 subsequent to 31<sup>st</sup> March 2022.

5.7 The share capital of the Transferor Company 7 as on 31<sup>st</sup> March 2022 is as under:

Particulars	Amount (Rs.)
<b>Authorised Share Capital</b>	
4,90,000 Equity Shares of Rs. 10/- each	49,00,000
1,000 Redeemable Preference Shares of Rs. 100/- each	1,00,000
<b>Total</b>	<b>50,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
4,60,000 Equity Shares of Rs. 10/- each	46,00,000
<b>Total</b>	<b>46,00,000</b>

The Transferor Company 3 and Transferor Company 4 hold 56.52% and 43.48% of the paid-up share capital of the Transferor Company 7, respectively. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 7 subsequent to 31<sup>st</sup> March 2022.

5.8 The share capital of the Transferor Company 8 as on 31<sup>st</sup> March 2022 is as under:

Particulars	Amount (Rs.)
<b>Authorised Share Capital</b>	
4,90,000 Equity Shares of Rs. 10/- each	49,00,000
1,000 Redeemable Preference Shares of Rs. 100/- each	1,00,000
<b>Total</b>	<b>50,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
4,41,108 Equity Shares of Rs. 10/- each	44,11,080
<b>Total</b>	<b>44,11,080</b>

The Transferor Company 3 and Transferor Company 4 hold 54.66% and 45.34% of the paid-up share capital of the Transferor Company 8, respectively. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 8 subsequent to 31<sup>st</sup> March 2022.

5.9 The share capital of the Transferor Company 9 as on 31<sup>st</sup> March 2022 is as under:

Particulars	Amount (Rs.)
<b>Authorised Share Capital</b>	

<b>Particulars</b>	<b>Amount (Rs.)</b>
2,500 Equity Shares of Rs. 1,000/- each	25,00,000
7,500 Cumulative Redeemable Preference Shares of Rs. 1,000/- each	75,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2,500 Equity Shares of Rs. 1,000/- each	25,00,000
5,000 1% Cumulative Redeemable Preference Shares of Rs.1,000/- each	50,00,000
<b>Total</b>	<b>75,00,000</b>

The Transferor Company 3 holds 90.76% of the paid-up equity share capital of the Transferor Company 9. Further, Transferee Company 3 holds 100% of the paid-up Preference Share Capital of Transferor Company 9. There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 9 subsequent to 31<sup>st</sup> March 2022.

5.10 The share capital of the Transferor Company 10 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
5,000 Equity Shares of Rs. 100/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,120 Equity Shares of Rs. 100/- each	1,12,000
<b>Total</b>	<b>1,12,000</b>

There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 10 subsequent to 31<sup>st</sup> March 2022.

5.11 The share capital of the Transferor Company 11 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
49,90,000 Equity Shares of Rs. 10/- each	4,99,00,000

<b>Particulars</b>	<b>Amount (Rs.)</b>
1,000 Redeemable Preference Shares of Rs. 100 each	1,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
36,46,864 Equity Shares of Rs. 10/- each	3,64,68,640
<b>Total</b>	<b>3,64,68,640</b>

There has been no change in the issued, subscribed, and paid-up share capital of the Transferor Company 11 subsequent to 31<sup>st</sup> March 2022. Transferor Company 3 holds 70.17% of equity share capital of Transferor Company 11.

5.12 The share capital of the Transferee Company 1 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
35,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	35,00,00,000
<b>Total</b>	<b>50,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,08,92,622 Equity Shares of Rs. 10 each	10,89,26,220
25,00,000 0.1% Cumulative Redeemable Preference Shares of Rs. 100/- each	25,00,00,000
<b>Total</b>	<b>35,89,26,220</b>

Transferor Company 3 holds 94.37% of the paid-up equity share capital of Transferee Company 1. Further, Transferor Company 3 holds 100% of the paid-up Preference Share Capital of Transferee Company 1. There has been no change in the issued, subscribed, and paid-up share capital of the Transferee Company 1 subsequent to 31<sup>st</sup> March 2022.

5.13 The share capital of the Transferee Company 2 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	

<b>Particulars</b>	<b>Amount (Rs.)</b>
10,000 Equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
10,000 Equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>

There has been no change in the issued, subscribed, and paid-up share capital of the Transferee Company 2 subsequent to 31<sup>st</sup> March 2022.

5.14 The share capital of the Transferee Company 3 as on 31<sup>st</sup> March 2022 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Share Capital</b>	
6,31,00,000 Equity Shares of Rs. 10/- each	63,10,00,000
50,00,000 Cumulative Redeemable Preference Shares of Rs. 10/- each	5,00,00,000
<b>Total</b>	<b>68,10,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2,93,98,316 Equity Shares of Rs. 10/- each	29,39,83,160
16,37,676 10% Cumulative Redeemable Preference Shares of Rs. 10/- each	1,63,76,760
<b>Total</b>	<b>31,03,59,920</b>

Transferor Company 3 holds 58.67% of the paid-up equity share capital of Transferee Company 3. Further, Transferor Company 3 holds 100% of the paid-up Preference Share Capital of Transferee Company 3. There has been no change in the issued, subscribed, and paid-up share capital of the Transferee Company 3 subsequent to 31<sup>st</sup> March 2022.

**Part II - AMALGAMATION (MERGER BY ABSORPTION) OF PART II TRANSFEROR COMPANIES WITH TRANSFEREE COMPANY 1**

6. **TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF PART II TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY 1**

- 6.1 Upon the Scheme coming into effect and with effect from the Appointed Date 1, the whole of the business of the respective Undertakings of the Part II Transferor Companies shall, pursuant to the sanction of this Scheme and pursuant to the applicable provisions of the Act and also in accordance with Section 2(1B) of the IT Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 1, each as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, on and from the Appointed Date 1, the business of the Undertaking of the Transferee Company 1 by virtue of and in the manner provided in this Scheme.
- 6.2 Upon Scheme becoming effective and with effect from the Appointed Date 1, all immovable property (including land, buildings and any other immovable property of Part II Transferor Companies, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company 1, without any act or deed done by the Transferee Company 1, and without any approval or acknowledgement of any third party. With effect from the Appointed Date 1, the Transferee Company 1 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company 1 by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Part II Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of their immovable property is given to the Transferee Company 1.
- 6.3 Notwithstanding anything contained in this Scheme, the immovable properties of the Part II Transferor Companies situated within different states, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Transferee Company 1 and if the Transferee Company 1 so decides, the parties, upon the Scheme becoming effective, shall execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company 1 in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty (if

- required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Scheme.
- 6.4 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date 1, it is expressly provided that in respect of such of the assets of the Part II Transferor Companies that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Part II Transferor Companies and shall become the property of the Transferee Company 1 in pursuance of the provisions of sections 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 6.5 Upon the Scheme becoming effective, in respect of movables other than those dealt with in Clause 6.4 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date 1, stand transferred to and vested in the Transferee Company 1 without any notice or other intimation to the debtors (although the Transferee Company 1 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company 1).
- 6.6 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all lease and licence agreements, if any, entered into by the Part II Transferor Companies, with landlords, owners and lessors in connection with the use of the assets of the Undertaking, together with security deposit, shall stand automatically transferred in favour of the Transferee Company 1 on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company 1 shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions, and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Part II Transferor Companies.
- 6.7 Upon the Scheme becoming effective, and with effect from the Appointed Date 1, all

liabilities relating to and comprised in the business of the respective Undertakings of the Part II Transferor Companies, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Part II Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 1 under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

- 6.8 Where any of the liabilities and obligations of the Part II Transferor Companies as on the Appointed Date 1 deemed to be transferred to the Transferee Company 1 have been discharged by the Part II Transferor Companies, after the Appointed Date 1 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company 1, and all loans raised and used and all liabilities and obligations incurred by the Part II Transferor Companies after the Appointed Date 1 and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 1 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 1 and shall become the liabilities and obligations of the Transferee Company 1 which shall meet, discharge and satisfy the same.
- 6.9 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all staff, workmen and employees in relation to the Part II Transferor Companies shall become the staff, workmen and employees of the Transferee Company 1, without any further act or deed to be done by the Part II Transferor Companies or the Transferee Company 1.
- 6.10 Upon the Scheme becoming effective, the Transferee Company 1 shall, if so, required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Part II Transferor Companies are a party in order to give formal effect to the above provisions. The Transferee Company 1 shall be deemed to be authorised to execute any such writings on behalf of the Part II Transferor Companies, to carry out or perform all such formalities or compliances referred to above on part of the Part II

Transferor Companies.

- 6.11 All taxes, duties, cess payable by the Part II Transferor Companies, including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date 1 shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company 1.
- 6.12 Upon the Scheme becoming effective, all the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Part II Transferor Companies and all rights and benefits that have accrued or which may accrue to the Part II Transferor Companies, whether before or after the Appointed Date 1, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company 1 so as to become as and from the Appointed Date 1, licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company 1 and shall remain valid, effective and enforceable on the same terms and conditions.
- 6.13 Upon the Scheme becoming effective, all the brands and trademarks (including logo and right to use the trademarks) of the Part II Transferor Companies, including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company 1. The Transferee Company 1 shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company 1.
- 6.14 Upon the Scheme becoming effective, all the insurance policies registered in the name of the Part II Transferor Companies which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been

transferred to and vested in and be available to the benefit of the Transferee Company 1 and accordingly, the insurance companies shall record the name of the Transferee Company 1 in all the insurance policies registered in the name of the Part II Transferor Companies so as to ensure that all the rights and privileges under all such policies available to the Part II Transferor Companies and / or to any other person/director/employee of such Part II Transferor Companies, whether in the capacity of the policy holder or owner or insured or the beneficiary, as the case may be, be available to the benefit of the Transferee Company 1 and / or to any other person/director/employee of Transferee Company 1, as the case may be, on the same terms and conditions as they were applicable to the Part II Transferor Companies concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company 1 as if instead of the Part II Transferor Companies, the Transferee Company 1 had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company 1 may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Part II Transferor Companies shall be borne by the Transferee Company 1 and the Part II Transferor Companies shall have no further obligations in this regard.

- 6.15 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax credit under section 115JAA of the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, Goods and Services Tax including the Integrated Goods and Services Tax input tax credit, Central Goods and Services Tax input tax credit and State Goods and Services Tax input tax credit for the registrations of the Part II Transferor Companies, in all the states, to which the Part II Transferor Companies are entitled to shall be available to and vest in the Transferee Company 1.
- 6.16 The Transferee Company 1 shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions, and other authorizations of the Part II

Transferor Companies.

## **7. ENCUMBRANCES**

- 7.1 The transfer and vesting of the assets comprised in the business of the Undertaking of the Part II Transferor Companies, to and in the Transferee Company 1 under Clause 6 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 7.2 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date 1 and created by the Part II Transferor Companies after the Appointed Date 1, over the assets comprised in the business of the Undertaking of the Part II Transferor Companies, or any part thereof transferred to the Transferee Company 1 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Part II Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company 1, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company 1.
- 7.3 The existing Encumbrances over the assets and properties of the Part II Transferor Companies or any part thereof which relate to the liabilities and obligations of the Transferee Company 1 prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the business of the Undertaking of the Part II Transferor Companies, transferred to and vested in the Transferee Company 1 by virtue of this Scheme.
- 7.4 It is expressly provided that, no other term or condition of the liabilities transferred to the Transferee Company 1 is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.
- 7.5 The provisions of this Clause 7 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

## **8. LEGAL PROCEEDINGS**

- 8.1 All suits, actions and legal proceedings, if any, instituted and / or pending and / or arising by or against any of the Part II Transferor Companies shall be continued and / or enforced until the Effective Date as directed by the Transferee Company 1 and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company 1 as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company 1.
- 8.2 On and from the Effective Date, the Transferee Company 1 may, if required, initiate any legal proceedings in relation to the present and past business of the respective Undertakings of the Part II Transferor Companies in respect of third parties.

## **9. CONTRACTS, DEEDS, ETC.**

- 9.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Part II Transferor Companies, to which the Part II Transferor Companies are a party or to the benefit of which the Part II Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company 1 and may be enforced as fully and effectually as if, instead of the Part II Transferor Companies, the Transferee Company 1 had been a party or beneficiary or obligee thereto.
- 9.2 The Transferee Company 1 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Part II Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 9.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the

Transferee Company 1 without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.

## 10. **EMPLOYEES**

10.1 On the coming into effect of this Scheme, all employees, if any, of the Part II Transferor Companies who are in employment of the Part II Transferor Companies, as on the Effective Date, shall become the employees of the Transferee Company 1 with effect from the Effective Date without any break or interruption in service and on terms and conditions no less favourable than those on which they were engaged by the Part II Transferor Companies, immediately preceding the Effective Date. The Transferee Company 1 undertakes to continue to abide by any agreement / settlement, if any, entered into by any of the Part II Transferor Companies with any union / employee.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the employees of the Part II Transferor Companies shall become funds / trusts of the Transferee Company 1 for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Part II Transferor Companies, in relation to such funds / trusts shall become those of the Transferee Company 1. It is clarified that the services of the employees of the Part II Transferor Companies will be treated as having been continuous for the purpose of the said funds / trusts and for computing any other employee benefits.

## 11. **CONSIDERATION**

11.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of Part II Transferor Companies in the Transferee Company 1 pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee Company 1 shall, without any further application, act, consent, instrument or deed, issue and

allot, on a proportionate basis to each shareholder of the Part II Transferor Companies, whose name is recorded in the register of members as member of the Part II Transferor Companies as on the Record Date 1, as follows:

***For the shareholders of Transferor Company 1***

*“1 (One) fully paid-up Redeemable Preference Share of Transferee Company 1 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid-up preference shares to the equity shareholders of Transferor Company 1, for every 100 (One Hundred) fully paid-up equity shares of INR 10 (Rupees Ten only) each of the Transferor Company 1 held by such shareholders”*

***For the shareholders of Transferor Company 2***

*“1 (One) fully paid-up Redeemable Preference Share of Transferee Company 1 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid-up preference shares to the equity shareholders of Transferor Company 2, for every 100 (One Hundred) fully paid-up equity shares of INR 100 (Rupees Hundred only) each of the Transferor Company 2 held by such shareholders”*

- 11.2 The Redeemable Preference Shares of Transferee Company 1 to be issued and allotted pursuant to amalgamation of the Part II Transferor Companies with the Transferee Company 1 under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company 1 and shall rank pari passu in all respects with any existing preference shares of the Transferee Company 1, if any, after the Effective Date including corporate benefits attached to the shares of the Transferee Company 1.
- 11.3 The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company 1 or the Part II Transferor Companies or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company 1 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company 1.

- 11.4 Subject to Applicable Laws, the Redeemable Preference Shares that are to be issued in terms of this Scheme shall be issued in physical form. The register of preference shareholders maintained by the Transferee Company 1 and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company 1 in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company 1) be updated to reflect the issue of the preference shares in terms of this Scheme.
- 11.5 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Part II Transferor Companies, is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company 1, the Transferee Company 1 shall not issue fractional shares to such shareholder and shall instead round off such fractions to the nearest whole number.
- 11.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Part II Transferor Companies, the Board of the Transferee Company 1 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Part II Transferor Companies, after the effectiveness of this Scheme.
- 11.7 The shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Part II Transferor Companies which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 11.8 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares (including stock options) during the pendency of the Scheme, the share exchange ratio stated in Clause 11.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 11.9 If necessary, the Transferee Company 1 shall before allotment of the redeemable preference shares of Transferee Company 1, in terms of the Scheme, increase, reclassify and/or restructure its authorised share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the rules issued thereunder.

## 12. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed Date 1, the amalgamation of the Part II Transferor Companies, with the Transferee Company 1 shall be accounted for in accordance with Appendix C (i.e., Business Combinations under Common Control) of the Indian Accounting Standard (Ind AS) 103 "Business Combinations" notified under Section 133 of the Act read with the applicable rules issued thereunder and as amended from time to time such that:

- 12.1 The Transferee Company 1 shall record the assets and liabilities, if any, of the Part II Transferor Companies vested in it pursuant to this Scheme, at the respective book values as appearing in the books of the Part II Transferor Companies.
- 12.2 The identity of the reserves of the Part II Transferor Companies shall be preserved and shall appear in the financial statements of the Transferee Company 1 in the same form and at the same values as they appear in the financial statements of the Part II Transferor Companies.
- 12.3 Pursuant to the amalgamation of the Part II Transferor Companies with the Transferee Company 1, the inter-company balances between the Transferee Company 1 and the Part II Transferor Companies, if any and the inter-company balances amongst Part II Transferor Companies, if any appearing in the books of the Transferee Company 1 and Part II Transferor Companies, respectively shall stand cancelled.
- 12.4 The nominal value of Redeemable Preference Share issued by the Transferee Company 1 pursuant to clause 11.1 above shall be credited to the preference share capital account of the Transferee Company 1.
- 12.5 The surplus/deficit, if any arising after taking the effect of clause 12.1, 12.2 and 12.4 after giving the effect of the adjustments referred to in clause 12.3, shall be transferred to capital reserve in the financial statements of the Transferee Company 1.
- 12.6 In case of any difference in accounting policy between the Part II Transferor Companies and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

### **13. INTER-SE TRANSACTIONS**

- 13.1 With effect from the Appointed Date 1, all inter-party transactions between the Part II Transferor Companies and Transferee Company 1 shall be considered as intra-party transactions for all purposes from the Appointed Date 1 and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument, or deed.
- 13.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company 1, as the case maybe, and on its own account and therefore, the Transferee Company 1, as the case maybe, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

### **Part III – DEMERGER AND VESTING OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **14. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

- 14.1 Upon the Scheme becoming effective and with effect from the Appointed Date 1 and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the Demerged Undertaking shall, without any further act, instrument or deed, be transferred to, and be vested in or be deemed to have been transferred to and vested in Resulting Company, as a going concern, so as to vest in the Resulting Company the assets, liabilities, contracts, arrangements, employees, permits, records, etc. of Resulting Company by virtue of operation of law and in the manner provided in this Scheme.
- 14.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to Resulting Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of Resulting

Company without requiring any deed or instrument of conveyance for transfer of the same.

- 14.3 Subject to Clause 14.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 14.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date 1 by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, Resulting Company will enter into novation agreements, if it is so required.
- 14.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, same shall stand transferred to and be vested in Resulting Company with effect from the Appointed Date 1, without any act or deed done by the Demerged Company or Resulting Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date 1, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.
- 14.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and vesting in Resulting Company, if Resulting Company so

decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

- 14.6 Upon the Scheme coming into effect and with effect from the Appointed Date 1, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be / was eligible or entitled, shall become the rights, entitlement or property of Resulting Company and shall be enforceable by or against Resulting Company, as fully and effectually as if, instead of the Demerged Company, Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof.
- 14.7 Upon effectiveness of the Scheme and with effect from the Appointed Date 1,
- a. The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in Resulting Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.
  - b. all liabilities relating to and comprised in the Demerged Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations of Demerged Undertaking, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, without any further act, instrument, deed, matter or thing.

- c. if the Demerged Company is entitled to any unutilised credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax law or Applicable Law, Resulting Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilised input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to Resulting Company shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- d. Subject to Clause 41 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by Resulting Company, issue notices in such form as Resulting Company may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- e. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company (or the Transferor Company 3) and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if and when presented by Resulting Company.
- f. The Resulting Company shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so, required under any Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which the Demerged Company has been a party, in order to give formal effect to the above provisions.

- g. Upon the Scheme coming into effect on the Effective Date and with effect from Appointed Date 1, in relation to the assets forming part of the Demerged Undertaking, if any, separate documents is required for vesting of such assets in the Resulting Company, or which the Demerged Company and/ or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- h. It is hereby clarified that if any assets of the Demerged Undertaking, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of the Resulting Company.

## 15. **ENCUMBRANCES**

- 15.1 The transfer and vesting of the assets comprised in the business of the Demerged Undertaking of the Demerged Company, to and in the Resulting Company under Clause 14 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 15.2 In so far as any Encumbrance in respect of liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the liabilities as transferred to Resulting Company pursuant to the Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to Resulting Company pursuant to this Scheme have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered, and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above.
- 15.3 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date 1 and created by the Demerged Company after the Appointed Date 1, over the assets comprised in the business of the Demerged Undertaking of the Demerged Company, or any part thereof transferred to the Resulting Company by

virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Demerged Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company.

- 15.4 In so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any liabilities which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 15.5 It is expressly provided that, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.
- 15.6 The provisions of this Clause 15 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

## 16. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 16.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

- 16.2 The Resulting Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 16.3 It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.
- 16.4 Upon the Scheme coming into effect on the Effective Date and with effect from Appointed Date 1, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, shall stand transferred to the Resulting Company in accordance with Applicable Laws, as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company.

## 17. **EMPLOYEES AND STAFF**

- 17.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, Resulting Company undertakes to engage, without any interruption in service, all employees engaged in or in relation to the Demerged Undertaking, on terms and

conditions no less favourable than those on which they are engaged by the Demerged Company. Resulting Company undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. Resulting Company agrees that the services of all such employees of the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking shall be decided by the Board of Directors of Demerged Company, and such decision shall be final and binding on all concerned Parties.

- 17.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by Resulting company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognised by the Appropriate Authorities, by Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 17.3 With effect from the date of filing of the Scheme with the NCLT and up to and including the Effective Date, the Demerged Company shall not vary the terms and conditions of employment of any of the employees pertaining to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Board of Directors of Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company.

## 18. **LEGAL PROCEEDINGS**

- 18.1 Upon coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Demerged Company under any statute, pending on the Appointed Date 1,

relating to the Demerged Undertaking, shall be continued, and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Resulting Company, the Proceedings shall be pursued by the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company. In the event that such liability is incurred or such claim, or demand is made upon the Demerged Company pertaining to the Demerged Undertaking, then the Resulting Company shall reimburse and indemnify the Demerged Company for any payments made in relation to the same. The Demerged Company and the Resulting Company shall take appropriate steps in the respective court or forum of the Proceedings before which they are pending to appropriately substitute the name of the plaintiff, defendant, petitioner, respondent or other in the cause title respectively from that of the Demerged Company to the name of the Resulting Company, on due approval or sanction of such court or forum as appropriate.

- 18.2 Any Proceedings by or against the Demerged Company under any statute, pending on the Appointed Date 1, whether or not in respect of any matter arising before the Effective Date relating to the Remaining Business (including those relating to any property, right, power, liability, obligation, or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable for or in relation to any such Proceeding by or against the Demerged Company.

## 19. **CONSIDERATION**

- 19.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company with the Resulting Company pursuant to this Scheme and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis, to each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date 2, as follows:

*“1 (One) fully paid-up Redeemable Preference Share of Resulting Company of INR 10 (Rupees Ten only) each, credited as fully paid up, for*

*every 100 (One Hundred) fully paid up equity shares of INR 10 (Rupees Ten only) each of the Demerged Company held by such shareholders.”*

- 19.2 The Redeemable Preference Shares of Resulting Company to be issued and allotted pursuant to the demerger of the Demerged Undertaking into the Resulting Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company and shall rank pari passu in all respects with any existing preference shares of the Resulting Company, if any, after the Effective Date including corporate benefits attached to the shares of the Resulting Company.
- 19.3 Subject to Applicable Laws, the Redeemable Preference Shares that are to be issued in terms of this Scheme shall be issued in physical form. The register of preference shareholders and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of the preference shares in terms of this Scheme.
- 19.4 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Demerged Company, is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder and shall instead round off such fractions to the nearest whole number.
- 19.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor or transferee of preference shares in the Demerged Company, after the effectiveness of this Scheme.
- 19.6 The preference shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.

- 19.7 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares (including stock options) during the pendency of the Scheme, the share exchange ratio stated in Clause 19.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 19.8 If necessary, the Resulting Company shall before allotment of the preference shares in term of the Scheme, increase, reclassify, and/or restructure its authorised share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 19.9 The issue and allotment of the preference shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of preference shares of the Resulting Company.

## **20. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY**

- 20.1 Upon the Scheme becoming effective and with effect from the Appointed Date 1, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of the Demerged Company, in accordance with the Generally Accepted Accounting Practices in India, provisions of the Act and accounting standards as applicable under Section 133 of the Act and relevant rules issued thereunder as amended from time to time.
- 20.2 The book value of the assets and liabilities of the Demerged Company relating to the Demerged Undertaking being transferred to the Resulting Company shall be reduced from the book value of the assets and liabilities appearing in the books of accounts of the Demerged Company as on the Appointed Date 1.
- 20.3 The difference between the value of the net assets (i.e., difference between book value of assets and liabilities) of the Demerged Undertaking, as transferred to the Resulting Company, if positive, shall be first debited to the capital reserve and the

balance if any shall be debited to the general reserve of the Demerged Company, and if negative, shall be credited to the capital reserve of the Demerged Company.

## **21. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY**

- 21.1 Upon the Scheme becoming effective and with effect from the Appointed Date 1, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of the Resulting Company, in accordance with the Generally Accepted Accounting Practices in India, provisions of the Act and accounting standards as applicable under Section 133 of the Act and relevant rules issued thereunder as amended from time to time.
- 21.2 The Resulting Company shall record the assets and liabilities of the Demerged Company relating to the Demerged Undertaking, as on Appointed Date 1, vested in it pursuant to the Scheme at their respective carrying values.
- 21.3 The preference shares issued by the Resulting Company pursuant to demerger, shall be issued and recorded at nominal value and accordingly the aggregate nominal value of the shares to be issued shall be credited to Transferee Company 2's preference share capital account;
- 21.4 The amount of difference between, (i) the carrying value of net assets, and (ii) the face value of new shares issued and allotted to the shareholders of the Demerged Company, if positive, shall be credited to the capital reserve of the Resulting Company and, if negative, shall be debited to the goodwill of the Resulting Company.

## **22. RETAINED BUSINESS OF DEMERGED COMPANY**

- 22.1 The Retained Business of the Demerged Company and all the assets, properties, rights, liabilities, and obligations pertaining thereto, shall continue to belong to and be vested in and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company.
- 22.2 All the legal, taxation and other proceedings whether civil or criminal (including before any statutory authority or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date 1 and whether pending on the Appointed Date 1 or which may be

instituted in the future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business of Demerged Company (including those relating to any property, right, power or liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax liability) shall be continued and enforced by or against Demerged Company even after the Effective Date.

22.3 Up to and including the Effective Date

- a. Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business of the Demerged Company for and on its own behalf.
- b. All profits accruing to the Remaining Business or losses arising or incurred to the Remaining Business (including the effect of taxes, if any, thereon) shall for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- c. All assets and properties acquired in relation to respective Retained Business on and after the Appointed Date 1 shall belong to and continue to remain vested in the Demerged Company.

23. **INTER-SE TRANSACTIONS**

23.1 With effect from the Appointed Date 1, all inter-party transactions between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company shall be considered as intra-party transactions for all purposes from the Appointed Date 1 and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument, or deed.

23.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Resulting Company, as the case may be, and on its own account and therefore, the Resulting Company, as the case may be, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

**Part IV - AMALGAMATION (MERGER BY ABSORPTION) OF PART IV TRANSFEROR  
COMPANIES WITH TRANSFEREE COMPANY 3**

- 24. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF PART IV TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY 3**
- 24.1 Immediately upon Part II and Part III of the Scheme becoming effective and with effect from the Appointed Date 1, the whole of the business of the respective Undertakings of Part IV Transferor Companies shall, pursuant to the sanction of this Scheme and pursuant to the applicable provisions of the Act and also in accordance with Section 2(1B) of the IT Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 3, each as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, on and from the Appointed Date 1, the business of the respective Undertakings of the Transferee Company 3 by virtue of and in the manner provided in this Scheme.
- 24.2 Upon Scheme becoming effective and with effect from the Appointed Date 1, all immovable property (including land, buildings and any other immovable property of Part IV Transferor Companies shall, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto), shall stand vested in the Transferee Company 3, without any act or deed done by the Transferee Company 3, and without any approval or acknowledgement of any third party. With effect from the Appointed Date 1, the Transferee Company 3 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company 3 by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Part IV Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company 3.
- 24.3 Notwithstanding anything contained in this Scheme, the immovable properties of the Part IV Transferor Companies, situated within different states, whether owned or

leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Transferee Company 3 and if the Transferee Company 3 so decides, the parties, upon the Scheme becoming effective, shall execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company 3 in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Scheme.

- 24.4 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date 1, it is expressly provided that in respect of such of the assets of the Part IV Transferor Companies that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Part IV Transferor Companies and shall become the property of the Transferee Company 3 in pursuance of the provisions of sections 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 24.5 Upon the Scheme becoming effective, in respect of movables other than those dealt with in Clause 24.4 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date 1, stand transferred to and vested in the Transferee Company 3 without any notice or other intimation to the debtors (although the Transferee Company 3 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company 3).
- 24.6 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all lease and licence agreements, if any, entered into by the Part IV Transferor Companies, with landlords, owners and lessors in connection with the use of the assets of the business of the respective Undertakings, together with security deposit, shall stand automatically transferred in favour of the Transferee Company 3 on the

same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company 3 shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions, and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Part IV Transferor Companies.

- 24.7 Upon the Scheme becoming effective, and with effect from the Appointed Date 1 all liabilities relating to and comprised in the business of the respective Undertakings of the Part IV Transferor Companies, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Part IV Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 3 under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 24.8 Where any of the liabilities and obligations of the Part IV Transferor Companies as on the Appointed Date 1 deemed to be transferred to the Transferee Company 3 have been discharged by the Part IV Transferor Companies, after the Appointed Date 1 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company 3, and all loans raised and used and all liabilities and obligations incurred by the Part IV Transferor Companies after the Appointed Date 1 and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 3 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 3 and shall become the liabilities and obligations of the Transferee Company 3 which shall meet, discharge and satisfy the same.
- 24.9 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all staff, workmen and employees in relation to the Part IV Transferor Companies shall become the staff, workmen and employees of the Transferee Company 3, without any further act or deed to be done by the Part IV Transferor Companies or the Transferee Company 3.

- 24.10 Upon the Scheme becoming effective, the Transferee Company 3 shall, if so, required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Part IV Transferor Companies are a party in order to give formal effect to the above provisions. The Transferee Company 3 shall be deemed to be authorized to execute any such writings on behalf of the Part IV Transferor Companies, to carry out or perform all such formalities or compliances referred to above on part of the Part IV Transferor Companies.
- 24.11 All taxes, duties, cess payable by the Part IV Transferor Companies, including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date 1 shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company 3.
- 24.12 Upon the Scheme becoming effective, all the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Part IV Transferor Companies and all rights and benefits that have accrued or which may accrue to the Part IV Transferor Companies, whether before or after the Appointed Date 1, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company 3 so as to become as and from the Appointed Date 1, licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company 3 and shall remain valid, effective and enforceable on the same terms and conditions.
- 24.13 Upon the Scheme becoming effective, all the brands and trademarks (including logo and right to use the trademarks) of the Part IV Transferor Companies, including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company 3. The Transferee Company 3 shall take such actions as may be necessary and permissible

to get the same transferred and/or registered in the name of the Transferee Company 3.

- 24.14 Upon the Scheme becoming effective, all the insurance policies registered in the name of the Part IV Transferor Companies which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company 3 and accordingly, the insurance companies shall record the name of the Transferee Company 3 in all the insurance policies registered in the name of the Part IV Transferor Companies so as to ensure that all the rights and privileges under all such policies available to the Part IV Transferor Companies and / or to any other person/director/employee of such Part IV Transferor Companies, whether in the capacity of the policy holder or owner or insured or the beneficiary, as the case may be, be available to the benefit of the Transferee Company 3 and / or to any other person/director/employee of Transferee Company 3, as the case may be, on the same terms and conditions as they were applicable to the Part IV Transferor Companies concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company 3 as if instead of the Part IV Transferor Companies, the Transferee Company 3 had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company 3 may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Part IV Transferor Companies shall be borne by the Transferee Company 3 and the Part IV Transferor Companies shall have no further obligations in this regard.
- 24.15 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax credit under section 115JAA of the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, Goods and Services Tax including the Integrated Goods and Services Tax input tax credit, Central Goods and Services Tax input tax credit and State Goods and

Services Tax input tax credit for the registrations of the Part IV Transferor Companies, in all the states, to which the Part IV Transferor Companies are entitled to shall be available to and vest in the Transferee Company 3.

- 24.16 The Transferee Company 3 shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions, and other authorizations of the Part IV Transferor Companies.

## 25. **ENCUMBRANCES**

- 25.1 The transfer and vesting of the assets comprised in the business of the respective Undertakings of Part IV Transferor Companies, to and in the Transferee Company 3 under Clause 24 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 25.2 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date 1 and created by the Part IV Transferor Companies after the Appointed Date 1, over the assets comprised in the business of the respective Undertakings of the Part IV Transferor Companies, or any part thereof transferred to the Transferee Company 3 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Part IV Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company 3, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company 3.
- 25.3 The existing Encumbrances over the assets and properties of the Transferee Company 3 or any part thereof which relate to the liabilities and obligations of the Transferee Company 3 prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the business of the respective Undertakings of the Part IV Transferor Companies, transferred to and vested in the Transferee Company 3 by virtue of this Scheme.
- 25.4 It is expressly provided that, no other term or condition of the liabilities transferred to the Transferee Company 3 is modified by virtue of this Scheme except to the extent

that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.

- 25.5 The provisions of this Clause 25 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

**26. LEGAL PROCEEDINGS**

- 26.1 All suits, actions and legal proceedings, if any, instituted and / or pending and / or arising by or against any of the Part IV Transferor Companies shall be continued and / or enforced until the Effective Date as directed by the Transferee Company 3 and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company 3 as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company 3.

- 26.2 On and from the Effective Date, the Transferee Company 3 may, if required initiate any legal proceedings in relation to the present and past business of the respective undertakings of the Part IV Transferor Companies in respect of third parties.

**27. CONTRACTS, DEEDS, ETC.**

- 27.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Part IV Transferor Companies, to which the Part IV Transferor Companies are a party or to the benefit of which the Part IV Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company 3 and may be enforced as fully and effectually as if, instead of the Part IV Transferor Companies, the Transferee Company 3 had been a party or beneficiary or obligee thereto.

- 27.2 The Transferee Company 3 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Part IV Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 27.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company 3 without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.

## 28. **EMPLOYEES**

- 28.1 On the coming into effect of this Scheme, all employees, if any, of the Part IV Transferor Companies who are in employment of the Part IV Transferor Companies, as on the Effective Date, shall become the employees of the Transferee Company 3 with effect from the Effective Date without any break or interruption in service and on terms and conditions no less favourable than those on which they were engaged by the Part IV Transferor Companies, immediately preceding the Effective Date. The Transferee Company 3 undertakes to continue to abide by any agreement / settlement, if any, entered into by any of the Part IV Transferor Companies, with any union / employee.
- 28.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the employees of the Part IV Transferor Companies, shall become funds / trusts of the Transferee Company 3 for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Part IV Transferor Companies, in relation to such funds / trusts shall become those of the Transferee Company 3. It is clarified that the services of the employees of the Part IV Transferor Companies will be treated as having been continuous for the purpose of

the said funds / trusts and for computing any other employee benefits.

## 29. CONSIDERATION

- 29.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of business of the respective Undertakings of Part IV Transferor Companies in the Transferee Company 3, pursuant to Part IV of this Scheme and subject to the provisions of this Scheme, the Transferee Company 3 shall, without any further application, act, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Part IV Transferor Companies, whose name is recorded in the register of members as member of the Part IV Transferor Companies, as on the Record Date 3, as follows:

### ***For the shareholders of Transferor Company 3***

*“1 (One) fully paid up Optionally Convertible Redeemable Preference Shares of Transferee Company 3 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid up preference shares to the equity shareholders of Transferor Company 3, for every 100 (One Hundred) fully paid up equity shares of INR 10 (Rupees Ten only) each of the Transferor Company 3 held by such shareholders, and such shares of the Transferee Company 3 as are held by the Transferor Company 3, shall stand cancelled pursuant to Part IV of this scheme;*

### ***For the shareholders of Transferor Company 4***

*Pursuant to Part IV of the Scheme coming into effect, Transferor Company 4 shall be the wholly owned subsidiary of Transferee Company 3 and thus no shares of the Transferee Company 3 shall be allotted in lieu of amalgamation of Transferor Company 4 into Transferee Company 3.*

- 29.2 The shares of Transferee Company 3 to be issued and allotted pursuant to amalgamation of the Part IV Transferor Companies with the Transferee Company 3 under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company 3 and shall rank pari passu in all respects with any existing preference shares of the Transferee Company

- 3, if any, after the Effective Date including corporate benefits attached to the shares of the Transferee Company 3.
- 29.3 The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company 3 or the Part IV Transferor Companies or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company 3 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company 3.
- 29.4 Subject to Applicable Laws, the shares that are to be issued in terms of this Scheme shall be issued in physical form. The register of preference shareholders maintained by the Transferee Company 3 and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company 3, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company 3) be updated to reflect the issue of the preference shares in terms of this Scheme.
- 29.5 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Part IV Transferor Companies, is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company 3, the Transferee Company 3 shall not issue fractional shares to such shareholder and shall instead round off such fractions to the nearest whole number.
- 29.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Part IV Transferor Companies, the Board of the Transferee Company 3 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 3, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 3, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Part IV Transferor Companies, after the effectiveness of this Scheme.
- 29.7 The shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Part IV Transferor Companies which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 29.8 In the event, any or all of the Parties restructure their share capital by way of share

split / consolidation / issue of bonus shares (including stock options) during the pendency of the Scheme, the share exchange ratio stated in Clause 29.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.

- 29.9 If necessary, the Transferee Company 3 shall before allotment of the redeemable preference shares of Transferee Company 3, in terms of the Scheme, increase, reclassify and/or restructure its authorised share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the rules issued thereunder.

### **30. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY 3**

Upon the Scheme becoming effective and with effect from the Appointed Date 1, the amalgamation of the Part IV Transferor Companies, with the Transferee Company 3 shall be accounted for in accordance with Appendix C (i.e. Business Combinations under Common Control) of the Indian Accounting Standard (Ind AS) 103 "Business Combinations" notified under Section 133 of the Act read with the applicable rules issued thereunder and as amended from time to time such that:

- 30.1 The Transferee Company 3 shall record the assets and liabilities, if any, of the Part IV Transferor Companies vested in it pursuant to this Scheme, at the respective book values as appearing in the books of the Part IV Transferor Companies.
- 30.2 The identity of the reserves of the Part IV Transferor Companies shall be preserved and shall appear in the financial statements of the Transferee Company 3 in the same form and at the same values as they appear in the financial statements of the Part IV Transferor Companies.
- 30.3 Pursuant to the amalgamation of the Part IV Transferor Companies with the Transferee Company 3, the inter-company balances between the Transferee Company 3 and Part IV Transferor Companies, if any and inter-company balance amongst Part IV Transferor Companies appearing in the books of the Transferee Company 3 and Part IV Transferor Companies respectively shall stand cancelled.
- 30.4 The nominal value of Optionally Convertible Redeemable Preference Shares issued by the Transferee Company 3 to the shareholders of Part IV Transferor Companies pursuant to Clause 29.1 of the Scheme shall be credited to the Preference Share

Capital Account of the Transferee Company 3.

- 30.5 The surplus/deficit, if any arising after taking the effect of clause 30.1, 30.2 and 30.4 after giving the effect of the adjustments referred to in clause 30.3, shall be transferred to capital reserve in the financial statements of the Transferee Company 3 with disclosure of its nature and purpose in the notes.
- 30.6 Shares held by the Part IV Transferor Companies in the Transferee Company 3 shall stand cancelled. The surplus/deficit, if any, shall be recognised directly to capital reserve.
- 30.7 In case of any difference in accounting policy between the Part IV Transferor Companies and the Transferee Company 3, the accounting policies followed by the Transferee Company 3 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

### **31. REDUCTION OF SHARE CAPITAL OF TRANSFEREE COMPANY 3**

- 31.1 Upon the Scheme becoming effective and with effect from the Appointed Date 1, the shares of the Transferee Company 3 held by the Transferor Company 3 shall, without any further application, act, instrument, or deed, be automatically cancelled and be of no effect on and from the Appointed Date 1.
- 31.2 The cancellation of share capital of the Transferee Company 3 held by the Transferor Company 3, shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the capital reduction and no separate sanction under Section 66 of the Act will be necessary. Further, the consent / approval of the shareholders of the Transferee Company 3 to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of section 66 of the Act and no further compliance would be separately required. Notwithstanding the reduction of capital of the Transferee Company 3, the Transferee Company 3 shall not be required to add "and reduced" as suffix to its name.

### **32. INTER-SE TRANSACTIONS**

- 32.1 With effect from the Appointed Date 1, all inter-party transactions between the Part IV Transferor Companies and Transferee Company 3 shall be considered as intra-party

transactions for all purposes from the Appointed Date 1 and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument, or deed.

- 32.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company 3, as the case maybe, and on its own account and therefore, the Transferee Company 3, as the case maybe, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

**Part V - AMALGAMATION (MERGER BY ABSORPTION) OF PART V TRANSFEROR  
COMPANIES WITH TRANSFEREE COMPANY 3**

**33. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF PART V  
TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY 3**

- 33.1 Subject to and immediately upon Part IV of the Scheme becoming effective and with effect from the Appointed Date 2, the whole of the business of the respective Undertakings of Part V Transferor Companies shall, pursuant to the sanction of this Scheme and pursuant to the applicable provisions of the Act and also in accordance with Section 2(1B) of the IT Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 3, each as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, on and from the Appointed Date 2, the business of the Undertaking of the Transferee Company 3 by virtue of and in the manner provided in this Scheme.
- 33.2 Upon Scheme becoming effective and with effect from the Appointed Date 2, all immovable property (including land, buildings and any other immovable property of Part V Transferor Companies, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements) in relation thereto, shall stand vested in the Transferee Company 3, without any act or deed done by the Transferee Company 3, and without any approval or acknowledgement

of any third party. With effect from the Appointed Date 2, the Transferee Company 3 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company 3 by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Part V Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company 3.

- 33.3 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Part V Transferor Companies situated within different states, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Transferee Company 3, if the Transferee Company 3 so decides, the parties, upon the Scheme becoming effective, may execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company 3 in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Scheme.
- 33.4 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date 2, it is expressly provided that in respect of such of the assets of the Part V Transferor Companies that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Part V Transferor Companies and shall become the property of the Transferee Company 3 in pursuance of the provisions of sections 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 33.5 Upon the Scheme becoming effective, in respect of movables other than those dealt with in Clause 33.4 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any government, quasi government, local or other authority or body

or with any company or other person, the same shall on and from the Appointed Date 2 stand transferred to and vested in the Transferee Company 3 without any notice or other intimation to the debtors (although the Transferee Company 3 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company 3).

- 33.6 Upon the Scheme becoming effective and with effect from the Appointed Date 2, all lease and licence agreements, if any, entered into by the Part V Transferor Companies, with landlords, owners and lessors in connection with the use of the assets of the respective Undertakings, together with security deposit, shall stand automatically transferred in favour of the Transferee Company 3 on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company 3 shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions, and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Part V Transferor Companies.
- 33.7 Upon the Scheme becoming effective, and with effect from the Appointed Date 2, all liabilities relating to and comprised in the business of the respective Undertakings of the Part V Transferor Companies, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Part V Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 3 under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 33.8 Where any of the liabilities and obligations of the Part V Transferor Companies as on the Appointed Date 2 deemed to be transferred to the Transferee Company 3 have been discharged by the Part V Transferor Companies, after the Appointed Date 2, such discharge shall be deemed to have been for and on account of the Transferee Company 3, and all loans raised and used and all liabilities and obligations incurred

by the Part V Transferor Companies after the Appointed Date 2 shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 3 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 3 and shall become the liabilities and obligations of the Transferee Company 3 which shall meet, discharge and satisfy the same.

- 33.9 Upon the Scheme becoming effective and with effect from the Appointed Date 2, all staff, workmen and employees in relation to the Part V Transferor Companies shall become the staff, workmen and employees of the Transferee Company 3, without any further act or deed to be done by the Part V Transferor Companies or the Transferee Company 3.
- 33.10 Upon the Scheme becoming effective, the Transferee Company 3 shall, if so, required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Part V Transferor Companies are a party in order to give formal effect to the above provisions. The Transferee Company 3 shall be deemed to be authorised to execute any such writings on behalf of the Part V Transferor Companies, to carry out or perform all such formalities or compliances referred to above on part of the Part V Transferor Companies.
- 33.11 All taxes, duties, cess payable by the Part V Transferor Companies, including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date 2 shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company 3.
- 33.12 Upon the Scheme becoming effective, all the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Part V Transferor Companies and all rights and benefits that have accrued or which may accrue to the Part V Transferor Companies, whether before or after the Appointed Date 2, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company 3 so as to become as and from the Appointed Date 2, licenses, permits,

quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company 3 and shall remain valid, effective and enforceable on the same terms and conditions.

- 33.13 Upon the Scheme becoming effective, all the brands and trademarks (including logo and right to use the trademarks) of the Part V Transferor Companies, including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company 3. The Transferee Company 3 shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company 3.
- 33.14 Upon the Scheme becoming effective, all the insurance policies registered in the name of the Part V Transferor Companies which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company 3 and accordingly, the insurance companies shall record the name of the Transferee Company 3 in all the insurance policies registered in the name of the Part V Transferor Companies, so as to ensure that all the rights and privileges under all such policies available to the Part V Transferor Companies and / or to any other person/director/employee of such Part V Transferor Companies, whether in the capacity of the policy holder or owner or insured or the beneficiary, as the case may be, be available to the benefit of the Transferee Company 3 and / or to any other person/director/employee of Transferee Company 3, as the case may be, on the same terms and conditions as they were applicable to the Part V Transferor Companies concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company 3 as if instead of the Part V Transferor Companies, the Transferee Company 3 had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company 3 may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be

prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Part V Transferor Companies shall be borne by the Transferee Company 3 and the Part V Transferor Companies shall have no further obligations in this regard.

- 33.15 Upon the Scheme becoming effective and with effect from the Appointed Date 2, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax credit under section 115JAA of the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, Goods and Services Tax including the Integrated Goods and Services Tax input tax credit, Central Goods and Services Tax input tax credit and State Goods and Services Tax input tax credit for the registrations of the Part V Transferor Companies, in all the states, to which the Part V Transferor Companies are entitled to shall be available to and vest in the Transferee Company 3.
- 33.16 The Transferee Company 3 shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions, and other authorizations of the Part V Transferor Companies.

#### 34. **ENCUMBRANCES**

- 34.1 The transfer and vesting of the assets comprised in the business of the respective Undertakings of the Part V Transferor Companies, to and in the Transferee Company 3 under Clause 33 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 34.2 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date 2 and created by the Part V Transferor Companies after the Appointed Date 2, over the assets comprised in the business of the respective Undertakings of the Part V Transferor Companies, or any part thereof transferred to the Transferee Company 3 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Part V Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and

as are transferred to the Transferee Company 3, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company 3.

- 34.3 The existing Encumbrances over the assets and properties of the Transferee Company 3 or any part thereof which relate to the liabilities and obligations of the Transferee Company 3 prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the respective Undertakings of the Part V Transferor Companies, transferred to and vested in the Transferee Company 3 by virtue of this Scheme.
- 34.4 It is expressly provided that, no other term or condition of the liabilities transferred to the Transferee Company 3 is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.
- 34.5 The provisions of this Clause 34 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

## 35. **LEGAL PROCEEDINGS**

- 35.1 All suits, actions and legal proceedings, if any, instituted and / or pending and / or arising by or against any of the Part V Transferor Companies shall be continued and / or enforced until the Effective Date as directed by the Transferee Company 3 and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company 3 as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company 3.
- 35.2 On and from the Effective Date, the Transferee Company 3 may, if required initiate any legal proceedings in relation to the present and past business of the respective Undertakings of the Part V Transferor Companies in respect of third parties.

## 36. **CONTRACTS, DEEDS, ETC.**

- 36.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme,

all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Part V Transferor Companies, to which the Part V Transferor Companies are a party or to the benefit of which the Part V Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company 3 and may be enforced as fully and effectually as if, instead of the Part V Transferor Companies, the Transferee Company 3 had been a party or beneficiary or obligee thereto.

- 36.2 The Transferee Company 3 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Part V Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 36.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company 3 without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.

## 37. **EMPLOYEES**

- 37.1 On the coming into effect of this Scheme, all employees, if any, of the Part V Transferor Companies who are in employment of the Part V Transferor Companies, as on the Effective Date, shall become the employees of the Transferee Company 3 with effect from the Effective Date without any break or interruption in service and on terms and conditions no less favourable than those on which they were engaged by the Part V Transferor Companies, immediately preceding the Effective Date. The Transferee Company 3 undertakes to continue to abide by any agreement / settlement, if any, entered into by any of the Part V Transferor Companies with any union / employee.
- 37.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund,

Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the employees of the Part V Transferor Companies shall become funds / trusts of the Transferee Company 3 for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Part V Transferor Companies, in relation to such funds / trusts shall become those of the Transferee Company 3. It is clarified that the services of the employees of the Part V Transferor Companies will be treated as having been continuous for the purpose of the said funds / trusts and for computing any other employee benefits.

### 38. **CONSIDERATION**

- 38.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of Part V Transferor Companies in the Transferee Company 3 pursuant to Part V of this Scheme and subject to the provisions of this Scheme, the Transferee Company 3 shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Part V Transferor Companies, whose name is recorded in the register of members as member of the Part V Transferor Companies, as on the Record Date 4, as follows:

***For the shareholders of Transferor Company 5***

*Pursuant to Part IV of the Scheme coming into effect, Transferor Company 5 shall be the wholly owned subsidiary of Transferee Company 3 and thus no shares of the Transferee Company 3 shall be allotted in lieu of amalgamation of Transferor Company 5 into Transferee Company 3;*

***For the shareholders of Transferor Company 6***

*1(One) fully paid up Redeemable Preference Shares of Transferee Company 3 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid up preference shares to the equity shareholders of Transferor Company 6, for every 100 (One Hundred) fully paid up equity shares of INR 10 (Rupees Ten only) each of the Transferor*

*Company 6 held by such shareholders, and such equity shares of the Transferor Company 6 as are held by the Transferee Company 3, shall stand cancelled pursuant to amalgamation of Transferor Company 6 with Transferee Company 3;*

***For the shareholders of Transferor Company 7***

*Pursuant to Part IV of the Scheme coming into effect, Transferor Company 7 shall be the wholly owned subsidiary of Transferee Company 3 and thus no shares of the Transferee Company 3 shall be allotted in lieu of amalgamation of Transferor Company 7 into Transferee Company 3;*

***For the shareholders of Transferor Company 8***

*Pursuant to Part IV of the Scheme coming into effect, Transferor Company 8 shall be the wholly owned subsidiary of Transferee Company 3 and thus no shares of the Transferee Company 3 shall be allotted in lieu of amalgamation of Transferor Company 8 into Transferee Company 3;*

***For the shareholders of Transferor Company 9***

*1(One) fully paid up Redeemable Preference Shares of Transferee Company 3 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid up preference shares to the equity shareholders of Transferor Company 9, for every 100 (One Hundred) fully paid up equity shares of INR 1000 (Rupees One Thousand only) each of the Transferor Company 9 held by such shareholders, and Equity and Preference shares of the Transferor Company 9 as are held by the Transferee Company 3, shall stand cancelled pursuant to amalgamation of Transferor Company 9 with Transferee Company 3;*

***For the shareholders of Transferor Company 10***

*“1(One) fully paid up Redeemable Preference Shares of Transferee Company 3 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid up preference shares to the equity shareholders of Transferor Company 10, for every 100 (One Hundred) fully paid up equity shares of INR 100 (Rupees Hundred only) each of the*

*Transferor Company 10 held by such shareholders, and such equity shares of the Transferor Company 10 as are held by the Transferee Company 3, shall stand cancelled pursuant to amalgamation of Transferor Company 10 with Transferee Company 3”*

***For the shareholders of Transferor Company 11***

*“1(One) fully paid up Redeemable Preference Shares of Transferee Company 3 of the face value of INR 10 (Rupees Ten Only) each, shall be issued and allotted as fully paid up preference shares to the equity shareholders of Transferor Company 11, for every 100 (One Hundred) fully paid up equity shares of INR 10 (Rupees Ten only) each of the Transferor Company 11 held by such shareholders, and such equity shares of the Transferor Company 11 as are held by the Transferee Company 3, shall stand cancelled pursuant to amalgamation of Transferor Company 11 with Transferee Company 3”*

- 38.2 The Redeemable Preference Shares of Transferee Company 3 to be issued and allotted pursuant to amalgamation of the Part V Transferor Companies with the Transferee Company 3 under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company 3 and shall rank pari passu in all respects with any existing preference shares of the Transferee Company 3, if any, after the Effective Date including corporate benefits attached to the shares of the Transferee Company 3.
- 38.3 The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company 3 or the Part V Transferor Companies or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company 3 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company 3.
- 38.4 Subject to Applicable Laws, the Redeemable Preference Shares that are to be issued in terms of this Scheme shall be issued in physical form. The register of preference shareholders maintained by the Transferee Company 3 and/ or, other relevant

records, whether in physical or electronic form, maintained by the Transferee Company 3, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company 3) be updated to reflect the issue of the preference shares in terms of this Scheme.

- 38.5 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Part V Transferor Companies, is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company 3, the Transferee Company 3 shall not issue fractional shares to such shareholder and shall instead round off such fractions to the nearest whole number.
- 38.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Part V Transferor Companies, the Board of the Transferee Company 3 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 4, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 4, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Part V Transferor Companies, after the effectiveness of this Scheme.
- 38.7 The shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Part V Transferor Companies which are held in abeyance under the provisions of Section 126 of the Act or otherwise, shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 38.8 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 38.1 above shall be adjusted (including stock options) accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 38.9 If necessary, the Transferee Company 3 shall before allotment of the Redeemable Preference Shares of Transferee Company 3, in term of the Scheme, increase, reclassify and/or restructure its authorised share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the rules issued thereunder.

## **39. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY 3**

Upon the Scheme becoming effective and with effect from the Appointed Date 2, the amalgamation of the Part V Transferor Companies, with the Transferee Company 3 shall be accounted for in accordance with Appendix C (i.e., Business Combinations under Common Control) of the Indian Accounting Standard (Ind AS) 103 "Business Combinations" notified under Section 133 of the Act read with the applicable rules issued thereunder and as amended from time to time such that:

- 39.1 The Transferee Company 3 shall record the assets and liabilities, if any, of the Part V Transferor Companies vested in it pursuant to this Scheme, at the respective book values as appearing in the books of the Part V Transferor Companies.
- 39.2 The identity of the reserves of the Part V Transferor Companies shall be preserved and shall appear in the financial statements of the Transferee Company 3 in the same form and at the same values as they appear in the financial statements of the Part V Transferor Companies.
- 39.3 Pursuant to the amalgamation of the Part V Transferor Companies with the Transferee Company 3, the inter-company balances between the Transferee Company 3 and the Part V Transferor Companies, if any, and inter-company balance amongst Part V Transferor Companies, if any, appearing in the books of the Transferee Company 3 and respective Part V Transferor Companies, shall stand cancelled.
- 39.4 The nominal value of Redeemable Preference shares issued by the Transferee Company 3 to the shareholders of the Part V Transferor Companies pursuant to Clause 38.1 of the Scheme shall be credited to the Preference Share Capital Account of the Transferee Company 3.
- 39.5 The surplus/deficit, if any arising after taking the effect of clause 39.1, 39.2 and 39.4 after giving the effect of the adjustments referred to in clause 39.3, shall be transferred to capital reserve in the financial statements of the Transferee Company 3 with disclosure of its nature and purpose in the notes.
- 39.6 In case of any difference in accounting policy between the Part V Transferor Companies and the Transferee Company 3, the accounting policies followed by the Transferee Company 3 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

#### 40. **INTER-SE TRANSACTIONS**

- 40.1 With effect from the Appointed Date 2, all inter-party transactions between the Part V Transferor Companies and Transferee Company 3 shall be considered as intra-party transactions for all purposes from the Appointed Date 2 and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument, or deed.
- 40.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company 3, as the case maybe, and on its own account and therefore, the Transferee Company 3, as the case maybe, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

## **PART VI - GENERAL TERMS AND CONDITIONS**

### **41. COMPLIANCE WITH TAX LAWS**

- 41.1 The Scheme has been drawn up in compliance with the conditions relating to 'Amalgamation' as specified under Section 2(1B) and 'Demerger' as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme is / are found or interpreted to be inconsistent with the provisions of Section 2(1B) and/or Section 2(19AA) 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) and/or Section 2(19AA) of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) and/or Section 2(19AA) of the IT Act. Such modifications will however not affect the other parts of the Scheme.
- 41.2 On or after the Effective Date, the Transferee Companies are expressly permitted to revise, their financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to

claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.

- 41.3 All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Transferor Companies, pending and / or arising at the respective Appointed Dates and relating to the Transferor Companies, shall be continued and / or enforced until the Effective Date as desired by the Transferee Companies. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Companies, as the case may be, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Companies.
- 41.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of anything contained in the Scheme.
- 41.5 Any tax liabilities including but not limited to liabilities under the IT Act, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the business of the respective Undertakings of the Transferor Companies, to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the respective Appointed Dates shall be transferred to the Transferee Companies, as the case maybe.
- 41.6 Any refund including but not limited to refund under the IT Act, Foreign Tax laws, Customs Act 1962, Service Tax laws, Value Added Tax laws, Goods and Service Tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the business of the respective Undertakings of the Transferor Companies consequent to the assessment made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the respective Appointed Dates shall also belong to and be received by the Transferee Companies, as the case maybe.
- 41.7 All taxes, including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc., paid or payable by the Transferor Companies, in respect of their operations and / or the profits of the business of the respective Undertakings before the respective Appointed Dates, shall be on account

of the Transferor Companies, and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies, in respect of their profits or activities or operation of the respective Undertakings, after the respective Appointed Dates, the same shall be deemed to be the corresponding item paid by the Transferee Companies, and shall, in all proceedings, be dealt with accordingly.

- 41.8 Further, any tax deducted at source by the Transferor Companies on payables to the Transferor Companies or vice versa on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the respective Transferee Companies and shall, in all proceedings, be dealt with accordingly.
- 41.9 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies, including but not limited to obligation under the IT Act, Service Tax laws, Customs law, Goods and Service tax law or other Applicable Laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Companies.
- 41.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Transferor Companies are entitled, shall be available to and vest in the Transferee Companies, if eligible as per the provisions of the IT Act on and after the respective Appointed Dates, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Companies, will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the respective Appointed Dates in respect of all duties / taxes where the documents are in the name of the Transferor Companies. Further, licenses issued to the Transferor Companies, by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Companies, as the case maybe, upon the Scheme becoming effective.

## 42. **CONDUCT OF BUSINESS UNTIL AND AFTER THE EFFECTIVE DATE**

- 42.1 With effect from the respective Appointed Dates, and upto and including the Effective

Date, the Transferor Companies shall carry on and be deemed to have carried on their business and activities relating to the respective Undertakings/ Demerged Undertaking, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business relating to the respective Undertakings/ Demerged Undertaking, for and on account of and in trust for the Transferee Companies:

- 42.1.1 Carry on the business of the respective Undertakings/ Demerged Undertaking, as the case may be, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;
- 42.1.2 All the profits or income accruing or arising to the Transferor Companies or expenditure, or losses incurred by the Transferor Companies relating to the respective Undertakings/ Demerged Undertaking, as the case may be, shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Companies; and
- 42.1.3 The Transferor Companies shall carry on their business and activities relating to the respective Undertakings/ Demerged Undertaking, as the case may be, with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof relating to the respective Undertakings/ Demerged Undertaking, as the case may be, except in the ordinary course of business without the prior consent of the Transferee Companies.
- 42.1.4 All taxes (including income tax, MAT, GST, Customs duty, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and / or the profits of the business relating to the respective Undertakings/ Demerged Undertaking, as the case may be, before the respective Appointed Dates, as the case may be, shall be on account of the Transferor Companies, and, insofar as it relates to the tax payment (Including, without limitation, income tax, MAT, GST, Customs duty, service tax, VAT, etc.) whether by way of deduction at source, advance tax or otherwise however, by the Transferor Companies, in respect of the profits or activities or operations of its business relating to the respective Undertakings/ Demerged Undertaking, as the case may be, after the respective Appointed Dates, the same shall be deemed to be the corresponding item paid by the Transferee Companies and shall, in all proceedings, be dealt with accordingly.

- 42.1.5 Any of the rights, powers, authorities, or privileges attached, related, or forming part of the respective Undertakings/ Demerged Undertaking, as the case may be, exercised by Transferor Companies shall be deemed to have been exercised by Transferor Companies for and on behalf of, and in trust for and as an agent of Transferee Companies. Similarly, any of the obligations, duties and commitments attached, related, or pertaining to the respective Undertakings/ Demerged Undertaking, as the case may be, that have been undertaken or discharged by Transferor Companies, shall be deemed to have been undertaken/ discharged for and on behalf of Transferee Companies.
- 42.2 The Transferee Companies shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals, and sanctions which the Transferor Companies may require to carry on the business relating to the respective Undertakings/ Demerged Undertaking, as the case may be.
- 42.3 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:
- 42.3.1 With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies (relating to the respective Undertakings/ Demerged Undertaking, as the case may be) has been replaced with that of the Transferee Companies, the Transferee Companies shall be entitled to operate the bank accounts of the Transferor Companies (relating to the respective Undertakings/ Demerged Undertaking, as the case may be) in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies (relating to the respective Undertakings/ Demerged Undertaking, as the case may be) after the Effective Date shall be accepted by the bankers of the Transferee Companies and credited to the account of the Transferee Companies, if presented by the Transferee Companies. Similarly, till the time any regulatory registrations of the Transferor Companies (relating to the respective Undertakings/ Demerged Undertaking, as the case may be) are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Companies shall be entitled to do so to comply with the relevant regulations.
- 42.3.2 With effect from the Effective Date, the Transferee Companies shall be entitled to use

all packed/ labelled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Companies (relating to the respective Undertakings/ Demerged Undertaking, as the case may be) or its vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Companies are entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.

42.3.3 With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorisations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Companies (relating to the respective Undertakings/ Demerged Undertaking, as the case may be), are transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Transferee Companies, the Transferee Companies shall carry on and be deemed to have been carrying on all the business and activities of the respective Undertakings/ Demerged Undertaking, as the case may be, in the name and style of the respective Undertakings/ Demerged Undertaking, as the case may be, as carried on by the Transferor Companies and under the relevant licenses, product registrations, marketing authorisations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Companies. Further, during such period, Transferee Companies can procure or use or manufacture, all material and product including packed/ labelled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Transferor Companies.

#### 43. **VALIDITY OF RESOLUTIONS**

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Companies, as are considered necessary by the Board of Directors of the Transferee Companies, and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Companies, and if any such resolutions have

monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Companies, shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Companies, and shall constitute the aggregate of the said limits in the Transferee Companies, as the case maybe.

**44. COMBINATION/TRANSFER AND RECLASSIFICATION OF AUTHORISED SHARE CAPITAL**

Combination and Reclassification of Authorized Share Capital of Part II Transferor Companies with Transferee Company 1

- 44.1 Upon the Scheme becoming effective the authorised share capital of the Part II Transferor Companies shall stand transferred, re-organised, reclassified, credited and merged with that of the Transferee Company 1 and the authorised share capital of the Transferee Company 1 will be increased to that effect by filing requisite forms and payment of any additional fees and stamp duty, if any and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company 1 shall without any further act, instrument or deed be and stand altered, modified, and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.
- 44.2 Accordingly, the words and figures in Clause V of the Memorandum of Association of the Transferee Company 1 shall stand modified and be substituted to read as follows:  
*“The Authorized Share Capital of the Company is INR 52,25,00,000 /- (Rupees Fifty Two Crores and Twenty Five Lakhs Only) divided into 2,71,50,000 (Two Crores Seventy One Lakhs and Fifty Thousands) equity shares of INR 10 /- (Rupees Ten only) each, 25,00,000 (Twenty Five Lakh) Cumulative Redeemable Preference Shares of INR 100 (Rupees Hundred Only) each and 1,00,000 (One Lakh) Cumulative Redeemable Preference Shares of INR 10 (Rupees Ten Only) each with all the rights, privileges and conditions attached thereto as provided by the Articles of Association of the Company with powers to increase, decrease or reduce and repay the capital or consolidate or sub divide the capital of the Company, to reclassify the existing classes of shares and to divide the shares in the Capital for the time being in*

*force into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights , privileges or conditions as may be determined in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or the statutory modifications thereof for the time being in force or provided by the Articles of Association of the Company for the time being.”*

- 44.3 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Transferee Company 1 to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Transferee Company 1 as may be required under the Act.

Combination and Reclassification of Authorized Share Capital of Part IV Transferor Companies and Part V Transferor Companies with Transferee Company 3

- 44.4 Upon the Scheme becoming effective, the authorized share capital of the Part IV Transferor Companies and Part V Transferor Companies shall stand transferred, re-organised, reclassified, credited and merged with that of the Transferee Company 3 and the authorised share capital of the Transferee Company 3 will be increased to that effect by filing requisite forms and payment of any additional fees and stamp duty, if any and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company 3 shall without any further act, instrument or deed be and stand altered, modified, and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.
- 44.5 Accordingly, the words and figures in Clause V of the Memorandum of Association of the Transferee Company 3 shall stand modified and be substituted to read as follows:  
*“The Authorized Share Capital of the Company is INR 81,35,00,000/- (Rupees Eighty One Crores and Thirty-Five Lakhs Only) divided into 8,11,50,000 (Eight Crores Eleven Lakhs and Fifty Thousand) equity shares of INR 10/- (Rupees Ten only) each, 1,00,000 (One Lakh) Cumulative Redeemable Preference Shares of INR 10/-*

*(Rupees Ten Only) each and 1,00,000 (One Lakh) Optionally Convertible Cumulative Redeemable Preference Shares of INR 10/- (Rupees Ten Only) each. With power to increase or reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto the respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined or in accordance with the Articles of Association of the Company and to vary, modify or appropriate any such right privileges or conditions in such manner as may be for the time being be provided by Article of Association of the Company.”*

- 44.6 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Transferee Company 3 to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Transferee Company 3 as may be required under the Act.

45. **DIVIDENDS**

- 45.1 Pending sanction of the Scheme, the Companies shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.
- 45.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Companies, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Companies, and subject to approval, if required, of the shareholders of the Companies.

46. **APPLICATION TO THE TRIBUNAL**

The Companies, with all reasonable dispatch, shall make necessary applications / petitions jointly and / or severally before the Tribunal for the sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act.

**47. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

The Companies, through their respective Board of Directors, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable, or appropriate by them or the Board, including the withdrawal of this Scheme or part thereof. The Board of Directors of the Companies shall take all such steps as may be necessary, desirable, or proper to resolve any doubts, difficulties, or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The power of the Boards of Directors to modify/amend the Scheme shall be subject to the approval of the Tribunal.

**48. WINDING-UP OF THE TRANSFEROR COMPANIES**

On the Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Companies, shall be struck off from the records of the concerned Registrar of Companies.

**49. SAVING OF CONCLUDED TRANSACTIONS**

Anything contained in the Scheme, shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Companies, on or after the respective Appointed Dates till the Effective Date, to the end and intent that the Transferee Companies, shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Companies, as acts, deeds and things made, done and executed by or on behalf of the Transferee Companies, as the case maybe.

**50. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS**

- 50.1 The Scheme is conditional upon and subject to:
- 50.1.1 the approval of the Scheme by the requisite majority of the respective members and creditors and such class of persons of the Companies, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect.
  - 50.1.2 the sanction of the Appropriate Authority, being obtained under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Act, if so, required on behalf of the Companies.
  - 50.1.3 Approvals, if any from the Reserve Bank of India for Demerger of Demerged Undertaking from Demerged Company to Resulting Company and subsequent amalgamation of Amalgamating Company 3 with Amalgamated Company 2.
  - 50.1.4 the certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies.
  - 50.1.5 approval of Appropriate Authorities where such approval or consent is necessary; and
  - 50.1.6 all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

## **51. EFFECT OF NON-RECEIPT OF APPROVALS**

- 51.1 In the event of any of the said sanctions and approvals referred to in Clause 50 above not being obtained (or to the extent permissible under Applicable Law, waived) and / or the Scheme not being sanctioned by the Tribunal or such other competent authority / Appropriate Authorities and/ or the sanction order(s) not being passed by the NCLT as aforesaid, any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and 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 as may otherwise arise in law.
- 51.2 The Board of Directors of the Companies shall be entitled to withdraw this Scheme prior to the Effective Date.
- 51.3 Upon the termination of this Scheme as set out in Clause 51.1 and 51.2 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their

shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

51.4 The Board of Directors of the Companies, shall be entitled to revoke, cancel, and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the respective Appointed Dates could have adverse implications on the combined entity post the amalgamation.

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

## 52. **COSTS**

All costs, charges, levies, and expenses of the Companies, in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Companies, unless otherwise determined by the Boards of Directors of the Companies. Provided however that all stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein shall be borne and paid by the Transferee Companies.

## 53. **PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the business of the respective Undertakings of the Transferor Companies, are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Companies, as the case maybe, such company is deemed to be authorised to enjoy the property, asset or the rights

and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Transferor Companies will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Companies.

**54. SEVERABILITY**

- 54.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferee Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- 54.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

**55. REMOVAL OF DIFFICULTIES**

The Companies, through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

**56. BINDING EFFECT**

Upon the Scheme becoming effective, the same shall be binding on all the Companies, Appropriate Authority and all concerned parties without any further act, deed, matter, or thing.