

SCHEME OF MERGER BY ABSORPTION

OF

NIRLEP APPLIANCES PRIVATE LIMITED
(TRANSFEROR COMPANY)

WITH

BAJAJ ELECTRICALS LIMITED
(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

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

Certified True Copy
For Bajaj Electricals Limited

Ajay Nagle
Company Secretary and Head of Department



PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- Part A** Deals with Preamble, Background of Companies, Rationale of the Scheme, Definitions, Date of taking effect and Share Capital;
- Part B** Deals with the Transfer and Vesting of Transferor Company into Transferee Company, Consideration, Accounting Treatment, Consolidation of Authorised Share Capital, Declaration of dividend, and Books and Records of Transferee Company and other related matters; and
- Part C** Deals with General Terms and Conditions of the Scheme.

PART A

1. PREAMBLE

This Scheme of Merger by Absorption (hereinafter referred to as the “**Scheme of Merger by Absorption**” or “**Scheme**” or “**the Scheme**” or “**this Scheme**”), is presented under Sections 230 to 232 and other applicable provisions of the Companies Act (*as defined hereinafter*) and Section 2(1B) and other applicable provisions of the Income Tax Act (*as defined hereinafter*), for merger of Nirlep Appliances Private Limited with Bajaj Electricals Limited and their respective shareholders.

The Scheme provides for:

- a. the merger by absorption of the Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*); and
- b. various other matters consequential or otherwise integrally connected therewith; each in the manner as more particularly described in this Scheme.

The Transferor Company is a wholly owned subsidiary of the Transferee Company.

2. BACKGROUND OF COMPANIES

- 2.1. **Nirlep Appliances Private Limited** (hereinafter referred to as “**NAPL**” or the “**Transferor Company**”) is a private limited company having corporate identity number U27200MH1979PTC021470, incorporated under the Companies Act, 1956 on 16th day of July, 1979 under the name and style of ‘Duraware Private Limited’, in the State of Maharashtra under the jurisdiction of Registrar of Companies, Maharashtra Mumbai. Subsequently name was changed from ‘Duraware Private Limited’ to ‘Nirlep Appliances Private Limited’ and a fresh Certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Maharashtra, Mumbai vide its certificate of change of name dated 22nd day of June 2005. Thereafter, name was changed from ‘Nirlep Appliances Private Limited’ to ‘Nirlep Appliances Limited’ and a fresh Certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Maharashtra, Mumbai vide its certificate of change of name dated 25th day of November 2005. ‘Nirlep Appliances Limited’ was converted from Public Limited Company to Private Limited Company under the provisions of the Companies Act, 2013 and a Fresh Certificate of Incorporation consequent upon Conversion from Public Company to Private Company was issued by the Registrar of Companies, Maharashtra, Mumbai dated 27th day of November 2014. The registered office of NAPL is situated at Gut No. 16, Naigavahan, Khandewadi, Taluk Paithan, Paithan Road, Naigavahan, Aurangabad – 431105, Maharashtra, India. NAPL is engaged in the business of manufacturing aluminum nonstick cookware, hard anodized cookware, pressure cookers in aluminum, hard anodized and SS, tri-ply cookware.



- 2.2. **Bajaj Electricals Limited** (hereinafter referred to as “**BEL**” or the “**Transferee Company**”) is a public limited company, having corporate identity number L31500MH1938PLC009887, incorporated under the Indian Companies Act, 1913 on 14th day of July 1938 under the name and style of ‘Radio Lamp Works Limited’, and deemed to exist within the purview of the Companies Act, 2013. The name of the Transferee Company was changed from ‘Radio Lamp Works Limited’ to ‘Bajaj Electricals Limited’ and consequent to such change, the fresh certificate of change of name was issued by the Registrar of Companies, Maharashtra on 9th day of October 1960. The registered office of the Transferee Company is situated at 45/47, Veer Nariman Road, Mumbai – 400001, Maharashtra. The Transferee Company is engaged in the business of diversified range of products and services including sales, distribution and marketing of electrical appliances, manufacture of fans and high masts, poles and towers and products relating to industrial, commercial, and domestic lighting, undertaking turnkey, commercial and rural lighting projects, design, manufacture, erection and commissioning of high masts, poles and towers. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 2.3. NAPL and BEL collectively referred to as the “**Companies**”.

3. **RATIONALE AND PURPOSE OF THE SCHEME**

The Transferor Company, is an unlisted company and the Transferee Company, listed on BSE Limited and National Stock Exchange of India Limited, both are a part of the same group. Further, the Transferor Company is a wholly owned subsidiary of the Transferee Company. The proposed Scheme would be in the best interest of the Transferor and Transferee Company and their respective shareholders, employees, creditors and other stakeholders which would help in achieving operational efficiency and streamlining the business operations. Further, this Scheme is expected, inter alia, to result in the following benefits:

- (a) The Transferor Company is engaged in the business of manufacturing aluminum nonstick cookware, hard anodized cookware, pressure cookers in aluminum, hard anodized and SS, tri-ply cookware and is having its factory situated in Paithan, Aurangabad in the State of Maharashtra. The location is very rich and has significant geographical presence in terms of availability of resources required for manufacturing and it is connected by all sources of modern transportation.
- (b) Transferee Company is part of the globally renowned Bajaj Group of Companies, one of the largest Indian conglomerates with business interests across several sectors. Transferee Company business is spread across – consumer products (appliances, fans, lighting etc.), and EPC (illumination, transmission towers and power distribution), in India and outside India. Transferee Company has a strong presence in premium home appliance and cookware segments. Transferee Company had added the cookware line business in its portfolio by directly acquiring Transferor Company’s 79.85% in August 2018 and balance 20.15% equity shares in financial year 2021-22.
- (c) Transferee Company has provided several long-term and short-term loans, as well as trade advances to Transferor Company over the years for meeting its working capital and CAPEX requirements. Transferor Company is primarily involved in the manufacturing of pressure cookers and nonstick cookware products, which are majorly sold to the Transferee Company. Thereafter, the Transferee Company sells these products in the open market under the brand name of Nirlep and Bajaj and pays royalty fees to the Transferor Company for using the brand name of Nirlep. The Merger will result in elimination of the vertical chain and the combined entity thereafter will reap



benefits in terms of elimination of inter-company balance and expenses and easier access of funds for the business of the Transferor Company.

- (d) Transferor Company has freehold land of ~4 acres which is situated at Aurangabad in the State of Maharashtra. Upon completion of merger, the land, machinery, infrastructure and all other resources available with Transferor Company can be utilized in cost effective and efficient manner to carry out Transferee Company's business expansion. This will maximize the production capacity, boost the capacity utilization, help Transferee Company in meeting increased demands and there will be significant growth in achieving the economies of scale.
- (e) Further, Transferor Company has good production line, which manufactures good quality of products and has a skilled, competent and experienced labour force which are required for manufacturing such products. Transferee Company will reap long-term benefits by absorbing such production line and skilled labour force including safeguarding the intellectual property and designs of certain products which are proposed to be launched in markets with its unique fit, finish and features, which can distinguish its products from competitors.
- (f) Consolidation of Transferor and Transferee Company will help in achieving a linear and simplified corporate organization structure, rationalize the number of entities and result in a single entity with combined businesses. It will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide increase in financial stability and an opportunity to fully leverage assets, capacities, experience and infrastructure of Transferor and Transferee Company.
- (g) The merger will result in quicker decision making by reduction in managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.
- (h) Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.
- (i) Upon completion of the Merger, Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, tax filings, company law compliances etc. and therefore reduction in administrative costs.

4. **DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 4.1. **"Accounting Standards"** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of



the Institute of Chartered Accountants of India and clarification issued by the Ind AS Transition Facilitation Group (ITFG).

- 4.2. **“Applicable Laws”** means any applicable approvals, bye laws, clearances, decrees, directives, guidelines, judgments, laws, notifications, circulars, orders, ordinances, regulations, requirements, rules, rules of laws, policies, statutes, or any similar form of determination by or decision of any Appropriate Authority, or any interpretation or adjudication having the force of law of any of the foregoing, that is binding on or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Boards of the Companies or at any time thereafter, including but not limited to any modification or re-enactment thereof for the time being in force, whether in or outside India.
- 4.3. **“Appointed Date”** means 1st day of April, 2022, i.e., from the start of the business hours of 1st day of April, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed to the NCLT in writing.
- 4.4. **“Appropriate Authority”** means any applicable Central, State or Local Government, Legislative Body, Regulatory, Administrative or Statutory Authority, Agency or Commission or Department or Public or Judicial Body or Authority, including, but not limited, to Regional Director, Registrar of Companies, Securities and Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and Hon’ble NCLT.
- 4.5. **“BEL” or “Transferee Company”** means Bajaj Electricals Limited, a company incorporated under the Indian Companies Act, 1913, having its corporate identity number: L31500MH1938PLC009887.
- 4.6. **“Board of Directors”** means and includes the respective Board of Directors of NAPL and BEL as the context may require and shall, unless it be repugnant to the context or otherwise, include a duly constituted committee of directors or any person(s) authorised by the Board of Directors or such committee of directors.
- 4.7. **“Companies”** shall have the meaning ascribed to the term in clause 2.3 of this Scheme.
- 4.8. **“Companies Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modifications, re-enactments and/or amendments thereof.
- 4.9. **“Effective Date”** means the date or last of the dates on which the certified/authenticated copy of the order of the Hon’ble NCLT sanctioning this Scheme is filed with the Registrar of Companies by the Transferor Company and the Transferee Company. Any reference in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “upon the Scheme coming into effect” or “Scheme becomes effective” or “the Merger has become effective” shall be construed accordingly.
- 4.10. **“Employees”** mean employees of the Transferor Company as may be identified by the Board of Directors of the Transferor Company, as on the Effective Date.
- 4.11. **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term **“Encumbered”** shall be construed accordingly.
- 4.12. **“ESOP”** shall mean Employees Stock Option Plan established or framed by BEL as per ESOP guidelines issued by SEBI.
- 4.13. **“Income Tax Act”** means the Indian Income Tax Act, 1961, as may be amended or supplemented from time to time (and any successor provisions or law), including any



statutory modifications or re-enactments thereof together with all applicable by-laws, rules, regulations, orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income Tax Act, 1961.

- 4.14. **“Input Tax Credit”** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and GST Input credit as defined in Central Goods & Service Tax Act, 2017, Integrated Goods & Service Tax Act, 2017 and respective State Goods & Service Tax laws and any other tax credits under any indirect tax law (including Goods & Services Tax Act and rules framed thereunder) for the time being in force.
- 4.15. **“INR” or “₹” or “Rs.”** means Indian Rupees, the sovereign currency of India.
- 4.16. **“Merger”** means the amalgamation of the Transferor Company into Transferee Company in accordance with Section 2(1B) of the Income Tax Act.
- 4.17. **“NAPL” or “Transferor Company”** means Nirlep Appliances Private Limited, a company incorporated under the Companies Act, 1956, having its corporate identity number: U27200MH1979PTC021470.
- 4.18. **“National Company Law Tribunal” or “NCLT” or “Hon’ble NCLT”** means the Mumbai Bench of Hon’ble National Company Law Tribunal which has jurisdiction over the Companies as constituted and authorized as per the provisions of the Companies Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Companies 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 Companies Act as may be applicable.
- 4.19. **“Registrar of Companies”** means the Registrar of Companies, Maharashtra, situated at Mumbai.
- 4.20. **“Scheme of Merger by Absorption” or “Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Merger by Absorption in its present form with any modification(s) made in accordance with the terms hereof.
- 4.21. **“SEBI” or “Securities and Exchange Board of India”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
- 4.22. **“Stock Exchanges”** means the stock exchanges where the equity shares of the Transferee Company are listed and admitted to trading viz. BSE Limited and National Stock Exchange of India Limited.
- 4.23. **“Undertaking”** shall mean all the undertakings and entire business of the Transferor Company as a going concern and shall include (without limitation) to the extent applicable:
- (a) All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (freehold or leasehold), all plant and machinery, fixed assets, work in progress, current assets, reserves, provisions, funds, leases, licenses, registrations, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions, remissions, remedies, subsidies, guarantees, bonds, rights and licenses, tenancy rights, premises, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service



connections, contracts and arrangements, memorandum of undertakings, technology/technical agreements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, non-compete fee, benefit and advantage, deposits including security deposits, preliminary expenses, advances, receivables, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives (including but not limited to package scheme of incentive and export subsidy benefits under exports promotion capital goods scheme), tax and other credits (including but not limited to credits in respect of income-tax, advance tax, self-assessment tax, foreign tax credits, any tax refunds, Equalization levy, minimum alternate tax i.e. tax on book profits, tax deducted at source, tax collected at source, value added tax, central sales tax, sales tax, CENVAT, excise duty, service tax, goods and service tax etc.), all losses (including but not limited to brought forward tax losses, tax unabsorbed depreciation, brought forward book losses, unabsorbed depreciation as per books etc.), tax benefits and other claims and powers, all books of account, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favor of or enjoyed by the Transferor Company, as on the Appointed Date;

- (b) All intellectual property rights including patents, designs, copyrights, trademarks, brands (whether registered or otherwise), domains, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company's business activities and operations;
- (c) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the central or any state governments, and in respect of set-off, carry forward of unabsorbed losses and/or unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income Tax Act, or taxation laws of other countries, or any other or like benefits under the said statute(s) or under and in accordance with any law or statute, whether in India or anywhere outside India;
- (d) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company, export obligations and all other obligations of whatsoever kind, nature and description. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of each of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the Merger and Transferee Company shall not be obliged to create any further or additional security thereof after the Merger has become effective;
- (e) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their Employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment;



(f) All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company; and

(g) All Employees (including the Transferor Company's contribution to Employee Benefits such as, for instance, provident fund, gratuity, superannuation, retiral funds etc. in relation to such Employees), as on the Effective Date, engaged by the Transferor Company at various locations.

Without limitation to the foregoing, it is intended that the definition of Undertaking under this clause will enable the transfer of all property, assets, rights, duties, obligations, entitlements, intellectual property rights, benefits, incentives, Employees and liabilities of the Transferor Company into the Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Companies Act, the Income Tax Act, Depositories Act, 1996 and Securities and Exchange Board of India Act, 1992 or any other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

5. **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 Hon'ble NCLT, or made as per Clause 23 of this Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all tax and other regulatory purposes, the Merger would have been deemed to be effective from the Appointed Date of this Scheme.

6. **SHARE CAPITAL**

6.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31st March, 2022 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
8,50,000 equity shares of ₹ 100 each	8,50,00,000
TOTAL	8,50,00,000
Issued, Subscribed and Paid-up Share Capital	
7,43,555 equity shares of ₹ 100 each	7,43,55,500
TOTAL	7,43,55,500

Subsequent to 31st March, 2022 and up to the date of approval of this Scheme by the Board of Directors of the Transferor Company, there has been no change in the issued, subscribed and paid-up share capital of the Transferor Company. Accordingly, the authorized, issued, subscribed and paid-up share capital of the Transferor Company, as on the date of approval of this Scheme by the Board of Directors of the Transferee Company, is same as above.

6.2. The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31st March, 2022 is as under:



Particulars	Amount (in ₹)
Authorised Share Capital	
20,00,00,000 Equity shares of ₹ 2 each	40,00,00,000
TOTAL	40,00,00,000
Issued, Subscribed and Paid-up Share Capital	
11,48,74,114 Equity shares of ₹ 2 each	22,97,48,228
TOTAL	22,97,48,228

Subsequent to 31st March, 2022 and up to the date of approval of this Scheme by the Board of Directors of the Transferee Company, there has been change in the issued, subscribed and paid-up share capital of the Transferee Company which has been presented in the below table:

Particulars	Amount (in ₹)
Authorised Share Capital	
20,00,00,000 Equity shares of ₹ 2 each	40,00,00,000
TOTAL	40,00,00,000
Issued, Subscribed and Paid-up Share Capital	
11,49,89,514 Equity shares of ₹ 2 each	22,99,79,028
TOTAL	22,99,79,028

PART B

MERGER BY ABSORPTION OF NAPL WITH BEL

7. AMALGAMATION

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with and into the Transferee Company, and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act and in accordance with Section 2(1B) of the Income Tax Act, be and stand amalgamated with and be transferred to and vested in or deemed to have been vested in the Transferee Company, as a going concern, without any further act, instrument, deed, matter or thing so as to become as and from the Appointed Date, the Undertaking of the Transferee Company, by virtue of and in the manner provided in this Scheme.

8. TRANSFER AND VESTING OF UNDERTAKING

Without prejudice to the generality of Clause 7 above, subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- 8.1. All assets and liabilities of the Undertaking of whatsoever nature and wheresoever situated, shall, pursuant to the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing (save as provided in sub-clauses 8.2 to 8.16 below), be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date,



the assets and liabilities of the Undertaking of the Transferee Company and to vest in the Transferee Company, all the rights, title, interest or obligations therein.

Provided that for the purpose of giving effect to the vesting order passed by the Hon'ble NCLT under Section 232 of the Companies Act in respect of this Scheme, the Transferee Company shall be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building whether freehold or leasehold) in accordance with the provisions of the Companies Act, at the office of the respective Registrar of Assurances or any other Appropriate Authority including stamp authorities, in the jurisdiction where any such property is situated. The Transferee Company shall be entitled to engage in such correspondence, execute such documents and agreements and make such representations as may be necessary to effect the mutation, if required. However, such correspondence, document, and agreements entered into by the Transferee Company in furtherance of this Scheme for ease of completion of mutation shall be deemed to be an integral part of this Scheme and the order sanctioning the same and such correspondence, documents and agreements, shall not constitute a separate instrument.

- 8.2. All immovable properties of the Transferor Company, including land(s) and/or together with buildings and structures standing thereon, estates and rights and interests in all immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements, including pending mutation(s) in relation thereto, shall stand vested in and/or deemed to have been vested in the Transferee Company, as successor in interest and/or title to the Transferor Company, by operation of law pursuant to the order(s) of the Hon'ble NCLT sanctioning this Scheme. Such assets shall stand vested in the Transferee Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. The Transferee Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The mutation of the ownership or title, or interest in the immovable properties, if any, in favour of the Transferee Company shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme post the Effective Date in accordance with the terms thereof. The Transferee Company shall, pursuant to the order(s) of the Hon'ble NCLT, be entitled to the delivery and possession of all documents of title to such immovable property. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall, pursuant to Section 232(4) of the Companies Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or deemed to have been vested in the Transferee Company.
- 8.3. All the movable assets including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, to the end and intent that the ownership and property therein stands transferred to the Transferee Company on such handing over in pursuance of the provisions of Section 232 and other applicable provisions of the Companies Act (as an integral part of the Undertaking). The plant and machinery (if any), which are fastened to land and/or buildings continue to remain movable properties *inter alia* because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.
- 8.4. In respect of all movables, other than those specified in sub-clause 8.3 above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed



to be transferred to and stand vested in the Transferee Company under the provisions of the Companies Act, upon the Scheme becoming effective.

- 8.5. In relation to the assets, properties and rights including tenancy rights, rights arising from contracts, deeds, instruments and agreements, if any, which require, under any law or otherwise, separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement.
- 8.6. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities including but not limited to all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations forming part of the Undertaking of the Transferor Company or otherwise, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in any of the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, Encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same in accordance with the terms thereof. Where any of the liabilities of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Transferee Company. Further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- 8.7. With effect from the Appointed Date, all debts, liabilities (including deferred tax liability), duties, guarantees, indemnities and obligations of every kind, nature, description, whether or not provided for in the books of account of the Transferor Company, under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, without any further act, instrument, deed, matter or thing, be transferred to or be deemed to be transferred to the Transferee Company on the same terms and conditions, as applicable, so as to become as on and from the Appointed Date, the debts, liabilities, duties, guarantees, indemnities and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the creditors, or lenders, as the case may be, or in favor of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.



- 8.8. The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided, however, that any reference in any security documents or arrangements (to which Transferor Company is a party) pertaining to the assets of Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.

- 8.9. With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies, applications, registrations and licenses relating to brands, trademarks, patents, copyrights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- 8.10. With effect from the Appointed Date, any statutory licenses, permissions, clearances, approvals and/or consents held by the Transferor Company and any application made thereof, shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, clearances, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company upon the Scheme becoming effective.
- 8.11. All registrations, benefits, incentives, entitlements, exemptions, subsidies (including but not limited to package scheme of incentive and export subsidy benefits under exports promotion capital goods scheme), special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), granted by any government(s) or by any other person and availed of by the Transferor Company (collectively, the "Benefits") will be transferred to the Transferee Company, on the same terms and conditions as presently available to the Transferor Company, upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and/or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into an agreement with the concerned authority and/or undertake such other activity as is necessary for being eligible for the Benefits availed by the Transferor Company.
- 8.12. Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right to carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to direct/ indirect taxes (as applicable) of the



Transferee Company.

- 8.13. From the Effective Date and till such time that the names of the bank accounts of the Transferor Company including but not limited to balances with scheduled banks in current accounts and in deposit accounts are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.
- 8.14. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any legal proceeding, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- (a) Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger or anything contained in the Scheme.
- (b) On and from the Effective Date, the Transferee Company may initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company. On or after the Appointed Date, if any proceedings are taken against the Transferor Company, the same shall be defended by and at the cost of the Transferee Company.
- 8.15. Without prejudice to the above provisions, with effect on and from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company per se shall be considered as intra-party transactions of the Transferee Company for all purposes on and from the Appointed Date.
- 8.16. The Transferee Company, under the provisions of this Scheme, is hereby authorized or be deemed to be authorized to execute all and any writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances in relation to the above-mentioned Clause(s), if required.

9. **CONTRACTS, DEEDS, CONSENTS AND OTHER INSTRUMENTS**

- 9.1. Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which is 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 Transferee Company and shall be binding on and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereof.
- 9.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, if so required under any law or otherwise, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation's, to which the Transferor Company shall, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the



provisions of this Scheme.

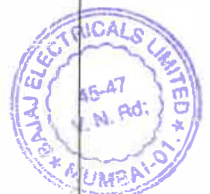
- 9.3. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise under the Companies Act read with the rules and regulations made thereunder, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.
- 9.4. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.

10. **LEGAL PROCEEDINGS**

- 10.1. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising on or after the Appointed Date and relating to the Transferor Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company if this Scheme had not been made.
- 10.2. The Transferee Company undertakes to make relevant applications to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 10.1 above transferred in its name respectively, as soon as is reasonably possible after the Effective Date. The Transferee Company shall have the same continued, prosecuted and enforced by or against the Transferee Company, as the successor of the Transferor Company, to the same extent as would or might have been continued and enforced by or against the Transferor Company.

11. **STAFF & EMPLOYEES**

- 11.1. Upon the Scheme becoming effective, all Employees of the Transferor Company shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date, without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such Employees of the Transferor Company with the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company. Upon Scheme becoming effective, the Board of Directors, nomination, remuneration and compensation committee of the Transferee Company shall have sole discretionary powers to recommend and grant ESOP to the eligible Employees of the Transferor Company, after such Employees becomes employees of the Transferee Company pursuant to this Scheme.
- 11.2. It is expressly provided that, on the Effective Date, the provident fund, gratuity or leave balances or any other special fund or trusts created or existing for the benefit of the Employees of the Transferor Company shall be transferred to and shall get consolidated with the corresponding funds of the Transferee Company subject to complying with all regulatory/legal requirements/approvals under the applicable law. The Transferee Company shall have the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that the services of the Employees will be treated as



having been continuous for the purpose of the said funds. From the date of acceptance of the Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company, the Transferor Company shall not vary the terms and conditions of employment of its Employees except in the ordinary course of business. Notwithstanding the above, the Board of Directors of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to retain separate trusts within the Transferee Company for the erstwhile fund(s) of the Transferor Company.

12. **CONSIDERATION**

Since the Transferor Company is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the Merger of the Transferor Company with the Transferee Company and therefore no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with the nominee shareholders), and the shares held by the Transferee Company in the Transferor Company shall stand cancelled on the Effective Date without any further act, application or deed.

13. **COMBINATION OF AUTHORIZED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION**

13.1. Upon this Scheme becoming effective, and as an integral part of the Scheme, pursuant to Section 61 and other Applicable sections of the Companies Act 2013, the authorized Equity share capital of the Transferor Company of Rs. 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs only) comprising of 8,50,000 (Eight Lakhs Fifty Thousand only) Equity Shares of Rs 100/- each (Rupees Hundred only) shall be sub-divided into 4,25,00,000 (Four Crores Twenty-Five Lakhs only) Equity shares of Rs. 2 each (Rupees Two only) amounting to Rs. 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs only) and the consent of the shareholders of the Transferor and Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61 of the Companies Act 2013 and section 232 of the Companies Act 2013 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose.

13.2. Upon the Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased and modified, without any further act, instrument or deed on the part of the Transferee Company, if any, including without payment of Stamp Duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company as appearing as on the date of certified or authenticated copies of the orders of the Hon'ble NCLT sanctioning this Scheme being filed with the appropriate/jurisdictional Registrar of Companies. The Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme, if required, whether at a meeting or otherwise, or in case of exemption(s) from convening the meeting of the shareholders for approval of the Scheme, sanctions and orders under the provisions of Section 230 read with Section 232 of the Companies Act obtained by the Transferor Company and the Transferee Company from the Hon'ble NCLT shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, and other applicable provisions, if any, of the Companies Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and Transferee Company may be allowed in respect of fees payable by Transferee Company on its authorised share capital subsequent to the Merger for setting-off of fees paid by the Transferor Company on its authorised share capital in accordance with the provisions of Section 232(3)(i) of the Companies Act.



- 13.3. It is clarified that the approval of the members of the Transferee Company to the Scheme, if required, whether at a meeting or otherwise, or in case of exemption(s) from convening the meeting of the shareholders for approval of the Scheme, sanctions and orders under the provisions of Section 230 read with Section 232 of the Companies Act obtained by the Transferor Company and the Transferee Company from the Hon'ble NCLT shall be deemed to be the consent / approval for the amendment of the Memorandum of Association of the Transferee Company as may be required under the Companies Act and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted accordingly by the virtue of the approval of this Scheme.
- 13.4. For the avoidance of doubt, it is clarified that, in case, the authorized share capital of the Transferee Company and, or, the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then this Clause 13 of this Scheme shall automatically stand modified / adjusted accordingly to take into account the effect of such change.
- 13.5. It is hereby clarified that the combination of the authorized share capital shall be the integral part of the Scheme and Transferee Company through its Board of Directors, if required, would be entitled to make appropriate reclassification / combination of its authorized share capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the authorized share capital of the Transferor Company with the Transferee Company.

14. **ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY**

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- 14.1. The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company.
- 14.2. The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of Transferee Company.
- 14.3. Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- 14.4. The value of investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation.
- 14.5. The surplus/deficit, if any arising after taking the effect of clause 14.1, clause 14.2 and clause 14.4, after adjustment of clause 14.3 shall be transferred to Capital Reserve / Amalgamation Adjustment Reserve in the financial statements of the Transferee Company and should be presented separately from other Capital Reserves / Amalgamation Adjustment Reserves with disclosure of its nature and purpose in the notes.



- 14.6. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 14.7. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- 14.8. For accounting purposes, the Scheme will be given effect when all substantial conditions for the transfer of the Transferor Company are completed.
- 14.9. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

15. **CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE**

- 15.1. With effect from the Appointed Date and upto and including the Effective Date, Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for Transferee Company. Further, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising to or incurred by Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of Transferee Company, as the case may be.
- 15.2. With effect from the date of approval of this Scheme by the Board of Directors of Transferee Company upto and including the Effective Date:
- (a) The Transferor Company shall (i) carry on and be deemed to have carried on its businesses and activities; and (ii) be deemed to have held and stood possessed of and shall hold and stand possessed of its entire businesses and Undertaking(s), including its assets for and on account of and in trust for the Transferee Company.
- (b) The Transferor Company shall carry on its businesses and activities in the ordinary course of business with reasonable diligence and business prudence and shall not make borrowings or undertake financial commitments either for itself or on behalf of group companies or any third party or sell, transfer, alienate, mortgage, charge, or encumber or otherwise deal with or dispose of its assets, business or Undertaking or any part thereof, save and except in the ordinary course of business or with the prior written consent of the Transferee Company.
- (c) The Transferee Company shall be entitled to apply to the Central Government and any other government or statutory authorities/ agencies/body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- (d) Any income, profits or other funds of the Transferor Company will first be utilized to meet any current or expected liabilities of the Transferor Company, including any tax liabilities or costs in relation to the amalgamation of the Transferor Company with the Transferee Company, before they are utilized for other purposes.
- (e) During the pendency of this Scheme, in the event the Transferor Company distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to



its shareholders, the Transferee Company shall be entitled to receive such dividend and bonus shares, and subscribe and/or renounce to such rights shares offered by the Transferor Company, to the extent of the shareholding of the Transferee Company in the Transferor Company.

16. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets, properties and liabilities under this Scheme shall not affect any transaction or proceedings concluded by the Transferor Company on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

17. **DISSOLUTION OF THE TRANSFEROR COMPANY**

Upon filing of the certified copies of order of the Hon'ble NCLT sanctioning the Scheme by the Transferor Company and the Transferee Company with the jurisdictional Registrar of the Companies, the Transferor Company shall stand dissolved without being wound-up.

18. **DIVIDENDS**

18.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting periods up to the Effective Date as approved by their respective Board of Directors.

18.2. The members of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

18.3. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its members as on the "record date for the purpose of dividend" and those who are members only of the Transferor Company shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective Date.

18.4. It is clarified that the aforesaid provisions in or with respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and/or the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Company and/or the Transferee Company respectively.

19. **BOOKS AND RECORDS OF THE TRANSFEROR COMPANY**

All books, records, files, papers, databases, catalogues, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under Applicable Laws, be handed over by the Transferor Company to the Transferee Company.



PART C

GENERAL TERMS AND CONDITIONS

20. COMPLIANCE WITH LAW

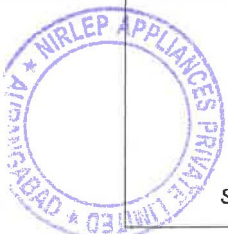
- 20.1. This Scheme is in compliance with the provisions/requirements of Sections 230 to 232 of the Companies Act, for the purpose of Merger of the Transferor Company into the Transferee Company and other related arrangements and compromise, including reorganization of shareholding, etc., amongst the Transferor Company, the Transferee Company and/or their respective shareholders and creditors.
- 20.2. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including but not limited to, for the purpose of re-computing tax on book profits, and claiming other tax benefits), Wealth-tax Act, 1957, goods & services tax laws, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, custom duty laws (including but not limited to Package Scheme of Incentive and export subsidy benefits under exports promotion capital goods scheme), VAT law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax, tax deducted at source, etc.), and to claim tax benefits (including but not limited to accumulated tax losses, unabsorbed depreciation etc.) etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date, notwithstanding that the period for filing/revising such returns and claiming refunds/credits may have lapsed without incurring any liability on account of interest, penalty or any other sum.

21. CONSEQUENTIAL MATTERS RELATING TO TAX

- 21.1. This Scheme is in compliance with the conditions relating to 'amalgamation' as specified under Section 2(1B), Section 72A and other relevant sections of the Income Tax Act and accordingly regarded as tax neutral. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any retrospective amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with Section 2(1B), Section 72A and other relevant sections of the Income Tax Act.
- 21.2. The Transferee Company shall be entitled to claim deduction with respect to items such as provisions, expenses, etc (including but not limited to Section 40, 40A, 43B etc of Income Tax Act) disallowed in earlier years in the hands of the Transferor Company, which may be allowable to Transferor Company in accordance with the provisions of the Income Tax Act on or after the Appointed Date, and exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Appointed Date.
- 21.3. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 21.4. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger of the Transferor Company into the Transferee Company or anything contained in the Scheme.



- 21.5. Any tax liabilities under the Income Tax Act, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, custom duty laws, goods & services tax, or other Applicable Laws/regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation/duties/levies account including advance tax, self-assessment tax, foreign-tax credit and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 21.6. Any refund under the Income Tax Act, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, custom duty laws, goods & services tax, or other Applicable Laws/regulations dealing with taxes/duties/levies allocable or related to the business and available on various electronic forms (including Form 26AS)/registration of the Transferor Company due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received (on various electronic forms (including Form 26AS)/registration) by the Transferee Company.
- 21.7. All taxes/credits including income-tax, tax on book profits, credit on Minimum Alternate Tax under Section 115JAA of the Income Tax Act, sales tax, excise duty, custom duty, service tax, value added tax, goods & services tax etc. paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods & services tax etc.) whether by way of deduction at source, advance tax, self-assessment tax, foreign-tax credit, MAT credit or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company/Transferee Company on payables to the Transferee Company/Transferor Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly. Further, for the avoidance of doubt, Input Tax Credits already availed of or utilised by the Amalgamated Company and the Amalgamating Company in respect of transactions between Amalgamated Company and Amalgamating Company shall not be adversely impacted by the cancellation of such transactions pursuant to this Scheme.
- 21.8. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income Tax Act, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, custom duty laws, goods & services tax or other Applicable Laws/regulations dealing with taxes/duties/levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 21.9. Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under Applicable Laws, including income tax, sales tax, custom duty laws, value added tax, service tax, goods & service tax (including SGST, CGST and IGST credits), CENVAT, Equalization levy or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by the Transferor Company and the Transferee Company in respect of inter se



transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

- 21.10. All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been complied by the Transferee Company. Without prejudice to the above, upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise or modify or make adjustments as permitted in the respective tax legislations, its income-tax returns, TDS returns, sales tax returns, excise & CENVAT returns, service tax returns, Goods and Service tax returns, other tax returns, notwithstanding that the period for filing / revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Transferor Company and the Transferee Company, and to claim refunds, advance tax, Minimum Alternate Tax credits and withholding tax credits, benefits of carry forward of accumulated losses and unabsorbed depreciation, etc., pursuant to the provisions of this Scheme.
- 21.11. In accordance with the goods and service tax laws and rules framed thereunder as are prevalent on the Effective Date, the unutilized credits relating to goods & services tax on inputs / capital goods / input services lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, (including in electronic form / registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the goods & services tax payable by it.
- 21.12. Without prejudice to the generality of the above, all benefits, refunds, incentives, losses, credits (including, but without limitation to income tax, tax on book profits, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, goods & services tax etc.) to which the Transferor Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, (including in electronic form / registration), upon this Scheme coming into effect from Appointed Date.
- 21.13. Option of Transferor Company to exercise the beneficial tax provisions as envisaged of section 115BAA of Income Tax Act (whether or not opted) shall not be made applicable to or vested upon the Transferee Company post the Appointed Date.

22. **APPLICATION**

The Transferor Company and the Transferee Company shall make necessary applications before the Hon'ble NCLT for the sanction of this Scheme under Sections 230 to 232 of the Companies Act and other applicable provisions of the Companies Act, and for seeking orders for dispensing with or convening, holding and/or conducting of the meetings of respective shareholders and creditors and for sanctioning of this Scheme.

23. **MODIFICATIONS, AMENDMENTS TO OR WITHDRAWAL OF THE SCHEME**

- 23.1. The Transferor Company and the Transferee Company, through approval by their Board of Directors may consent on behalf of all persons concerned, to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in carrying out this Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect, including but not limited to withdrawal of the Scheme before the Scheme is approved by the NCLT.



23.2. The term “any other authority” referred, shall specifically include the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other government authority.

23.3. The Transferor Company and the Transferee Company (by their respective Board of Directors or committee(s) formed by Board of Directors or by any persons/key managerial personnel authorised by the Board of Directors) in their full and absolute discretion may withdraw this Scheme prior to the Scheme becoming effective at any time.

24. **RATIFICATION OR VALIDITY OF EXISTING RESOLUTIONS**

Upon the coming into effect of this Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors/Audit Committee of the Transferee Company, which are valid and subsisting, be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors /Audit Committee of the Transferee Company, shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall be constitute the aggregate of the said limits in the Transferee Company.

25. **CONDITIONALITY OF THE SCHEME**

This Scheme is conditional upon and subject to the following:

25.1. Since this Scheme is between the holding Company and its wholly-owned subsidiary, the requirement of obtaining observation/no-objection letters, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21 and Master circular dated November 23, 2021, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI (“SEBI Scheme Circular”) is not applicable.

25.2. The Scheme being approved by the respective requisite majorities in number and value of such classes of persons including the respective member and/or creditors, if required, of the Transferor Company and the Transferee Company, as required under the Companies Act or as may be directed by the Hon’ble NCLT or any other Appropriate Authority, as may be applicable.

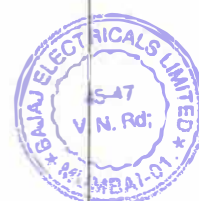
25.3. The requisite sanctions and approvals of Appropriate Authority, as may be required by law, in respect of the Scheme being obtained.

25.4. Sanctions and orders under the provisions of Section 230 read with Section 232 of the Companies Act being obtained by the Transferor Company and the Transferee Company from the Hon’ble NCLT.

25.5. Requisite form along with certified or authenticated copy of the order of the Hon’ble NCLT sanctioning this Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.

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

26.1. In the event of necessary sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon’ble NCLT



and/or order or orders not being passed by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.

- 26.2. In the event of revocation under Clause 26.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed.
- 26.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme any time prior to the Effective Date.
- 26.4. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors of the Transferor Company and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have an adverse implication(s) on the Transferor Company or the Transferee Company.
- 26.5. If any part of this Scheme hereof is invalid, ruled illegal by any Hon'ble NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and/or the Transferee Company, then in such case the Transferor Company and/or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

27. **SEQUENCING OF EVENTS**

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

- (a) Amalgamation of Transferor Company into and with Transferee Company in accordance with Part A and Part B of the Scheme.
- (b) Transfer of the authorized share capital of the Transferor Company to the Transferee Company in accordance with Clause 13 of the Part B of this Scheme, and consequential increase in the authorized share capital of the Transferee Company.
- (c) Dissolution of Transferor Company without winding up in accordance with Clause 17 of this Scheme.

28. **REMOVAL OF DIFFICULTIES**

The Transferor Company and the Transferee Company may, through mutual consent and acting through the respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Hon'ble NCLT or any directives or orders of any governmental authorities or otherwise rising out of, under or by the virtue of this Scheme in relation to



the arrangement contemplated in this Scheme and/or matters concerning or connected therewith.

29. **COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

ELLATCH C
PRASAD

Digitally signed by
ELLATCH C PRASAD
Date: 2022.09.29
15:30:20 +05'30'

SANJAY
MURARKA

Digitally signed by
SANJAY MURARKA
Date: 2022.09.29
15:57:44 +05'30'

