

**COMPOSITE SCHEME OF AMALGAMATION  
AMONGST**

**SEQUENT SCIENTIFIC LIMITED  
(AMALGAMATED COMPANY)**

**AND**

**SYMED LABS LIMITED  
(TRANSFEROR COMPANY 1)**

**AND**

**VANDANA LIFE SCIENCES PRIVATE LIMITED  
(TRANSFEROR COMPANY 2)**

**AND**

**APPCURE LABS PRIVATE LIMITED  
(TRANSFEROR COMPANY 3)**

**AND**

**VINDHYA PHARMA (INDIA) PRIVATE LIMITED  
(TRANSFEROR COMPANY 4)**

**AND**

**S.V. LABS PRIVATE LIMITED  
(TRANSFEROR COMPANY 5)**

**AND**

**VINDHYA ORGANICS PRIVATE LIMITED  
(TRANSFEROR COMPANY 6)**

**AND**

**VIYASH LIFE SCIENCES PRIVATE LIMITED  
(TRANSFEREE COMPANY 1 / AMALGAMATING COMPANY 1)**

**AND**

**GENINN LIFE SCIENCES PRIVATE LIMITED  
(TRANSFEREE COMPANY 2 / TRANSFEROR COMPANY 7)**

**AND**

**SEQUENT RESEARCH LIMITED  
(AMALGAMATING COMPANY 2)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES  
ACT, 2013**

(A) **DESCRIPTION OF COMPANIES**

1. **SEQUENT SCIENTIFIC LIMITED** is a public limited company incorporated under the laws of India bearing corporate identification number L99999MH1985PLC036685 and having its registered office at 301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No.22, Wagle Industrial Estate, Thane West, Maharashtra 400604, India (“**Sequent**” or “**Amalgamated Company**”). The shares of the Amalgamated Company are listed on NSE (*as defined below*) and BSE (*as defined below*).
2. **SYMED LABS LIMITED** is a public limited company incorporated under the laws of India bearing corporate identification number U24231TG1998PLC029961 and having its registered office at Plot No. 290, Srivallis Corporate, Road No. 6, Kakatiya Hills, Madhapur, Hyderabad, Telangana 500081, India (“**Transferor Company 1**”). The Transferor Company 1 is a wholly owned subsidiary of the Transferee Company 1.
3. **VANDANA LIFE SCIENCES PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24239TG2002PTC040132 and having its registered office at Plot No. 290, Srivalli’s Corporate, Road No. 6, Kakatiya Hills, Madhapur, Hyderabad, Telangana 500081, India (“**Transferor Company 2**”). The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company 1.
4. **APPCURE LABS PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24232TG2012PTC084625 and having its registered office at 89/A, Sy. 311/5 Phase – 1, Medchal, Malkajgiri, IDA Jeedimetla, Hyderabad, Telangana, 500055, India (“**Transferor Company 3**”). The Transferor Company 3 is a wholly owned subsidiary of the Transferee Company 1.
5. **VINDHYA PHARMA (INDIA) PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24296TG2006PTC050700 and having its registered office at Plot No. 290, Srivalli’s Corporate, Road No. 6, Kakatiya Hills, Madhapur, Hyderabad, Telangana 500081, India (“**Transferor Company 4**”). The Transferor Company 4 is a wholly owned subsidiary of the Transferee Company 1.
6. **S.V. LABS PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24239TG2003PTC041662 and having its registered office at Plot No. 290, Srivalli’s Corporate, Road No. 6, Kakatiya Hills, Madhapur, Hyderabad, Telangana 500081, India (“**Transferor Company 5**”). The Transferor Company 5 is a wholly owned subsidiary of the Transferor Company 4 and an indirect wholly owned subsidiary of the Transferee Company 1.
7. **VINDHYA ORGANICS PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24110TG1988PTC008252 and having its registered office at Plot No. 3, 4 & 5, Anrich Industrial Estate, Bollaram, Telangana 502325, India (“**Transferor Company 6**”). The Transferor Company 6 is a wholly owned subsidiary of the Transferee Company 2.
8. **VIYASH LIFE SCIENCES PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24239TG2019PTC130774 and having its registered office at Plot No. 290, Srivalli’s Corporate, Road No. 6, Kakatiya Hills, Madhapur, Hyderabad, Telangana 500081, India (“**Viyash**” or “**Transferee Company 1**” or “**Amalgamating Company 1**”).
9. **GENINN LIFE SCIENCES PRIVATE LIMITED** is a private limited company incorporated under the laws of India bearing corporate identification number U24299TG2019PTC136520 and having its registered office at Plot No. 3,4 & 5, Anrich Industrial Estate Bollaram, Medak, Hyderabad, Telangana – 502325 (“**Transferee Company 2**” or “**Transferor Company 7**”).

10. **SEQUENT RESEARCH LIMITED** is a public limited company incorporated under the laws of India bearing corporate identification number U24232KA2007PLC042483 and having its registered office at 120/A & B, Industrial Area Baikampady, Mangalore, Karnataka 575001, India (“**Amalgamating Company 2**”). The Amalgamating Company 2 is a wholly owned subsidiary of the Amalgamated Company.

The Amalgamated Company, Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5, Transferor Company 6, Amalgamating Company 1, Transferor Company 7, Amalgamating Company 2 are under the common control of CAP V Mauritius Limited through its subsidiaries / step down-subsiidiaries.

## **(B) OVERVIEW OF THE SCHEME**

This Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and provides *inter alia* for the following:

- (i) reduction of share capital of the Transferee Company 1 by cancelling the partly paid-up equity shares of the Transferee Company 1;
- (ii) amalgamation of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5 (collectively referred to hereinafter as “**Transferor Companies**”) with the Transferee Company 1 with effect from the Appointed Date, in accordance with the provisions of Section 2(1B) and other relevant provisions of the Income Tax Act and consequent dissolution of the Transferor Companies without being wound up;
- (iii) amalgamation of the Transferor Company 6 with the Transferee Company 2 with effect from the Appointed Date, in accordance with the provisions of Section 2(1B) and other relevant provisions of the Income Tax Act and consequent dissolution of the Transferor Company 6 without being wound up;
- (iv) amalgamation of the Transferor Company 7 with Transferee Company 1 with effect from the Appointed Date, in accordance with the provisions of Section 2(1B) and other relevant provisions of the Income Tax Act and consequent dissolution of Transferor Company 7 without being wound up, and the issuance of Merger Consideration Shares 1 (*as defined hereinafter*) to the equity shareholders of the Transferor Company 7 in accordance with Share Exchange Ratio 1 (*as defined hereinafter*);
- (v) amalgamation of the Amalgamating Company 1 and Amalgamating Company 2 (collectively referred to hereinafter as “**Amalgamating Companies**”) with the Amalgamated Company with effect from the Appointed Date, in accordance with the provisions of Section 2(1B) and other relevant provisions of the Income Tax Act and consequent dissolution of the Amalgamating Companies without being wound up, and the issuance of Merger Consideration Shares 2 (*as defined hereinafter*) to the equity shareholders of the Amalgamating Company 1 in accordance with Share Exchange Ratio 2, and the issuance of Amalgamated Company Warrants to the share warrant holders in Amalgamating Company 1 in accordance with Warrant Exchange Ratio (*as defined hereinafter*); and
- (vi) various other matters consequential or otherwise integrally connected therewith in the manner set out in this Scheme.

## **(C) RATIONALE OF THE SCHEME**

1. Sequent is a leading animal health pharmaceuticals company with a global footprint, presence in formulations and API segments across multiple markets and customers. Sequent has 7 (seven) state-of-

the-art manufacturing facilities globally, 5 (Five) Research and Development (R&D) centres and presence across over 100 (Hundred) markets.

2. Viyash Group Companies, together constitute an integrated, R&D & intellectual property driven global pharmaceuticals business with a strong customer base across over 150 (One Hundred Fifty) countries. Viyash has over 200 (Two Hundred) R&D scientists. Viyash has a strong focus on intellectual property with over 175 (One Hundred and Seventy Five) filed patents and over 30 (Thirty) granted patents. The Viyash Group Companies have 9 (Nine) plants (all approved by the United States Food and Drug Administration) with end-to-end manufacturing & development capabilities.
3. The amalgamation proposed under the Scheme would combine the inherent capabilities of Viyash and Sequent to create a platform with leadership in animal pharmaceuticals, end-to-end integrated capabilities across the larger global pharmaceuticals market with a strong operating and R&D backbone. The combined entity will leverage the individual businesses' strengths through the following ways:
  - (i) *Access to global innovator & big pharmaceuticals customers:* The combined entity can leverage each others' global marquee customer base with an opportunity to participate in the larger global pharmaceuticals market;
  - (ii) *Leverage technical skills:* The combined entity can leverage Viyash's strong product development, R&D, regulatory, and manufacturing capabilities to accelerate new product development and new product launches and take a wider basket of products and services to their customers.
4. The proposed Scheme would be in the best interests of the Parties and their respective shareholders, employees, creditors, and other stakeholders as the Scheme will yield advantages as set out inter alia below:
  - (i) *Expanded marketing presence across geographies:* The combined business will have access to a larger business development team with expertise in innovator pharmaceutical companies globally;
  - (ii) *Backward integration:* Viyash is backward integrated for multiple steps for most products and is already a qualified supplier for intermediates to SeQuent for one of the largest API that SeQuent manufactures for the US market;
  - (iii) *Procurement synergies:* Both companies have multiple common input materials (solvents, catalysts). Combined purchasing for these can reduce raw material costs & improve Gross Margins;
  - (iv) *Enhanced R&D and new product pipeline:* Viyash has over 200 (Two Hundred) R&D resources with well-equipped analytical labs. Viyash's infrastructure can deliver 15 (Fifteen) new products per year across intermediates, APIs and formulations. The combined entity will have the operating base and financial strength to accelerate investment in these areas;
  - (v) *Indirect Costs:* Multiple shared functions such as Supply Chain, Finance, HR, IT. Opportunity to improve profitability as business scales through operating leverage;
  - (vi) *Scale benefits:* Combined business to have 16 (Sixteen) manufacturing plants with 10 (Ten) US FDA approved plants and strong regulatory track record;
  - (vii) *Financial Strength:* Combined business will have a more efficient capital structure with high cash flow generation and ability to incur capex for growth.

## **(D) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and operative date;
2. **PART II** deals with the reduction of share capital of Transferee Company 1 by cancelling the partly paid-up equity shares of the Transferee Company 1;
3. **PART III** deals with the amalgamation of the Transferor Companies with Transferee Company 1; the consequent dissolution without being wound up of Transferor Companies and matters incidental thereto;
4. **PART IV** deals with the amalgamation of the Transferor Company 6 with Transferee Company 2; the consequent dissolution without being wound up of Transferor Company 6 and matters incidental thereto;
5. **Part V** deals with the amalgamation of the Transferor Company 7 with Transferee Company 1; the consequent dissolution without being wound up of Transferor Company 7, issue of Merger Consideration Shares 1 by Transferee Company 1 to the shareholders of Transferor Company 7, in consideration thereof and matters incidental thereto;
6. **PART VI** deals with the amalgamation of the Amalgamating Companies with the Amalgamated Company; the consequent dissolution without being wound up of the Amalgamating Companies, issue of Merger Consideration Shares 2 by the Amalgamated Company to the shareholders of Amalgamating Company 1 and issuance of Amalgamated Company Warrants by the Amalgamated Company to the Warrant Holders, in consideration thereof and matters incidental thereto; and
7. **PART VII** deals with the general terms and conditions applicable to this Scheme.

## **PART I**

### **DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF TAKING EFFECT AND OPERATIVE DATE**

#### **1. DEFINITIONS**

- 1.1 In this Scheme, unless the context of meaning otherwise requires: (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme; and (ii) the following words and expressions, wherever used (including in the recitals and introductory paragraphs above), shall have the meanings ascribed hereunder:
  - 1.1.1 “**Act**” means the Companies Act, 2013 and any rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;
  - 1.1.2 “**Amalgamated Company ESOP Plans**” means collectively, (i) SeQuent Scientific Employees Stock Option Plan 2020, and (ii) any other share-based stock option scheme that may be introduced by the Amalgamated Company prior to Effective Date 2;
  - 1.1.3 “**Amalgamated Company Stock Options**” means the employee stock options granted by the Amalgamated Company under the Amalgamated Company ESOP Plans;

- 1.1.4 “**Amalgamating Company 1 ESOP Plan**” means Viyash Employee Stock Option Plan 2022;
- 1.1.5 “**Amalgamating Company 1 Stock Options**” means the employee stock options granted by the Amalgamating Company 1 under the Amalgamating Company 1 ESOP Plan;
- 1.1.6 “**Applicable Law**” or “**Law**” means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a Person, as may be in force from time to time;
- 1.1.7 “**Appointed Date**” means April 1, 2025;
- 1.1.8 “**Appropriate Authority**” means: (i) the government of any jurisdiction (including any national, provincial, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, arbitrator, alternative dispute resolution body, Tribunal, central bank, commission or other authority thereof; (ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; (iii) governmental, administrative, quasi-governmental or private body or agency, whether in India or overseas, lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, Regional Director, Ministry of Corporate Affairs, Official Liquidator, Registrar of Companies, SEBI; and (iv) any stock exchange;
- 1.1.9 “**Board**” in relation to a Party means the board of directors of such Party, and shall include a committee (existing or to be constituted subsequently by the Board) or any other delegate(s) / officers authorised for the purposes of the matters relating to this Scheme and / or to take decisions prescribed under the Scheme and / or to decide or act on any other matter relating thereto;
- 1.1.10 “**BSE**” means BSE Limited;
- 1.1.11 “**Effective Date 1**” means the last of the dates on which following events shall have taken place: (i) approvals or events specified in Clauses 74.1.1 to 74.1.6 of the Scheme are satisfied or have occurred or obtained or the requirement of which have been waived (in writing) in accordance with this Scheme, and (ii) filing of certified copies of Sanction Order by relevant Parties for Part II to Part V of this Scheme; References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “upon effectiveness of Part II / Part III/ Part IV/ Part V of the Scheme” or “upon effectiveness of Part II / Part III/ Part IV/ Part V of this Scheme” or “upon Part II / Part III/ Part IV / Part V of this Scheme becoming effective” or “Part II / Part III/ Part IV / Part V of the Scheme coming into effect” shall mean the Effective Date 1;
- 1.1.12 “**Effective Date 2**” means the last of the dates on which the certified copies of Sanction Order are filed by the Amalgamating Companies and the Amalgamated Company with the RoC in respect of Part VI of this Scheme, which shall be a date after receipt by the Amalgamated Company of a list of shareholders of the Amalgamating Company 1 upon completion of allotment of Merger Consideration Shares 1; References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “upon effectiveness of Part VI of the Scheme” or “upon effectiveness of Part VI of this Scheme” or “upon Part VI of

this Scheme becoming effective” or “Part VI of the Scheme coming into effect” shall mean the Effective Date 2;

- 1.1.13 “**Eligible Employees**” means employees of the Amalgamating Company 1, who are entitled to the Amalgamating Company 1 ESOP Plan established by the Amalgamating Company 1, to whom, as on the Effective Date 2, options of the Amalgamating Company 1 have been granted, irrespective of whether the same are vested or not, and such other employees of Amalgamating Company 1 who are employed in the Amalgamated Company after Effective Date 2;
- 1.1.14 “**Eligible Shareholders**” means collectively, Eligible Shareholders 1 and Eligible Shareholders 2; and “**Eligible Shareholder**” means each of them, individually;
- 1.1.15 “**Eligible Shareholders 1**” means each Person whose name appears: (i) in the register of members as a member of the Transferor Company 7 and/or (ii) as the beneficial owner of the shares in the Transferor Company 7 in the record of the depositories, on the Record Date 1 (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of the Transferee Company 1);
- 1.1.16 “**Eligible Shareholders 2**” means each Person whose name appears: (i) in the register of members as a member of the Amalgamating Company 1 and/or (ii) as the beneficial owner of the shares in the Amalgamating Company 1 in the record of the depositories, on the Record Date 2 (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of the Amalgamated Company);
- 1.1.17 “**ESOP Trust**” means Viyash Employees Benefit Trust Limited which has been settled for the benefit of the employees as per the Amalgamating Company 1 ESOP Plan;
- 1.1.18 “**Encumbrance**” means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right granted by a transaction or other type of preferential arrangement or interest of any nature whatsoever 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), outstanding Taxes (which have become due and payable), option, pre-emptive right, proxy, power of attorney, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executorial attachment, trust (other title exception of whatsoever nature), any agreement to create any of the foregoing or any adverse claim as to title, possession or use and the term “**Encumber**” shall be construed accordingly;
- 1.1.19 “**GST**” means the goods and services tax levied under Central Goods and Services Tax Act, 2017 and the respective States Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 and shall include any statutory modifications, re-enactments or amendments thereof and the rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder, for the time being in force;
- 1.1.20 “**Income Tax Act**” means the Income-tax Act, 1961 and rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;

- 1.1.21 “**Indian Accounting Standards**” means the applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 and shall include any statutory modifications, re-enactments or amendments thereof;
- 1.1.22 “**Indirect Tax Laws**” shall mean all Applicable Laws dealing with all forms of indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to turnover, added value, goods and services or otherwise including GST, the States Value Added Tax, The Central Sales Tax Act, 1956, The Customs Act, 1962, Central Excise Act, 1944 or any other levy of similar nature;
- 1.1.23 “**INR**” or “**Rupee(s)**” or “**₹**” means Indian Rupee(s), the lawful currency of the Republic of India;
- 1.1.24 “**Intellectual Property**” means all intellectual property rights of any nature whatsoever, past, present, and future rights of the following types whether recorded in the books or not, which may exist or be created under the laws of any jurisdiction including:
- (a) rights in information (including know-how, confidential processes, confidential information and trade secrets), database rights and the right to use, and protect the confidentiality of, confidential information;
  - (b) trademarks, service marks, patents, inventions, rights in logos, brand names, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;
  - (c) copyright, moral rights and related rights, rights in computer software, software codes, database rights, and rights in designs;
  - (d) marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, drawings, designs, research and studies;
  - (e) digital platforms, algorithms, domain names, applications (including hardware, software, licenses and scripts);
  - (f) lists of present and former customers and suppliers, other customer information, copies of employment information, including but not limited to personnel files (including hiring documents, reference checks, existing employment contracts, policies, handbooks and documents reflecting changes in an employee's position, compensation, benefits, or other terms of employment), payroll records, documents relating to past or ongoing leave of absence, on the job injuries or illness, or fitness for work examinations, disciplinary records, related supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities and all other records and documents;
  - (g) any other intellectual property rights; and
  - (h) all rights or forms of protection, subsisting now or in the future and all current or pending applications with respect to the rights referred to in paragraphs (a) to (g) above;
- 1.1.25 “**Liabilities**” means all debts (whether in Rupees or foreign currency), liabilities (including contingent liabilities, and obligations under any Permits or schemes or claims from customers), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever, whether or not recorded in the books of accounts or disclosed in the balance sheet, whether present or



future, and howsoever raised or incurred or utilized along with any charge, Encumbrance, lien or security thereon;

- 1.1.26 “**NSE**” means National Stock Exchange of India Limited;
- 1.1.27 “**Parties**” shall collectively mean the Amalgamating Companies, the Transferor Companies, Transferor Company 6, Transferor Company 7 and the Amalgamated Company; and “**Party**” means each of them, individually;
- 1.1.28 “**Permits**” means all consents, licences (including factory licenses), certifications, permits, (including benefit of all transferable statutory and regulatory permissions, environmental approval and consents, statutory licenses, permissions or approvals, consents), certificates, permissions, privileges, tenancy rights, incentives, recognitions, authorisations, registrations, enrolments, powers of attorney, concessions, entitlements, subsidies, liberties including consents and authorisations, clarifications, approvals, clearances, confirmations, declarations, right of way, entitlements, waivers, exemptions, registrations (by whatever name called), filings, credits, allotments, no objections, in each case from any Person / Appropriate Authority;
- 1.1.29 “**Person**” means any individual, (including in his capacity as trustee), entity, a corporation, a partnership (whether limited or unlimited) a company, an association, a trust a joint venture, proprietorship, or other enterprise (whether incorporated or not), an unincorporated organization, Hindu undivided family, trust, union, association of persons or any governmental authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- 1.1.30 “**Record Date 1**” means the date to be fixed by the Board of the Transferee Company 1 for the purpose of determining the shareholders of the Transferor Company 7 for the allotment of the Merger Consideration Shares 1, which shall be a date prior to Effective Date 1;
- 1.1.31 “**Record Date 2**” means the date to be fixed by the Board of the Amalgamated Company for the purpose of determining the shareholders of the Amalgamating Company 1 for the allotment of the Merger Consideration Shares 2, which shall be a date prior to Effective Date 2;
- 1.1.32 “**RoC**” means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;
- 1.1.33 “**Sanction Order**” means the orders of the Tribunal approving the Scheme;
- 1.1.34 “**Scheme**” or “**this Scheme**” means this composite scheme of amalgamation in its present form or as amended or with any modification(s) approved or imposed or directed by the Tribunal or any other Appropriate Authority, pursuant to the provisions of Sections 230 to Section 232 and other applicable provisions, if any, of the Act;
- 1.1.35 “**SEBI**” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.1.36 “**SEBI ICDR Regulations**” means Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 1.1.37 “**SEBI LODR Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all circulars and notifications issued thereunder, as amended from time to time;

- 1.1.38 “**SEBI Preferential Allotment Circular**” means the circular issued by the Securities and Exchange Board of India dated 23 March, 2017, bearing reference no. CFD/DIL3/CIR/2017/26;
- 1.1.39 “**SEBI Schemes Master Circular**” means Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- 1.1.40 “**Share Exchange Ratio 1**” shall have the meaning as set out in Clause 48.1;
- 1.1.41 “**Share Exchange Ratio 2**” shall have the meaning as set out in Clause 64.1;
- 1.1.42 “**Stock Exchanges**” means BSE and NSE collectively and Stock Exchange shall mean each of them individually;
- 1.1.43 “**Tax Laws**” means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;
- 1.1.44 “**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, any tax payable in a representative capacity, contributions and levies, whether levied by reference to income, profits, book profits, gains, dividend, net wealth, asset values, turnover, added value, manufacture, import, export, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, , self-assessment tax, regular assessment tax, tax in relation to unearned income, goods and services tax, securities transaction tax or any other transfer taxes or otherwise, in each case attributable directly or primarily to the Party or any other Person and all surcharge, cess penalties, charges, costs and interest relating thereto;
- 1.1.45 “**Tribunal**” means the National Company Law Tribunal having jurisdiction over the Parties 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;
- 1.1.46 “**Viyash Group Companies**” means collectively, Viyash, the Transferor Companies, the Transferor Company 6 and Transferor Company 7;
- 1.1.47 “**Warrant Exchange Ratio**” shall have the meaning as set out in Clause 65.1;
- 1.1.48 “**Warrant Holders**” means collectively Mr. Hari Babu Bodepudi, a citizen of India, having his permanent place of residence at Plot No. 34, Meenakshi Bamboos, Gachibowli, Hyderabad 500032, Telangana, India and Mr. Kalidindi Srihari Raju, an overseas citizen of India, having his permanent place of residence at Villa number 59, Jayabheri, The Meadows, Next to Q City, Financial District, Hyderabad 500032, Telangana, India and “**Warrant Holder**” means each of them, individually.
- 1.2 In this Scheme, unless the context otherwise requires:
- 1.2.1 References to clauses, unless otherwise provided, are to the clauses to this Scheme;

- 1.2.2 Headings, subheadings, titles, subtitles to clauses and sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same;
- 1.2.3 All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
- (a) any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board and for the time being in force;
  - (b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - (c) all statutory instruments or orders made pursuant to a statutory provision; and
  - (d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 1.2.4 Unless this context otherwise requires:
- (a) the singular shall include the plural and vice versa, and references to one gender include all genders;
  - (b) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership or employee representative's body (whether or not having separate legal personality);
  - (c) reference to days, months and years are to calendar days, calendar months and calendar years, respectively;
  - (d) in the event there is an ambiguity or conflict relating to the interpretation of any particular matter in this Scheme between a specific clause and a general clause, the interpretation of the specific clause in this Scheme dealing with such matter will take precedence and govern the interpretation and application of such matter;
  - (e) any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form; the words "include" and "including" are to be construed without limitation and
  - (f) where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.
- 1.2.5 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 Act, Income Tax Act, Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 or any other Applicable Laws, rules, regulations, bye laws, as the case may be.

## 2. SHARE CAPITAL

- 2.1 The share capital of the Amalgamated Company as on September 20, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
40,00,00,000 equity shares of ₹2/- each	80,00,00,000

	<b>Total</b>	<b>80,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
24,95,81,995 equity shares of ₹2/- each		49,91,63,990
	<b>Total</b>	<b>49,91,63,990</b>

The aforesaid issued, subscribed, and paid-up share capital of the Amalgamated Company does not include Amalgamated Company Stock Options outstanding for exercise under the Amalgamated Company ESOP Plans that have been issued by the Amalgamated Company. In the event of exercise of the Amalgamated Company Stock Options, if any, in accordance with the terms and conditions of the relevant Amalgamated Company ESOP Plan, the Amalgamated Company shall be required to issue fully paid-up equity shares of the Amalgamated Company in accordance with the terms and conditions of the Amalgamated Company ESOP Plans and accordingly the issued, subscribed, and paid-up share capital of the Amalgamated Company may undergo a change.

2.2 The share capital of the Transferor Company 1 as on September 20, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
20,00,000 equity shares of ₹10/- each	2,00,00,000
	<b>Total</b>
	<b>2,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
9,30,100 equity shares of ₹10/- each	93,01,000
	<b>Total</b>
	<b>93,01,000</b>

2.3 The share capital of the Transferor Company 2 as on September 20, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
24,00,000 equity shares of ₹10/- each	2,40,00,000
	<b>Total</b>
	<b>2,40,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
18,55,000 equity shares of ₹10/- each	1,85,50,000
	<b>Total</b>
	<b>1,85,50,000</b>

2.4 The share capital of the Transferor Company 3 as on September 20, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
10,00,000 equity shares of ₹10/- each	1,00,00,000
	<b>Total</b>
	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
5,18,000 equity shares of ₹10/- each	51,80,000
	<b>Total</b>
	<b>51,80,000</b>

2.5 The share capital of the Transferor Company 4 as on September 20, 2024 is as follows

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
20,00,000 equity shares of ₹10/- each	2,00,00,000
	<b>Total</b>
	<b>2,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
18,69,982 equity shares of ₹10/- each	1,86,99,820
	<b>Total</b>
	<b>1,86,99,820</b>

2.6 The share capital of the Transferor Company 5 as on September 20, 2024 is as follows:

Particulars	Amount (in INR)
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<b>Authorised Share Capital</b>	
61,00,000 equity shares of ₹10/- each	6,10,00,000
2,50,00,000 preference shares of ₹10/- each	25,00,00,000
<b>Total</b>	<b>31,10,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
60,38,600 equity shares of ₹10/- each	6,03,86,000
24,50,00,000 preference shares of ₹10/- each	24,50,00,000
<b>Total</b>	<b>30,53,86,000</b>

2.7 The share capital of the Transferor Company 6 as on September 20, 2024 is as follows:

<b>Particulars</b>	<b>Amount (in INR)</b>
<b>Authorised Share Capital</b>	
41,00,000 equity shares of ₹10/- each	4,10,00,000
<b>Total</b>	<b>4,10,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
40,57,548 equity shares of ₹10/- each	4,05,75,480
<b>Total</b>	<b>4,05,75,480</b>

2.8 The share capital of the Transferee Company 2 / Transferor Company 7 as on September 20, 2024 is as follows:

<b>Particulars</b>	<b>Amount (in INR)</b>
<b>Authorised Share Capital</b>	
1,00,000 equity shares of ₹10/- each	10,00,000
<b>Total</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,00,000 equity shares of ₹10/- each	10,00,000
<b>Total</b>	<b>10,00,000</b>

2.9 The share capital of the Transferee Company 1 / Amalgamating Company 1 as on September 20, 2024 is as follows:

<b>Particulars</b>	<b>Amount (in INR)</b>
<b>Authorised Share Capital</b>	
46,52,52,000 equity shares of ₹10/- each	4,65,25,20,000
20,34,95,000 preference shares of ₹10/- each	2,03,49,50,000
1,00,00,000 preference shares of ₹ 90/- each	90,00,00,000
<b>Total</b>	<b>7,58,74,70,000</b>
<b>Issued, Subscribed and fully Paid-up Share Capital</b>	
23,72,49,016 equity shares of ₹10/- each	2,37,24,90,160
90,44,444 preference shares of ₹ 90/- each	81,39,99,960
<b>Total</b>	<b>3,15,75,98,900</b>
<b>Issued, Subscribed and partly Paid-up Share Capital</b>	
18,615,406 equity shares of ₹10/- each	18,61,54,060
<b>Total</b>	<b>18,61,54,060</b>

The aforesaid issued, subscribed, and paid-up share capital of the Amalgamating Company 1 does not include Amalgamating Company 1 Stock Options outstanding for exercise under the Amalgamating Company 1 ESOP Plan that have been issued by the Amalgamating Company 1. In the event of exercise of the Amalgamating Company 1 Stock Options, if any, in accordance with the terms and conditions of the relevant Amalgamating Company 1 ESOP Plan, the Amalgamating Company 1 shall be required to issue fully paid-up equity shares of the Amalgamating Company 1 in accordance with the terms and conditions of the Amalgamating Company 1 ESOP Plan and accordingly the issued, subscribed, and paid-up share capital of the Amalgamating Company 1 may undergo a change. The Amalgamating

Company 1 has 4,18,06,754 (Four Crores Eighteen Lakhs Six Thousand Seven Hundred And Fifty Four) outstanding share warrants and 1,86,15,406 (One Crore Eighty Six Lakhs Fifteen Thousand Four Hundred And Six) partly paid equity shares, and in the event of exercise of such warrants and/or payment of balance amount towards the partly paid equity shares, if any, the Amalgamating Company 1 shall be required to issue fully paid-up equity shares of the Amalgamating Company 1 and accordingly the issued, subscribed, and paid-up share capital of the Amalgamating Company 1 may undergo a change.

2.10 The share capital of the Amalgamating Company 2 as on September 20, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
47,00,000 equity shares of ₹10/- each	4,70,00,000
<b>Total</b>	<b>4,70,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
44,10,000 equity shares of ₹10/- each	4,41,00,000
<b>Total</b>	<b>4,41,00,000</b>

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

3.1 This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal shall be deemed to have been given effect as per the following chronology and sequence:

3.1.1 Part II, Part III, Part IV and Part V of this Scheme shall be effective from Appointed Date and operative from Effective Date 1;

3.1.2 Part VI of this Scheme shall be effective from the Appointed Date and operative from Effective Date 2.

## PART II

### REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY 1

#### 4. CANCELLATION OF PARTLY PAID-UP EQUITY SHARES IN THE TRANSFEREE COMPANY 1

4.1 Upon Part II of the Scheme becoming effective, all equity shares of the Transferee Company 1 which are partly paid-up immediately prior to the Effective Date 1, shall stand cancelled without any further act or deed as an integral part of the Scheme. In lieu of such cancellation, the Transferee Company 1 shall pay the amount paid-up on such partly paid-up equity shares to the relevant shareholders holding such partly paid-up equity shares immediately prior to the Effective Date 1, provided that the Transferee Company 1 shall be entitled to set-off for such amounts any loans or other payments due from such shareholders to Transferee Company 1.

4.2 Without prejudice to the generality of the foregoing, it is clarified and provided that cancellation of the share capital of the Transferee Company 1 in terms of Clause 4.1 above, shall be effected as an integral part of this Scheme. Such cancellation of the share capital of the Transferee Company 1 in terms of Clause 4.1 do not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital of the Transferee Company 1. Further, since the aforesaid cancellation is an integral part of the Scheme in accordance with Sections 230 to 232 of the Act, the provisions of Section 66 of the Act are not applicable. It is further clarified and provided that notwithstanding such cancellation of share capital of the Transferee Company 1 in terms of Clause 4, the Transferee Company 1 shall not be required to add "And Reduced" as suffix to its name.

4.3 Upon Part II of the Scheme becoming effective and with effect from the Appointed Date, the difference,

if any, between the subscribed, issued and paid-up value of equity shares of the Transferee Company 1 which are partly paid-up, as held by the relevant shareholders of Amalgamating Company 1 that is cancelled and the consideration paid to such shareholders pursuant to Clause 4.3 shall be recorded in reserves existing in the Transferee Company 1.

### **PART III**

#### **AMALGAMATION OF THE TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2, TRANSFEROR COMPANY 3, TRANSFEROR COMPANY 4 AND TRANSFEROR COMPANY 5 WITH THE TRANSFEREE COMPANY 1**

##### **5. TRANSFER AND VESTING**

5.1 Upon Part II of the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to Sections 230 to 232 and other applicable provisions of the Act, the Transferor Companies shall stand amalgamated with the Transferee Company 1 as a *going concern* and all their respective assets and liabilities of the Transferor Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 1, so as to become on and from the Appointed Date, the assets and liabilities of the Transferee Company 1 by virtue of operation of law or otherwise, and in the manner provided in this Scheme.

##### **6. TRANSFER AND VESTING OF ASSETS**

6.1 Without prejudice to the generality of Clause 5 above, upon Part III of the Scheme becoming effective and with effect from the Appointed Date:

6.1.1 In respect of the assets of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and / or, by endorsement and delivery, or by vesting and recordal, including without limitation stock in trade and merchandise (including, raw materials, supplies, finished goods, supply, advertisement, promotional and packing material) wherever lying, equipment, furniture, fixtures, books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, shall stand vested in the Transferee Company 1, and shall become the property and an integral part of the Transferee Company 1, by operation of law pursuant to the vesting order of the Tribunal sanctioning this Scheme, without any further act, instrument or deed undertaken by the Transferor Companies or the Transferee Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company 1 subject to the provisions of this Scheme in relation to Encumbrances under Clause 8 hereof;

6.1.2 In respect of movable assets of the Transferor Companies other than those dealt with in Clause 6.1.1 above including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/or customers or any other person, if any, whether recoverable in cash or in kind or for value to be received, bank balances, and, provisions, receivables, deposits (including interests thereto), benefits of any bank guarantee, performance guarantee and letters of credit etc. with Appropriate Authority or any Person, investment in shares and any other securities, the same shall without any further act, instrument or deed become the assets of, and be vested

in the Transferee Company 1 and shall also be deemed to have been transferred by way of delivery by possession of the respective documents in this regard, without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and other applicable provisions of Applicable Law to the end and intent that the right of the Transferor Companies to recover or realize the same becomes a right of, and stands vested in the Transferee Company 1, without any notice or other intimation to such debtors, depositors or persons as the case may be;

- 6.1.3 All assets (including any intangible and/or incorporeal assets), estate, rights, title, remedies, claims, rights of action, interest and authorities held by or granted to the Transferor Companies, on the Appointed Date not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Transferee Company 1 upon the coming into effect of Part III of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws;
- 6.1.4 All immovable property, whether or not included in the books of the Transferor Companies, whether freehold or leasehold or licensed properties allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities (including but not limited to capital works in progress, land, buildings, structures standing on the land, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded to the land) and all documents of title, right, security deposits and easements in relation thereto shall become the property of the Transferee Company 1 and be vested in the Transferee Company 1 or be deemed to have been so, automatically without any act or deed to be done or executed by the Transferor Companies and/or the Transferee Company 1. Consequent to the foregoing, all lease or license or rent agreements executed by the Transferor Companies, entered into by the Transferor Companies with various landlords, owners and lessors including the Appropriate Authorities in connection with the use of the assets of the Transferor Companies, together with security deposits, shall stand automatically vested in favour of the Transferee Company 1 on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Transferee Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the rent, license fees, taxes and fulfil all obligations in relation to or applicable to such immovable properties and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Companies. Any transfer/ assignment of lease or license or any tenancy rights by the Transferor Companies in favour of the Transferee Company 1 pursuant to this Scheme shall continue for the balance period of time will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. It is clarified that, with respect to the immovable properties of the Transferor Companies in the nature of land and buildings, the Transferee Company 1 may register the true copy of the Sanction Order with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property or may execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 6.1.4 or Clause 6.1.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the conveyance of immovable property shall take place and the conveyance shall be undertaken solely pursuant to and in terms of this Scheme and the Sanction Order. All Permits, if any, required for enabling the Transferee Company 1 to absolutely own and enjoy the immovable properties in accordance with Applicable Law are deemed to be granted as part of this Scheme. The mutation or substitution of the title to the immovable properties shall, upon Part III of the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 1 by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon Part III of the Scheme becoming effective in accordance with the terms hereof;



- 6.1.5 For the purpose of giving effect to the Sanction Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Transferee Company 1 shall be entitled to exercise all rights and privileges and shall be liable to fulfil all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Transferee Company 1 pursuant to the Sanction Order and upon the effectiveness of Part III of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Companies and/or the Transferee Company 1. It is clarified that the Transferee Company 1 shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes of this Clause, the Boards of the Transferor Companies and/or the Transferee Company 1 may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;
- 6.1.6 All bank / demat accounts operated or entitled to be operated by the Transferor Companies shall be deemed to have been transferred and shall stand transferred to the Transferee Company 1 and name of the Transferor Companies shall be substituted by the name of the Transferee Company 1 in the bank's records and the Transferee Company 1 shall be entitled to operate all bank / demat accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferee Company 1 to the extent necessary until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company 1 under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment after the Effective Date 1, shall be accepted by the bankers of the Transferee Company 1 and credited to the account of the Transferee Company 1, if presented by the Transferee Company 1. Similarly, the banker of the Transferee Company 1 shall honour all cheques issued by the Transferor Companies for payment after the Effective Date 1;
- 6.1.7 Third party or Appropriate Authority shall take on record the Sanction Order on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company 1 as successor in interest, pursuant to the sanction of this Scheme by the Tribunal, without any further act, matter or deed by the Transferor Companies or the Transferee Company 1. There shall be no break in the validity and enforceability of the Permits for the purpose of carrying on its business or for any other purpose of whatsoever nature;
- 6.1.8 All Intellectual Property and rights thereto of the Transferor Companies, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators, designs, research and studies and all such other industrial or intellectual rights of whatsoever nature, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information whether in physical or electronic form; and all other interests relating to the goods or services being dealt with by the Transferor Companies, shall become the property of and/or stand vested in, the Transferee Company 1;
- 6.1.9 All books, records, files, papers, engineering and process information, computer programs, test reports, product registrations, dossiers, manuals, data, catalogues, quotations, sales and

advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records, any media or format including machine readable or electronic media/ format and other records of the Transferor Companies shall be transferred to the Transferee Company 1;

6.1.10 All rights to use and avail 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, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies shall become the property of and/or stand vested in, the Transferee Company 1;

6.1.11 The past track record of the Transferor Companies including without limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Transferor Companies (acquired by reason of their respective operations in the past), including without limitation, the profitability, experience, credentials, past record, goodwill and market share, of the Transferor Companies shall for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company 1 in all existing and future bids, tenders, and contracts of all authorities, agencies and clients, be deemed to be the track record of the Transferee Company 1 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferor Companies in all existing and future bids and tenders, and contracts of all authorities, agencies and clients.

## **7. TRANSFER OF LIABILITIES**

7.1 Upon Part II of the Scheme becoming effective and with effect from the Appointed Date, all the Liabilities of the Transferor Companies, shall without any further act, instrument or deed be and stand transferred to the Transferor Companies to the extent that they are outstanding as on the Effective Date 1, so as to become the Liabilities of the Transferee Company 1, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Transferor Companies. The Transferee Company 1 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Companies.

7.2 The provisions of this Clause and that of Clause 8 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/or superseded by the foregoing provisions.

7.3 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities of the Transferor Companies transferred to the Transferee Company 1 as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

## **8. ENCUMBRANCES**

8.1 The vesting of the assets comprised in the Transferor Companies to and in the Transferee Company 1 upon the coming into effect of Part III of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

- 8.2 In so far as the existing Encumbrances in respect of the Liabilities of the Transferor Companies are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets of the Transferor Companies to which such Liability relate, which have already been Encumbered in respect of the Liabilities of the Transferor Companies as transferred to the Transferee Company 1 pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Transferee Company 1. Provided that if any of the assets of the Transferor Companies being transferred to the Transferee Company 1 pursuant to this Scheme have not been Encumbered in respect of the Liabilities of the Transferor Companies, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Transferee Companies be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender, trustee or third party shall not affect the operation of the above.
- 8.3 In so far as the existing Encumbrances over the assets and other properties of the Transferee Company 1 or any part thereof which relate to the Liabilities and obligations of the Transferee Company 1 prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies vested in the Transferee Company 1 by virtue of the Scheme.
- 8.4 Any reference to the Transferor Companies and their respective assets and properties in any security documents or arrangements (to which the Transferor Companies are a party), shall be construed as a reference to the Transferee Company 1 and the relevant assets and properties of the Transferor Companies vested in the Transferee Company 1 by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of Part III of the Scheme, the Transferee Company 1 may enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

## **9. EMPLOYEES**

- 9.1 Upon Part III of the Scheme becoming effective, all the staff and employees of the Transferor Companies who are in such employment as on the Effective Date 1 shall become, and be deemed to have become, the staff and employees of the Transferee Company 1, without any break or interruption in their services on terms and conditions which are overall no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service. It is clarified that such employees of the Transferor Companies who become employees of the Transferee Company 1 by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company 1 (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company 1 are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. The Transferee Company 1 further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Companies, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Companies, the Transferee Company 1 shall stand substituted for the Transferor Companies for all purposes whatsoever, upon Part III of this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Companies, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon Part III of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the

Transferor Companies for such purpose shall be treated as having been continuous. In addition, upon Part III of this Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Companies shall be continued/continue to operate against the relevant employee and the Transferee Company 1 shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Companies or the Transferee Company 1.

9.2 With regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Companies, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes or funds shall become those of the Transferee Company 1. Upon Part III of the Scheme becoming effective: (a) all contributions made to such funds by the Transferor Companies on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company 1, and shall be transferred to the Transferee Company 1, the relevant authorities or the funds (if any) established by the Transferee Company 1, as the case may be; and (b) all contributions made by such employees, including interests/investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company 1, the relevant authorities or the funds (if any) established by the Transferee Company 1, as the case may be. Upon Part II of the Scheme becoming effective, the Transferee Company 1 shall stand substituted for the Transferor Companies for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, by operation of law pursuant to the Sanction Order, without any further act, instrument or deed undertaken by the Transferor Companies or the Transferee Company 1. It is clarified that the services of all employees of the Transferor Companies transferred to the Transferee Company 1 will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Transferee Company 1, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferor Companies for the erstwhile fund(s) of the Transferor Companies; or (b) merge the pre-existing fund of the Transferor Companies with other similar funds of the Transferee Company 1.

9.3 The Transferee Company 1 agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Transferor Companies, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

## 10. LEGAL PROCEEDINGS

10.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings, including Tax assessment proceedings/appeals, of whatever nature (hereinafter called the “**Proceedings of the Transferor Companies**”) by or against the Transferor Companies are pending and/or arising on the Effective Date 1 and relate to the Transferor Companies, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Transferor Companies may be continued, prosecuted and enforced by or against the Transferee Company 1 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made. On and from the Effective Date 1, the Transferee Company 1 may initiate any legal proceeding for and on behalf of the Transferor Companies. The Transferee Company 1 undertakes to have all legal or other proceedings initiated by or against the Transferor Companies, which are capable of being continued by or against the Transferee Company 1, transferred to its name as soon as is reasonably possible after the Effective Date 1 and to have the same continued, prosecuted and enforced by or against the Transferee Company 1.

## 11. CONTRACTS

- 11.1 Upon Part III of the Scheme becoming effective and subject to the other provisions of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, memoranda of understandings, memoranda of agreements, bids, letters of intent, undertakings, engagements, arrangements, service contracts, consultant contracts, contracts with vendors and suppliers), technology contracts, outsourcing agreements, assignment agreements, license agreements (including for Intellectual Property), deeds, bonds, policies, information technology related agreements, schemes, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, insurance covers and claims, clearances, tenders including contracts / arrangements with government, expression of interest, service orders, purchase orders (either with or without a general purchase agreement), non-disclosure undertakings, and other commitments, whether written or otherwise, and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder, and other instruments to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, or under which the Transferor Companies have any obligations to discharge and which are subsisting or having effect on the Effective Date 1 shall, without any further act, instrument or deed, continue in full force and effect in favour of or against the Transferee Companies and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company 1 had been a party or beneficiary or obligee or obligor thereto or thereunder. If the Transferee Companies enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreements, confirmations or novations, the Transferor Companies will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Companies (and not by any of its successors), shall be fulfilled by the Transferee Company 1 as if it is duly constituted attorney of the Transferor Companies.
- 11.2 On and from the Effective Date 1, and thereafter, the Transferee Company 1 shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies, until the transfer of rights and obligations of the Transferor Companies to the Transferee Company 1 under this Scheme has been given effect to under such contracts and transactions.
- 11.3 With effect from the Effective Date 1, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Companies and Transferee Company 1 shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company 1.
- 11.4 All inter se contracts solely between the Transferor Companies and the Transferee Company 1 shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Transferee Company 1.

## **12. PERMITS**

- 12.1 Upon Part III of the Scheme becoming effective and with effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Companies shall be transferred to and vested in the Transferee Company 1 or deemed to have transferred to and vested in the Transferee Company 1, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company 1 as if the same were originally given by or issued to or executed in favour of the Transferee Company 1 and the Transferee Company 1 shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company 1 to carry on the operations of the Transferor Companies without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the

provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company 1 pursuant to the sanction of this Scheme by the Tribunal, and upon Part III of the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company 1 shall, if required, file appropriate applications/ documents with relevant authorities concerned for information and record purposes. The Transferee Company 1 shall be permitted to continue with the existing Permits of the Transferor Companies till the aforementioned consent of any Person or Appropriate Authority is received / new Permit is received by the Amalgamated Company to give effect to the provisions of this Clause.

- 12.2 From the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company 1, for the purposes of the relevant Permit, the Transferee Company 1 is authorized to carry on business in the name and style of the Transferor Companies and use the Permits of the Transferor Companies.

### **13. SAVING OF CONCLUDED TRANSACTIONS**

- 13.1 Subject to the terms of the Scheme, the amalgamation of the Transferor Companies with the Transferee Company 1 under Clauses 6 to 12 above shall not affect any transaction or proceedings already concluded by the Transferor Companies until the Effective Date 1, to the end and intent that the Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Transferee Company 1.

### **14. TAXATION MATTERS**

Part III of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. Upon the effectiveness of Part III of the Scheme, by operation of law pursuant to the order of the Tribunal:

- 14.1 With effect from the Appointed Date and upon Part III of the Scheme becoming effective, all direct taxes and indirect taxes, duties, cess receivable/payable by the Transferor Companies, including all or any refunds/credit (including export and tax credits) /claims/ tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation) relating thereto shall be treated as the asset/liability or refunds/credit/claims/tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation), as the case may be, of the Transferee Company 1. It is also clarified that the Transferee Company 1 shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions it has entered into, by virtue of this Scheme with effect from the Appointed Date.
- 14.2 Direct taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, tax collected at source, foreign taxes, buyback distribution tax, minimum alternative tax, if any, paid by the Transferor Companies shall be treated as paid by the Transferee Company 1 and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable.
- 14.3 If the Transferor Companies are entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in the Transferee Company 1 with effect from the Appointed Date to the extent the benefits / incentives/ schemes are linked to direct tax laws and with effect from Effective Date 1 to the extent the benefits / incentives/ schemes are linked to Indirect Tax Laws.

- 14.4 The Transferee Company 1 is expressly permitted to revise, withdraw and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, goods and service tax returns, as may be applicable and shall be entitled to claim credit for advance tax paid and exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferee Company 1 prior to the Appointed Date and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 14.5 On and from the Effective Date 1, it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. including under applicable Tax Laws, the Transferee Company 1, if so required, shall issue notice in the name of the Transferor Companies, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company 1, as the person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company 1.
- 14.6 From the Effective Date 1, all the invoicing and compliance would be done by the Transferee Company 1 post obtaining all requisite GST registrations, wherever so required. To the extent such set of registrations are not effective as on the Effective Date 1, for such intervening period, the Amalgamated Company would undertake the invoicing and compliance using the GST registrations of the Transferor Companies, as the case may be, to ensure compliance with law and timely discharge of GST liability.
- 14.7 Upon Part III of the Scheme becoming effective, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies pertaining to the period on or after the Appointed Date, under direct tax laws or other Applicable Laws dealing with taxes duly complied by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company 1.
- 14.8 In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government or central government, all indirect tax related benefits, transport marketing assistance, GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to GST input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses (including book losses) / minimum alternative tax, unabsorbed depreciation (including book unabsorbed depreciation) and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by, the Appropriate Authority shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed, vest with and be available to the Transferee Company 1 on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferor Companies to the end and intent that the right of the Transferor Companies to recover or realize the same, stands transferred to the Transferee Company 1 and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 14.9 The Transferee Company 1 shall be eligible to claim a deduction otherwise admissible but not claimed by the Transferor Companies, including for expenditure admissible on actual payment basis or on deduction/collection of appropriate taxes (such as section 43B, section 40, section 40A etc. of the Income Tax Act), upon fulfillment of conditions, if any, required under the Income Tax Act.

## **15. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

- 15.1 Upon Part III of the Scheme becoming effective, the resolutions/ power of attorneys passed / executed by the Transferor Companies, as are considered necessary by the Board of the Transferee Company 1

and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company 1 and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Transferee Company 1 shall be added to the limits, if any, under like resolutions passed by the Transferee Company 1 and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Transferee Company 1.

## **16. CONSIDERATION**

16.1 Since the Transferor Companies are direct and indirect wholly owned subsidiaries of the Transferee Company 1, and the Transferee Company 1, being the holding company, cannot issue or allot any shares to itself, no shares whatsoever shall be issued by the Transferee Company 1 in consideration of the amalgamation. Accordingly, all such shares of the Transferor Companies held directly or indirectly by the Transferee Company 1 along with its nominees and the investment of the Transferee Company 1 in such shares as appearing in the books of the Transferee Company 1 shall stand cancelled upon Part III of the Scheme becoming effective without issue or allotment of new shares in lieu of shares of the Transferor Companies.

## **17. ACCOUNTING TREATMENT**

17.1 Accounting treatment in the books of the Transferee Company 1

17.1.1 Upon Part III of the Scheme coming into effect, the Transferee Company 1 shall account for the amalgamation of the Transferor Companies, together, in its books of accounts as per the 'Pooling of Interest Method' in accordance with accounting principles as laid down in Appendix C the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, in the books of accounts of the Transferee Company 1 such that:

- (i) the Transferee Company 1 shall record the assets, liabilities and reserves, if any, of the Transferor Companies vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company 1;
- (ii) the identity of the reserves of the Transferor Companies shall be preserved and the Transferee Company 1 shall record the reserves of the Transferor Companies in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company 1 (subject to clauses mentioned below);
- (iii) the inter-company balances between the Transferor Companies and the Transferee Company 1, if any, appearing in the books of the Transferee Company 1 and / or the Transferor Companies shall stand cancelled with no further obligation in that behalf;
- (iv) the value of all the investments held by the Transferee Company 1 in the Transferor Companies shall stand cancelled;
- (v) the surplus/deficit, if any arising after taking the effect of above clauses shall be transferred to Capital Reserve / Amalgamation deficit account as the case may be, in the financial statements of the Transferee Company 1 and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- (vi) in case of any difference in accounting policy between the 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;

- (vii) comparative financial information in the financial statements of the Transferee Company 1 shall be restated for the accounting impact of amalgamation of the Transferor Companies, as stated above, as if the amalgamation 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; and
- (viii) any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the requirement of applicable Indian Accounting Standards.

#### 17.2 Accounting treatment in the books of the Transferor Company 1

As the Transferor Company 1 shall stand dissolved without being wound up, upon Part III of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 1.

#### 17.3 Accounting treatment in the books of the Transferor Company 2

As the Transferor Company 2 shall stand dissolved without being wound up, upon Part III of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 2.

#### 17.4 Accounting treatment in the books of the Transferor Company 3

As the Transferor Company 3 shall stand dissolved without being wound up, upon Part III of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 3.

#### 17.5 Accounting treatment in the books of the Transferor Company 4

As the Transferor Company 4 shall stand dissolved without being wound up, upon Part III of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 4.

#### 17.6 Accounting treatment in the books of the Transferor Company 5

As the Transferor Company 5 shall stand dissolved without being wound up, upon Part III of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 5.

### **18. DISSOLUTION OF THE TRANSFEROR COMPANIES**

- 18.1 Upon Part III of the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up, without any further act, instrument or deed and the respective Boards and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand discharged. Upon Part III of the Scheme becoming effective, the shares of the Transferor Companies shall (whether in electronic form and/or in the physical form) stand cancelled, and the name of the Transferor Companies shall be struck off from the RoC records.

### **19. COMBINATION OF AUTHORISED SHARE CAPITAL**

- 19.1 Upon Part III of the Scheme becoming effective, the authorised share capital of the Transferor Companies shall stand transferred, merged and combined with the authorised share capital of the

Transferee Company 1 pursuant to this Scheme without any further act, deed or instrument including payment of stamp duty and fees payable to the RoC to the extent already paid by the Transferor Companies. In terms of the provisions of Section 232(3)(i) of the Act, and other applicable provisions, if any, the aggregate fees paid by the Transferor Companies on the authorized capital shall be set-off against the fees payable by the Transferee Company 1 on the increase in the authorized share capital as mentioned in this Clause 19. In relation to the foregoing, if applicable, the Transferee Company 1 shall pay requisite fees on its authorised share capital enhanced by the amalgamation after having made adjustments, as permitted in terms of Sections 232(3)(i) read with Section 233(11) of the Act. The aggregate authorised share capital of the Transferee Company 1 shall automatically stand increased to that effect by filing the requisite forms with the RoC on such increased and combined authorised share capital.

- 19.2 Consequently, with effect from the Effective Date 1, the memorandum of association of the Transferee Company 1 shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act as per Clause 5 of Part III of this Scheme, such that Clause V of the memorandum of association shall be replaced by the following:

*“The Authorised Share Capital of the Company is Rs. 7,97,24,70,000 (Rupees Seven Hundred Ninety Seven Crore Twenty Four Lakh Seventy Thousand) divided into:*

*Equity Share Capital:*

*Rs 4,78,75,20,000 (Four Hundred Seventy Eight Crore Seventy Five Lakh Twenty Thousand) consisting of 47,87,52,000 (Forty Seven Crore Eighty Seven Lakh Fifty Two Thousand) equity shares of Rs. 10 (Rupees Ten) each and*

*Preference Share Capital:*

*Rs. 318,49,50,000 (Rupees Three Hundred Eighteen Crore Forty Nine Lakh Fifty Thousand) of preference share capital consisting of*

*a) 1,00,00,000 (One Crore) preference shares of Rs. 90 (Rupees Ninety) each aggregating to Rs. 90,00,00,000 (Rupees Ninety Crore) and*

*b) 22,84,95,000 (Twenty Two Crore Eighty Four Lakh Ninety Five Thousand) preference shares of Rs. 10 (Rupees Ten) each aggregating to Rs. 228,49,50,000 (Rupees Two Hundred Twenty Eight Crore Forty Nine Lakh Fifty Thousand).*

*The Shares shall have the rights, privileges and conditions attaching thereto as are provided by the terms of issue of such shares, regulations of the Company for the time being with power to increase and 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 respectively such preferential, deferred, qualified, special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the regulations of the Company.”*

- 19.3 In the event the authorised capital of the Transferee Company 1 undergoes any change prior to the Effective Date 1, the capital clause of the memorandum of association of the Transferee Company 1, shall be modified accordingly to take into account the effect of any such change (including reclassification of any part of the share capital) without any further act, instrument or deed.
- 19.4 The approval of this Scheme by shareholders of the Transferee Company 1 under Sections 230 to 232 of the Act, shall be deemed to have been an approval under Section 13, 61 and 64 or any other applicable provisions under the Act to the alteration of the memorandum of association of the Transferee Company 1 as may be required under the Act, and no further resolution(s) would be required to be separately

passed in this regard.

## **20. CONDUCT OF BUSINESS**

20.1 Unless otherwise agreed amongst inter alios the Parties in writing, during the period between the date of approval of the Scheme by the Boards of the Parties and the Effective Date 1:

20.1.1 the Transferor Companies and the Transferee Company 1 will carry on their respective business in the ordinary course and shall continue to operate, manage and expand and grow their respective business consistent with past practice in trust and good faith and in accordance with Applicable Law;

20.1.2 the Transferor Companies and the Transferee Company 1 shall be entitled, pending the sanction of this Scheme by the Tribunal, to apply to the Appropriate Authorities concerned, as necessary under Applicable Law, for transfer / issuance of Permits which the Transferee Company 1 may require to carry on the business of the Transferor Companies or to give effect to this Scheme.

## **PART IV**

### **AMALGAMATION OF TRANSFEROR COMPANY 6 WITH TRANSFEE COMPANY 2**

## **21. TRANSFER AND VESTING**

21.1 Upon Part IV of the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to Sections 230 to 232 and other applicable provisions of the Act, the Transferor Company 6 shall (after Part II and Part III coming into effect) stand amalgamated with the Transferee Company 2 as a *going concern* and all their respective assets and liabilities of the Transferor Company 6 shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 2, so as to become on and from the Appointed Date, the assets and liabilities of the Transferee Company 2 by virtue of operation of law or otherwise, and in the manner provided in this Scheme.

## **22. TRANSFER AND VESTING OF ASSETS**

22.1 Without prejudice to the generality of Clause 21 above, upon Part IV of the Scheme becoming effective and with effect from the Appointed Date:

22.1.1 In respect of the assets of the Transferor Company 6 that are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and / or, by endorsement and delivery, or by vesting and recordal, including without limitation stock in trade and merchandise (including, raw materials, supplies, finished goods, supply, advertisement, promotional and packing material) wherever lying, equipment, furniture, fixtures, books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, shall stand vested in the Transferee Company 2, and shall become the property and an integral part of the Transferee Company 2, by operation of law pursuant to the vesting order of the Tribunal sanctioning this Scheme, without any further act, instrument or deed undertaken by the Transferor Company 6 or the Transferee Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred

accordingly to the Transferee Company 2 subject to the provisions of this Scheme in relation to Encumbrances under Clause 24 hereof;

- 22.1.2 In respect of movable assets of the Transferor Company 6 other than those dealt with in Clause 22.1.1 above including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/or customers or any other person, if any, whether recoverable in cash or in kind or for value to be received, bank balances, and, provisions, receivables, deposits (including interests thereto), benefits of any bank guarantee, performance guarantee and letters of credit etc.) with Appropriate Authority or any Person, investment in shares and any other securities, the same shall without any further act, instrument or deed become the assets of, and be vested in the Transferee Company 2 and shall also be deemed to have been transferred by way of delivery by possession of the respective documents in this regard, without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and other applicable provisions of Applicable Law to the end and intent that the right of the Transferor Company 6 to recover or realize the same becomes a right of, and stands vested in the Transferee Company 2, without any notice or other intimation to such debtors, depositors or persons as the case may be;
- 22.1.3 All assets (including any intangible and/or incorporeal assets), estate, rights, title, remedies, claims, rights of action, interest and authorities held by or granted to the Transferor Company 6, on the Appointed Date not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Transferee Company 2 upon the coming into effect of Part IV of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws;
- 22.1.4 All immovable property, whether or not included in the books of the Transferor Company 6, whether freehold or leasehold or licensed properties allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities (including but not limited to capital works in progress, land, buildings, structures standing on the land, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded to the land) and all documents of title, right, security deposits and easements in relation thereto shall become the property of the Transferee Company 2 and be vested in the Transferee Company 2 or be deemed to have been so, automatically without any act or deed to be done or executed by the Transferor Company 6 and/or the Transferee Company 2. Consequent to the foregoing, all lease or license or rent agreements executed by the Transferor Company 6, entered into by the Transferor Company 6 with various landlords, owners and lessors including the Appropriate Authorities in connection with the use of the assets of the Transferor Company 6, together with security deposits, shall stand automatically vested in favour of the Transferee Company 2 on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Transferee Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the rent, license fees, taxes and fulfil all obligations in relation to or applicable to such immovable properties and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company 6. Any transfer/ assignment of lease or license or any tenancy rights by the Transferor Company 6 in favour of the Transferee Company 2 pursuant to this Scheme shall continue for the balance period of time will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. It is clarified that, with respect to the immovable properties of the Transferor Company 6 in the nature of land and buildings, the Transferee Company 2 may register the true copy of the Sanction Order with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property or may execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 22.1.4 or Clause 22.1.5 below will be for the

limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the conveyance of immovable property shall take place and the conveyance shall be undertaken solely pursuant to and in terms of this Scheme and the Sanction Order. All Permits, if any, required for enabling the Transferee Company 2 to absolutely own and enjoy the immovable properties in accordance with Applicable Law are deemed to be granted as part of this Scheme. The mutation or substitution of the title to the immovable properties shall, upon Part IV of the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 2 by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon Part IV of the Scheme becoming effective in accordance with the terms hereof;

- 22.1.5 For the purpose of giving effect to the Sanction Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Transferee Company 2 shall be entitled to exercise all rights and privileges and shall be liable to fulfil all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Transferee Company 2 pursuant to the Sanction Order and upon the effectiveness of Part IV of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company 6 and/or the Transferee Company 2. It is clarified that the Transferee Company 2 shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes of this Clause, the Boards of the Transferor Company 6 and/or the Transferee Company 2 may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;
- 22.1.6 All bank / demat accounts operated or entitled to be operated by the Transferor Company 6 shall be deemed to have been transferred and shall stand transferred to the Transferee Company 2 and name of the Transferor Company 6 shall be substituted by the name of the Transferee Company 2 in the bank's records and the Transferee Company 2 shall be entitled to operate all bank / demat accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferee Company 2 to the extent necessary until the transfer of the rights and obligations of the Transferor Company 6 to the Transferee Company 2 under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment after the Effective Date 1, shall be accepted by the bankers of the Transferee Company 2 and credited to the account of the Transferee Company 2, if presented by the Transferee Company 2. Similarly, the banker of the Transferee Company 2 shall honour all cheques issued by the Transferor Company 6 for payment after the Effective Date 1;
- 22.1.7 Third party or Appropriate Authority shall take on record the Sanction Order on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company 2 as successor in interest, pursuant to the sanction of this Scheme by the Tribunal, without any further act, matter or deed by the Transferor Company 6 or the Transferee Company 2. There shall be no break in the validity and enforceability of the Permits for the purpose of carrying on its business or for any other purpose of whatsoever nature;
- 22.1.8 All Intellectual Property and rights thereto of the Transferor Company 6, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators,

designs, research and studies and all such other industrial or intellectual rights of whatsoever nature, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information whether in physical or electronic form; and all other interests relating to the goods or services being dealt with by the Transferor Company 6, shall become the property of and/or stand vested in, the Transferee Company 2;

22.1.9 All books, records, files, papers, engineering and process information, computer programs, test reports, product registrations, dossiers, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records, any media or format including machine readable or electronic media/ format and other records of the Transferor Company 6 shall be transferred to the Transferee Company 2;

22.1.10 All rights to use and avail 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, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company 6 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 6 shall become the property of and/or stand vested in, the Transferee Company 2;

22.1.11 The past track record of the Transferor Company 6 including without limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Transferor Company 6 (acquired by reason of their respective operations in the past), including without limitation, the profitability, experience, credentials, past record, goodwill and market share, of the Transferor Company 6 shall for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company 2 in all existing and future bids, tenders, and contracts of all authorities, agencies and clients, be deemed to be the track record of the Transferee Company 2 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferor Company 6 in all existing and future bids and tenders, and contracts of all authorities, agencies and clients.

## **23. TRANSFER OF LIABILITIES**

23.1 Upon Part IV of the Scheme becoming effective and with effect from the Appointed Date, all the Liabilities of the Transferor Company 6, shall without any further act, instrument or deed be and stand transferred to the Transferor Company 6 to the extent that they are outstanding as on the Effective Date 1, so as to become the Liabilities of the Transferee Company 2, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Transferor Company 6. The Transferee Company 2 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company 6.

23.2 The provisions of this Clause and that of Clause 24 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/or superseded by the foregoing provisions.

23.3 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities of the Transferor Company 6 transferred to the Transferee Company 2 as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

## **24. ENCUMBRANCES**

24.1 The vesting of the assets comprised in the Transferor Company 6 to and in the Transferee Company 2 upon the coming into effect of the Part IV of Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

24.2 In so far as the existing Encumbrances in respect of the Liabilities of the Transferor Company 6 are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets of the Transferor Company 6 to which such Liability relate, which have already been Encumbered in respect of the Liabilities of the Transferor Company 6 as transferred to the Transferee Company 2 pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Transferee Company 2. Provided that if any of the assets of the Transferor Company 6 being transferred to the Transferee Company 2 pursuant to this Scheme have not been Encumbered in respect of the Liabilities of the Transferor Company 6, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Transferee Companies be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender, trustee or third party shall not affect the operation of the above.

24.3 In so far as the existing Encumbrances over the assets and other properties of the Transferee Company 2 or any part thereof which relate to the Liabilities and obligations of the Transferee Company 2 prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company 6 vested in the Transferee Company 2 by virtue of the Scheme.

24.4 Any reference to the Transferor Company 6 and its assets and properties in any security documents or arrangements (to which the Transferor Company 6 is a party), shall be construed as a reference to the Transferee Company 2 and the relevant assets and properties of the Transferor Company 6 vested in the Transferee Company 2 by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of Part IV of the Scheme, the Transferee Company 2 may enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

## **25. EMPLOYEES**

25.1 Upon Part IV of the Scheme becoming effective, all the staff and employees of the Transferor Company 6 who are in such employment as on the Effective Date 1 shall become, and be deemed to have become, the staff and employees of the Transferee Company 2, without any break or interruption in their services on terms and conditions which are overall no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service. It is clarified that such employees of the Transferor Company 6 who become employees of the Transferee Company 2 by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company 2 (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company 2 are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. The Transferee Company 2 further agrees that for the purpose of payment of any

retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company 6, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company 6, the Transferee Company 2 shall stand substituted for the Transferor Company 6 for all purposes whatsoever, upon Part IV of this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company 6, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon Part IV of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company 6 for such purpose shall be treated as having been continuous. In addition, upon Part IV of this Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Company 6 shall be continued/ continue to operate against the relevant employee and the Transferee Company 2 shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Company 6 or the Transferee Company 2.

25.2 With regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company 6, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company 6 in relation to such schemes or funds shall become those of the Transferee Company 2. Upon Part IV of the Scheme becoming effective: (a) all contributions made to such funds by the Transferor Company 6 on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company 2, and shall be transferred to the Transferee Company 2, the relevant authorities or the funds (if any) established by the Transferee Company 2, as the case may be; and (b) all contributions made by such employees, including interests/investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company 2, the relevant authorities or the funds (if any) established by the Transferee Company 2, as the case may be. Upon Part IV of the Scheme becoming effective, the Transferee Company 2 shall stand substituted for the Transferor Company 6 for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, by operation of law pursuant to the Sanction Order, without any further act, instrument or deed undertaken by the Transferor Company 6 or the Transferee Company 2. It is clarified that the services of all employees of the Transferor Company 6 transferred to the Transferee Company 2 will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Transferee Company 2, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferor Company 6 for the erstwhile fund(s) of the Transferor Company 6; or (b) merge the pre-existing fund of the Transferor Company 6 with other similar funds of the Transferee Company 2.

25.3 The Transferee Company 2 agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Transferor Company 6, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

## **26. LEGAL PROCEEDINGS**

26.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings, including Tax assessment proceedings/appeals, of whatever nature (hereinafter called the “**Proceedings of the Transferor Company 6**”) by or against the Transferor Company 6 are pending and/or arising on the Effective Date 1 and relate to the Transferor Company 6, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Transferor Company 6 may be continued, prosecuted and enforced by or against the Transferee Company 2 in the same manner and to the same



extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company 6 as if this Scheme had not been made. On and from the Effective Date 1, the Transferee Company 2 may initiate any legal proceeding for and on behalf of the Transferor Company 6. The Transferee Company 2 undertakes to have all legal or other proceedings initiated by or against the Transferor Company 6, which are capable of being continued by or against the Transferee Company 2, transferred to its name as soon as is reasonably possible after the Effective Date 1 and to have the same continued, prosecuted and enforced by or against the Transferee Company 2.

## **27. CONTRACTS**

- 27.1 Upon Part IV of the Scheme becoming effective and subject to the other provisions of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, memoranda of understandings, memoranda of agreements, bids, letters of intent, undertakings, engagements, arrangements, service contracts, consultant contracts, contracts with vendors and suppliers), technology contracts, outsourcing agreements, assignment agreements, license agreements (including for Intellectual Property), deeds, bonds, policies, information technology related agreements, schemes, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, insurance covers and claims, clearances, tenders including contracts / arrangements with government, expression of interest, service orders, purchase orders (either with or without a general purchase agreement), non-disclosure undertakings, and other commitments, whether written or otherwise, and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder, and other instruments to which the Transferor Company 6 are a party or to the benefit of which the Transferor Company 6 may be eligible, or under which the Transferor Company 6 have any obligations to discharge and which are subsisting or having effect on the Effective Date 1 shall, without any further act, instrument or deed, continue in full force and effect in favour of or against the Transferee Companies and may be enforced as fully and effectually as if, instead of the Transferor Company 6, the Transferee Company 2 had been a party or beneficiary or obligee or obligor thereto or thereunder. If the Transferee Companies enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreements, confirmations or novations, the Transferor Company 6 will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company 6 (and not by any of its successors), shall be fulfilled by the Transferee Company 2 as if it is duly constituted attorney of the Transferor Company 6.
- 27.2 On and from the Effective Date 1, and thereafter, the Transferee Company 2 shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company 6, until the transfer of rights and obligations of the Transferor Company 6 to the Transferee Company 2 under this Scheme has been given effect to under such contracts and transactions.
- 27.3 With effect from the Effective Date 1, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company 6 and Transferee Company 2 shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company 2.
- 27.4 All inter se contracts solely between the Transferor Company 6 and the Transferee Company 2 shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Transferee Company 2.

## **28. PERMITS**

- 28.1 Upon Part IV of the Scheme becoming effective and with effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Company 6 shall be transferred to and vested in the Transferee Company 2 or deemed to have transferred to and vested in the Transferee Company 2, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company 2 as if the same were originally given by or issued to or executed in favour of the Transferee Company 2 and the Transferee Company 2 shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company 2 to carry on the operations of the Transferor Company 6 without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company 2 pursuant to the sanction of this Scheme by the Tribunal, and upon Part IV of the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company 2 shall, if required, file appropriate applications/ documents with relevant authorities concerned for information and record purposes. The Transferee Company 2 shall be permitted to continue with the existing Permits of the Transferor Company 6 till the aforementioned consent of any Person or Appropriate Authority is received / new Permit is received by the Amalgamated Company to give effect to the provisions of this Clause.
- 28.2 From the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company 2, for the purposes of the relevant Permit, the Transferee Company 2 is authorized to carry on business in the name and style of the Transferor Company 6 and use the Permits of the Transferor Company 6.

## **29. SAVING OF CONCLUDED TRANSACTIONS**

- 29.1 Subject to the terms of the Scheme, the amalgamation of the Transferor Company 6 with the Transferee Company 2 under Clauses 21 to 28 above shall not affect any transaction or proceedings already concluded by the Transferor Company 6 until the Effective Date 1, to the end and intent that the Transferee Company 2 accepts and adopts all acts, deeds and things done and executed by the Transferor Company 6 in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Transferee Company 2.

## **30. TAXATION MATTERS**

Part IV of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. Upon the effectiveness of Part IV of the Scheme, by operation of law pursuant to the order of the Tribunal:

- 30.1 With effect from the Appointed Date and upon the Part IV of Scheme becoming effective, all direct taxes and indirect taxes, duties, cess receivable/payable by the Transferor Company 6, including all or any refunds/credit (including export and tax credits) /claims/tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation) relating thereto shall be treated as the asset/liability or refunds/credit/claims/tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation), as the case may be, of the Transferee Company 2. It is also clarified that the Transferee Company 2 shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions it has entered into, by virtue of this Scheme with effect from the Appointed Date.
- 30.2 Direct taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes,

tax deducted at source, tax collected at source, foreign taxes, buyback distribution tax, minimum alternative tax, if any, paid by the Transferor Company 6 shall be treated as paid by the Transferee Company 2 and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable.

- 30.3 If the Transferor Company 6 are entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in the Transferee Company 2 with effect from the Appointed Date to the extent the benefits / incentives/ schemes are linked to direct tax laws and with effect from Effective Date 1 to the extent the benefits / incentives/ schemes are linked to Indirect Tax Laws.
- 30.4 The Transferee Company 2 is expressly permitted to revise, withdraw and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, goods and service tax returns, as may be applicable and shall be entitled to claim credit for advance tax paid and exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferee Company 2 prior to the Appointed Date and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 30.5 On and from the Effective Date 1, it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. including under applicable Tax Laws, the Transferee Company 2, if so required, shall issue notice in the name of the Transferor Company 6, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company 2, as the person entitled thereto, to the end and intent that the right of the Transferor Company 6, to recover or realise the same, stands transferred to the Transferee Company 2.
- 30.6 From the Effective Date 1, all the invoicing and compliance would be done by the Transferee Company 2 post obtaining all requisite GST registrations, wherever so required. To the extent such set of registrations are not effective as on the Effective Date 1, for such intervening period, the Transferee Company 2 would undertake the invoicing and compliance using the GST registrations of the Transferor Company 6, as the case may be, to ensure compliance with law and timely discharge of GST liability.
- 30.7 Upon Part IV of the Scheme becoming effective, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company 6 pertaining to the period on or after the Appointed Date, under direct tax laws or other Applicable Laws dealing with taxes duly complied by the Transferor Company 6 shall be made or deemed to have been made and duly complied with by the Transferee Company 2.
- 30.8 In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government or central government, all indirect tax related benefits, transport marketing assistance, GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to GST input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses (including book losses) / minimum alternative tax, unabsorbed depreciation (including book unabsorbed depreciation) and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Transferor Company 6 and any interest thereon, with regard to any law, act or rule or scheme made by, the Appropriate Authority shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed, vest with and be available to the Transferee Company 2 on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferor Company 6 to the end and intent that the right of the Transferor Company 6 to recover or realize the same, stands transferred to the Transferee Company 2 and that appropriate entries should be passed in their respective

books to record the aforesaid changes.

- 30.9 The Transferee Company 2 shall be eligible to claim a deduction otherwise admissible but not claimed by the Transferor Company 6, including for expenditure admissible on actual payment basis or on deduction/collection of appropriate taxes (such as section 43B, section 40, section 40A etc. of the Income Tax Act), upon fulfillment of conditions, if any, required under the Income Tax Act.

### **31. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

- 31.1 Upon Part IV of the Scheme becoming effective, the resolutions/ power of attorneys passed / executed by the Transferor Company 6, as are considered necessary by the Board of the Transferee Company 2 and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company 2 and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Transferee Company 2 shall be added to the limits, if any, under like resolutions passed by the Transferee Company 2 and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Transferee Company 2.

### **32. CONSIDERATION**

- 32.1 Since the Transferor Company 6 is a wholly owned subsidiary of the Transferee Company 2, and the Transferee Company 2, being the holding company, cannot issue or allot any shares to itself, no shares whatsoever shall be issued by the Transferee Company 2 in consideration of the amalgamation. Accordingly, all such shares of the Transferor Company 6 held by the Transferee Company 2 along with its nominees and the investment of the Transferee Company 2 in such shares as appearing in the books of the Transferee Company 2 shall stand cancelled upon Part IV of the Scheme becoming effective without issue or allotment of new shares in lieu of shares of the Transferor Company 6.

### **33. ACCOUNTING TREATMENT**

- 33.1 Accounting treatment in the books of the Transferee Company 2

33.1.1 Upon Part IV of this Scheme coming into effect, the Transferee Company 2 shall account for the amalgamation of the Transferor Company 6, together, in its books of accounts as per the 'Pooling of Interest Method' in accordance with accounting principles as laid down in Appendix C the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, in the books of accounts of the Transferee Company 2 such that:

- (i) the Transferee Company 2 shall record the assets, liabilities and reserves, if any, of the Transferor Company 6 vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company 2;
- (ii) the identity of the reserves of the Transferor Company 6 shall be preserved and the Transferee Company 2 shall record the reserves of the Transferor Company 6 in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company 2 (subject to clauses mentioned below);
- (iii) the inter-company balances between the Transferor Company 6 and the Transferee Company 2, if any, appearing in the books of the Transferee Company 1 and / or the Transferor Company 6 shall stand cancelled with no further obligation in that behalf;

- (iv) the value of all the investments held by the Transferee Company 2 in the Transferor Company 6 shall stand cancelled;
- (v) the surplus/deficit, if any arising after taking the effect of above clauses shall be transferred to Capital Reserve/ Amalgamation adjustment deficit account as the case may be, in the financial statements of the Transferee Company 2 and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- (vi) in case of any difference in accounting policy between the Transferor Company 6 and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- (vii) comparative financial information in the financial statements of the Transferee Company 2 shall be restated for the accounting impact of amalgamation of the Transferor Company 6, as stated above, as if the amalgamation 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; and
- (viii) any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the requirement of applicable Indian Accounting Standards.

#### 33.2 Accounting treatment in the books of the Transferor Company 6

As the Transferor Company 6 shall stand dissolved without being wound up, upon Part IV of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 6.

### **34. DISSOLUTION OF THE TRANSFEROR COMPANY 6**

- 34.1 Upon Part IV of the Scheme becoming effective, the Transferor Company 6 shall stand dissolved without being wound up, without any further act, instrument or deed and the respective Boards and any committees thereof of the Transferor Company 6 shall without any further act, instrument or deed be and stand discharged. Upon Part IV of the Scheme becoming effective, the shares of the Transferor Company 6 shall (whether in electronic form and/or in the physical form) stand cancelled, and the name of the Transferor Company 6 shall be struck off from the RoC records.

### **35. COMBINATION OF AUTHORISED SHARE CAPITAL**

- 35.1 Upon Part IV of the Scheme becoming effective the authorised share capital of the Transferor Company 6 shall stand transferred, merged and combined with the authorised share capital of the Transferee Company 2 pursuant to this Scheme without any further act, deed or instrument including payment of stamp duty and fees payable to the RoC to the extent already paid by the Transferor Company 6. In terms of the provisions of Section 232(3)(i) of the Act, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company 6 on the authorized capital shall be set-off against the fees payable by the Transferee Company 2 on the increase in the authorized share capital as mentioned in this Clause 35. In relation to the foregoing, if applicable, the Transferee Company 2 shall pay requisite fees on its authorised share capital enhanced by the amalgamation after having made adjustments, as permitted in terms of Sections 232(3)(i) read with Section 233(11) of the Act. The aggregate authorised share capital of the Transferee Company 2 shall automatically stand increased to that effect by filing the requisite forms with the RoC on such increased and combined authorised share capital.
- 35.2 Consequently, with effect from the Effective Date 1, the memorandum of association of the Transferee Company 2 shall without any act, instrument or deed be and stand altered, modified and amended

pursuant to Section 13 and other applicable provisions of the Act as per Clause 21 of Part IV of this Scheme, such that Clause V of the memorandum of association shall be replaced by the following:

*“The Authorised Share Capital of the Company is Rs. 4,20,00,000 (Rupees Four Crore Twenty Lakh) consisting of 42,00,000 (Forty Two Lakh) equity shares of Rs. 10 (Rupees Ten) each.”*

- 35.3 In the event the authorised capital of the Transferee Company 2 undergoes any change prior to the Effective Date 1, the capital clause of the memorandum of association of the Transferee Company 2, shall be modified accordingly to take into account the effect of any such change (including reclassification of any part of the share capital) without any further act, instrument or deed.
- 35.4 The approval of this Scheme by shareholders of the Transferee Company 2 under Sections 230 to 232 of the Act, shall be deemed to have been an approval under Section 13, 61 and 64 or any other applicable provisions under the Act to the alteration of the memorandum of association of the Transferee Company 2 as may be required under the Act, and no further resolution(s) would be required to be separately passed in this regard.

## **36. CONDUCT OF BUSINESS**

- 36.1 Unless otherwise agreed amongst inter alios the Parties in writing, during the period between the date of approval of the Scheme by the Boards of the Parties and the Effective Date 1:
- 36.1.1 the Transferor Company 6 and the Transferee Company 2 will carry on their respective business in the ordinary course and shall continue to operate, manage and expand and grow their respective business consistent with past practice in trust and good faith and in accordance with Applicable Law;
- 36.1.2 the Transferor Company 6 and the Transferee Company 2 shall be entitled, pending the sanction of this Scheme by the Tribunal, to apply to the Appropriate Authorities concerned, as necessary under Applicable Law, for transfer / issuance of Permits which the Transferee Company 2 may require to carry on the business of the Transferor Company 6 or to give effect to this Scheme.

## **PART V**

### **AMALGAMATION OF THE TRANSFEROR COMPANY 7 WITH THE TRANSFEREE COMPANY**

#### **1**

## **37. TRANSFER AND VESTING**

Upon Part V of the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to Sections 230 to 232 and other applicable provisions of the Act, the Transferor Company 7 shall (after Part II, Part III and Part IV of the Scheme have come into effect) stand amalgamated with the Transferee Company 1 as a *going concern* and all their respective assets and liabilities of the Transferor Company 7, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 1, so as to become on and from the Appointed Date, the assets and liabilities of the Transferee Company 1 by virtue of operation of law or otherwise, and in the manner provided in this Scheme.

## **38. TRANSFER AND VESTING OF ASSETS**

- 38.1 Without prejudice to the generality of Clause 37 above, upon Part V of the Scheme becoming effective and with effect from the Appointed Date:

- 38.1.1 In respect of the assets of the Transferor Company 7 that are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and / or, by endorsement and delivery, or by vesting and recordal, including without limitation stock in trade and merchandise (including, raw materials, supplies, finished goods, supply, advertisement, promotional and packing material) wherever lying, equipment, furniture, fixtures, books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, shall stand vested in the Transferee Company 1, and shall become the property and an integral part of the Transferee Company 1, by operation of law pursuant to the vesting order of the Tribunal sanctioning this Scheme, without any further act, instrument or deed undertaken by the Transferee Company 1 or Transferor Company 7. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company 1 subject to the provisions of this Scheme in relation to Encumbrances under Clause 38 hereof;
- 38.1.2 In respect of movable assets of the Transferor Company 7 other than those dealt with in Clause 38.1.1 above including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/or customers or any other person, if any, whether recoverable in cash or in kind or for value to be received, bank balances, and, provisions, receivables, deposits (including interests thereto), benefits of any bank guarantee, performance guarantee and letters of credit etc.) with Appropriate Authority or any Person, investment in shares and any other securities, the same shall without any further act, instrument or deed become the assets of, and be vested in the Transferee Company 1 and shall also be deemed to have been transferred by way of delivery by possession of the respective documents in this regard, without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and other applicable provisions of Applicable Law to the end and intent that the right of the Transferor Company 7 to recover or realize the same becomes a right of, and stands vested in the Transferee Company 1, without any notice or other intimation to such debtors, depositors or persons as the case may be;
- 38.1.3 All assets (including any intangible and/or incorporeal assets), estate, rights, title, remedies, claims, rights of action, interest and authorities held by or granted to the Transferor Company 7, on the Appointed Date not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Transferee Company 1 upon the coming into effect of Part V of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws;
- 38.1.4 All immovable property, whether or not included in the books of the Transferor Company 7, whether freehold or leasehold or licensed properties allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities (including but not limited to capital works in progress, land, buildings, structures standing on the land, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded to the land) and all documents of title, right, security deposits and easements in relation thereto shall become the property of the Transferee Company 1 and be vested in the Transferee Company 1 or be deemed to have been so, automatically without any act or deed to be done or executed by the Transferor Company 7 and/or the Transferee Company 1. Consequent to the foregoing, all lease or license or rent agreements executed by the Transferor Company 7, entered into by the Transferor Company 7 with various landlords, owners and lessors including the Appropriate Authorities in connection with the use of the assets of the Transferor Company 7, together with security

deposits, shall stand automatically vested in favour of the Transferee Company 1 on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Transferee Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the rent, license fees, taxes and fulfil all obligations in relation to or applicable to such immovable properties and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company 7. Any transfer/ assignment of lease or license or any tenancy rights by the Transferor Company 7 in favour of the Transferee Company 1 pursuant to this Scheme shall continue for the balance period of time will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. It is clarified that, with respect to the immovable properties of the Transferor Company 7 in the nature of land and buildings, the Transferee Company 1 may register the true copy of the Sanction Order with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property or may execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 38.1.4 or Clause 38.1.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the conveyance of immovable property shall take place and the conveyance shall be undertaken solely pursuant to and in terms of this Scheme and the Sanction Order. All Permits, if any, required for enabling the Transferee Company 1 to absolutely own and enjoy the immovable properties in accordance with Applicable Law are deemed to be granted as part of this Scheme. The mutation or substitution of the title to the immovable properties shall, upon Part V of the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 1 by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon Part V of the Scheme becoming effective in accordance with the terms hereof;

- 38.1.5 For the purpose of giving effect to the Sanction Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Transferee Company 1 shall be entitled to exercise all rights and privileges and shall be liable to fulfil all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Transferee Company 1 pursuant to the Sanction Order and upon the effectiveness of Part V of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company 7 and/or the Transferee Company 1. It is clarified that the Transferee Company 1 shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes of this Clause, the Boards of the Transferor Company 7 and/or the Transferee Company 1 may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;
- 38.1.6 All bank / demat accounts operated or entitled to be operated by the Transferor Company 7 shall be deemed to have been transferred and shall stand transferred to the Transferee Company 1 and name of the Transferor Company 7 shall be substituted by the name of the Transferee Company 1 in the bank's records and the Transferee Company 1 shall be entitled to operate all bank / demat accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferee Company 1 to the extent necessary until the transfer of the rights and obligations of the Transferor Company 7 to the Transferee Company 1 under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company 7 after the Effective Date 1, shall be accepted by the bankers of the Transferee Company 1 and credited



to the account of the Transferee Company 1, if presented by the Transferee Company 1. Similarly, the banker of the Transferee Company 1 shall honour all cheques issued by the Transferor Company 7 for payment after the Effective Date 1;

- 38.1.7 Third party or Appropriate Authority shall take on record the Sanction Order on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company 1 as successor in interest, pursuant to the sanction of this Scheme by the Tribunal, without any further act, matter or deed by the Transferor Company 7 or the Transferee Company 1. There shall be no break in the validity and enforceability of the Permits for the purpose of carrying on its business or for any other purpose of whatsoever nature;
- 38.1.8 All Intellectual Property and rights thereto of the Transferor Company 7, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators, designs, research and studies and all such other industrial or intellectual rights of whatsoever nature, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information whether in physical or electronic form; and all other interests relating to the goods or services being dealt with by the Transferor Company 7, shall become the property of and/or stand vested in, the Transferee Company 1;
- 38.1.9 All books, records, files, papers, engineering and process information, computer programs, test reports, product registrations, dossiers, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records, any media or format including machine readable or electronic media/ format and other records of the Transferor Company 7 shall be transferred to the Transferee Company 1;
- 38.1.10 All rights to use and avail 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, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company 7 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 7 shall become the property of and/or stand vested in, the Transferee Company 1;
- 38.1.11 The past track record of the Transferor Company 7 including without limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Transferor Company 7 (acquired by reason of its operations in the past), including without limitation, the profitability, experience, credentials, past record, goodwill and market share, of the Transferor Company 7 shall for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company 1 in all existing and future bids, tenders, and contracts of all authorities, agencies and clients, be deemed to be the track record of the Transferee Company 1 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company 1 in all existing and future bids and tenders, and contracts of all authorities, agencies and clients.

## **39. TRANSFER OF LIABILITIES**

- 39.1 Upon Part V of the Scheme becoming effective and with effect from the Appointed Date, all the Liabilities of the Transferor Company 7, shall without any further act, instrument or deed be and stand transferred to the Transferee Company 1 to the extent that they are outstanding as on the Effective Date 1, so as to become the Liabilities of the Transferee Company 1, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Transferor Company 7. The Transferee Company 1 undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company 7.
- 39.2 The provisions of this Clause and that of Clause 40 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/or superseded by the foregoing provisions.
- 39.3 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities of the Transferor Company 7 transferred to the Transferee Company 1 as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

## **40. ENCUMBRANCES**

- 40.1 The vesting of the assets comprised in the Transferor Company 7 to and in the Transferee Company 1 upon the coming into effect of Part V of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- 40.2 In so far as the existing Encumbrances in respect of the Liabilities of the Transferor Company 7 are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets of the Transferor Company 7 to which such Liability relate, which have already been Encumbered in respect of the Liabilities of the Transferor Company 7 as transferred to the Transferee Company 1 pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Transferee Company 1. Provided that if any of the assets of the Transferor Company 7 being transferred to the Transferee Company 1 pursuant to this Scheme have not been Encumbered in respect of the Liabilities of the Transferor Company 7, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Transferee Company 1 be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender, trustee or third party shall not affect the operation of the above.
- 40.3 In so far as the existing Encumbrances over the assets and other properties of the Transferee Company 1 or any part thereof which relate to the Liabilities and obligations of the Transferee Company 1 prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company 7 vested in the Transferee Company 1 by virtue of the Scheme.
- 40.4 Any reference to the Transferor Company 7 and their respective assets and properties in any security documents or arrangements (to which the Transferor Company 7 are a party), shall be construed as a reference to the Transferee Company 1 and the relevant assets and properties of the Transferor Company 7 vested in the Transferee Company 1 by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of Part V of the Scheme, the Transferee Company 1 may enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts

and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

#### **41. EMPLOYEES**

- 41.1 Upon Part V of the Scheme becoming effective, all the staff and employees of the Transferor Company 7 who are in such employment as on the Effective Date 1 shall become, and be deemed to have become, the staff and employees of the Transferee Company 1, without any break or interruption in their services on terms and conditions which are overall no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service. It is clarified that such employees of the Transferor Company 7 who become employees of the Transferee Company 1 by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company 1 (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company 1 are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. The Transferee Company 1 further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company 7, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company 7, the Transferee Company 1 shall stand substituted for the Transferor Company 7 for all purposes whatsoever, upon Part V of this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company 7, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon Part V of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company 7 for such purpose shall be treated as having been continuous. In addition, upon Part V of this Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Company 7 shall be continued/ continue to operate against the relevant employee and the Transferee Company 1 shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Company 7 or the Transferee Company 1.
- 41.2 With regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company 7, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company 7 in relation to such schemes or funds shall become those of the Transferee Company 1. Upon Part V of the Scheme becoming effective: (a) all contributions made to such funds by the Transferor Company 7 on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company 1, and shall be transferred to the Transferee Company 1, the relevant authorities or the funds (if any) established by the Transferee Company 1, as the case may be; and (b) all contributions made by such employees, including interests/investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company 1, the relevant authorities or the funds (if any) established by the Transferee Company 1, as the case may be. Upon Part V of the Scheme becoming effective, the Transferee Company 1 shall stand substituted for the Transferor Company 7 for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, by operation of law pursuant to the Sanction Order, without any further act, instrument or deed undertaken by the Transferor Company 7 or the Transferee Company 1. It is clarified that the services of all employees of the Transferor Company 7 transferred to the Transferee Company 1 will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Transferee Company 1, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferor

Company 7 for the erstwhile fund(s) of the Transferor Company 7; or (b) merge the pre-existing fund of the Transferor Company 7 with other similar funds of the Transferee Company 1.

- 41.3 The Transferee Company 1 agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Transferor Company 7, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

## **42. LEGAL PROCEEDINGS**

- 42.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings, including Tax assessment proceedings/appeals, of whatever nature (hereinafter called the “**Proceedings of the Transferor Company 7**”) by or against the Transferor Company 7 are pending and/or arising on the Effective Date 1 and relate to the Transferor Company 7, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Transferor Company 7 may be continued, prosecuted and enforced by or against the Transferee Company 1 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company 7 as if this Scheme had not been made. On and from the Effective Date 1, the Transferee Company 1 may initiate any legal proceeding for and on behalf of the Transferor Company 7. The Transferee Company 1 undertakes to have all legal or other proceedings initiated by or against the Transferor Company 7, which are capable of being continued by or against the Transferee Company 1, transferred to its name as soon as is reasonably possible after the Effective Date 1 and to have the same continued, prosecuted and enforced by or against the Transferee Company 1.

## **43. CONTRACTS**

- 43.1 Upon Part V of the Scheme becoming effective and subject to the other provisions of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, memoranda of understandings, memoranda of agreements, bids, letters of intent, undertakings, engagements, arrangements, service contracts, consultant contracts, contracts with vendors and suppliers), technology contracts, outsourcing agreements, assignment agreements, license agreements (including for Intellectual Property), deeds, bonds, policies, information technology related agreements, schemes, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, insurance covers and claims, clearances, tenders including contracts / arrangements with government, expression of interest, service orders, purchase orders (either with or without a general purchase agreement), non-disclosure undertakings, and other commitments, whether written or otherwise, and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder, and other instruments to which the Transferor Company 7 are a party or to the benefit of which the Transferor Company 7 may be eligible, or under which the Transferor Company 7 have any obligations to discharge and which are subsisting or having effect on the Effective Date 1 shall, without any further act, instrument or deed, continue in full force and effect in favour of or against the Amalgamated Companies and may be enforced as fully and effectually as if, instead of the Transferor Company 7, the Transferee Company 1 had been a party or beneficiary or obligee or obligor thereto or thereunder. If the Transferee Company 1 enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite agreements, confirmations or novations, the Transferor Company 7 will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company 7 (and not by any of its successors), shall be fulfilled by the Transferee Company 1 as if it is duly constituted attorney of the Transferor Company 7.
- 43.2 On and from the Effective Date 1, and thereafter, the Transferee Company 1 shall be entitled to complete

and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company 7, until the transfer of rights and obligations of the Transferor Company 7 to the Transferee Company 1 under this Scheme has been given effect to under such contracts and transactions.

- 43.3 With effect from the Effective Date 1, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company 7 and Transferee Company 1 shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company 1.
- 43.4 All inter se contracts solely between the Transferor Company 7 and the Transferee Company 1, if any, shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Transferee Company 1.

#### **44. PERMITS**

- 44.1 Upon Part V of the Scheme becoming effective and with effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Company 7 shall be transferred to and vested in the Transferee Company 1 or deemed to have transferred to and vested in the Transferee Company 1, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company 1 as if the same were originally given by or issued to or executed in favour of the Transferee Company 1 and the Transferee Company 1 shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company 1 to carry on the operations of the Transferor Company 7 without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company 1 pursuant to the sanction of this Scheme by the Tribunal, and upon Part V of the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company 1 shall, if required, file appropriate applications/ documents with relevant authorities concerned for information and record purposes. The Transferee Company 1 shall be permitted to continue with the existing Permits of the Transferor Company 7 till the aforementioned consent of any Person or Appropriate Authority is received / new Permit is received by the Transferee Company 1 to give effect to the provisions of this Clause.
- 44.2 From the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company 1, for the purposes of the relevant Permit, the Transferee Company 1 is authorized to carry on business in the name and style of the Transferor Company 7 and use the Permits of the Transferor Company 7.

#### **45. SAVING OF CONCLUDED TRANSACTIONS**

- 45.1 Subject to the terms of the Scheme, the amalgamation of the Transferor Company 7 with the Transferee Company 1 under Clauses 37 to 44 above shall not affect any transaction or proceedings already concluded by the Transferor Company 7 until the Effective Date 1, to the end and intent that the Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by the Transferor Company 7 in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Transferee Company 1.

#### **46. TAXATION MATTERS**

Part V of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any of the terms

or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. Upon the effectiveness of Part V of the Scheme, by operation of law pursuant to the order of the Tribunal:

- 46.1 With effect from the Appointed Date and upon Part V of the Scheme becoming effective, all direct taxes and indirect taxes, duties, cess receivable/payable by the Transferor Company 7, including all or any refunds/credit (including export and tax credits) /claims/ tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation)relating thereto shall be treated as the asset/liability or refunds/credit/claims/ tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation), as the case may be, of the Transferee Company 1. It is also clarified that the Transferee Company 1 shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions it has entered into, by virtue of this Scheme with effect from the Appointed Date.
- 46.2 Direct taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, tax collected at source, foreign taxes, buyback distribution tax, minimum alternative tax, if any, paid by the Transferor Company 7 shall be treated as paid by the Transferee Company 1 and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable.
- 46.3 If the Transferor Company 7 is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in the Transferee Company 1 with effect from the Appointed Date to the extent the benefits / incentives/ schemes are linked to direct tax laws and with effect from Effective Date 1 to the extent the benefits / incentives/ schemes are linked to Indirect Tax Laws.
- 46.4 The Transferee Company 1 is expressly permitted to revise, withdraw and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, goods and service tax returns, as may be applicable and shall be entitled to claim credit for advance tax paid and exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferee Company 1 prior to the Appointed Date and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 46.5 On and from the Effective Date 1, it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. including under applicable Tax Laws, the Transferee Company 1, if so required, shall issue notice in the name of the Transferor Company 7, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company 1, as the person entitled thereto, to the end and intent that the right of the Transferor Company 7, to recover or realise the same, stands transferred to the Transferee Company 1.
- 46.6 From the Effective Date 1, all the invoicing and compliance would be done by the Transferee Company 1 post obtaining all requisite GST registrations, wherever so required. To the extent such set of registrations are not effective as on the Effective Date 1, for such intervening period, the Transferee Company 1 would undertake the invoicing and compliance using the GST registrations of the Amalgamating Company, as the case may be, to ensure compliance with law and timely discharge of GST liability.
- 46.7 Upon Part V of the Scheme becoming effective, the obligation for deduction of tax at source on any

payment made by or to be made by the Transferor Company 7 pertaining to the period on or after the Appointed Date, under direct tax laws or other Applicable Laws dealing with taxes duly complied by the Transferor Company 7 shall be made or deemed to have been made and duly complied with by the Transferee Company 1.

- 46.8 In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government or central government, all indirect tax related benefits, transport marketing assistance, GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to GST input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses (including book losses) / minimum alternative tax, unabsorbed depreciation (including book unabsorbed depreciation) and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Transferor Company 7 and any interest thereon, with regard to any law, act or rule or scheme made by, the Appropriate Authority shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed, vest with and be available to the Transferee Company 1 on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferor Company 7 to the end and intent that the right of the Transferor Company 7 to recover or realize the same, stands transferred to the Transferee Company 1 and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 46.9 The Transferee Company 1 shall be eligible to claim a deduction otherwise admissible but not claimed by the Transferor Company 7, including for expenditure admissible on actual payment basis or on deduction/collection of appropriate taxes (such as section 43B, section 40, section 40A etc. of the Income Tax Act), upon fulfillment of conditions, if any, required under the Income Tax Act.

#### **47. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

- 47.1 Upon Part V of the Scheme becoming effective, the resolutions/ power of attorneys passed / executed by the Transferor Company 7, as are considered necessary by the Board of the Transferee Company 1 and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company 1 and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Transferee Company 1 shall be added to the limits, if any, under like resolutions passed by the Transferee Company 1 and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Transferee Company 1.

#### **48. CONSIDERATION**

- 48.1 Upon Part V of the Scheme becoming effective and in consideration of the amalgamation of the Transferor Company 7 into the Transferee Company 1, the Transferee Company 1 shall, without any further application, act or deed, issue and allot to the Eligible Shareholders 1, 47 (Forty Seven) equity shares of the Transferee Company 1, credited as fully paid-up equity shares of the face value of INR 10 each, for every 1 (One) fully paid-up equity shares of INR 10 each held by such member in the Transferor Company 7 ("**Share Exchange Ratio 1**").

The equity shares to be issued by the Transferee Company 1 to the Eligible Shareholders 1 in accordance with this Clause 48.1 shall be referred to hereinafter as "**Merger Consideration Shares 1**".

- 48.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Transferor Company 7, the Board of the Transferee Company 1 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 1, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company 7 and in

relation to the shares of the Transferee Company 1 issued by the Transferee Company 1, after the effectiveness of the Scheme. The Board of the Transferee Company 1 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company 1 on account of difficulties faced in the transition period.

- 48.3 Where the Merger Consideration Shares 1 are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased Eligible Shareholders 1 of the Transferor Company 7, the concerned respective heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company 1.
- 48.4 If any Eligible Shareholder 1 becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of Merger Consideration Shares 1 in accordance with this Scheme, the Board of the Transferee Company 1 shall not issue fractional shares to the Eligible Shareholders 1. Any fraction arising out of such allotment shall be rounded off to the next higher integer.
- 48.5 The Merger Consideration Shares 1 to be allotted and issued to the Eligible Shareholders 1 as provided in Clause 48.1 above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company 1 and shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company 1 after the Effective Date 1 including with respect to dividends, voting rights and other corporate benefits attached to the equity shares of the Transferee Company 1.
- 48.6 It is clarified that the issuance and allotment of the Merger Consideration Shares 1 by the Transferee Company 1 to the shareholders of the Transferor Company 7 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company 1 or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with. While the shareholders of Transferor Company 7 legally hold the equity shares of Transferor Company 7, through a contractual arrangement with the shareholders of Transferee Company 1, Transferor Company 7 was controlled by Transferee Company 1 under Ind AS 110 (Consolidated Financial Statements). Consequently, Transferor Company 7 was fully consolidated with Transferee Company 1. In lieu of the holding the shares of Transferor Company 7, and consequential legal title and statutory rights, as part of Part V of the Scheme, Merger Consideration Shares 1 are being issued to shareholders of Transferor Company 7 in accordance with this Clause 48.
- 48.7 Subject to Applicable Laws, the Merger Consideration Shares 1 to be issued in terms of this Scheme shall be issued in dematerialized form. The register of members maintained by the Transferee Company 1 and / or other relevant records, whether in physical or electronic form, maintained by the Transferee Company 1, the relevant depository and registrar and transfer agent 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 Merger Consideration Shares 1 in terms of this Scheme. The Eligible Shareholders 1 who hold equity shares in the Transferor Company 7 in physical form should provide the requisite details relating to his / her / its account with a depository participant or other confirmations as may be required, to the Transferee Company 1, prior to the Record Date 1 to enable it to issue the Merger Consideration Shares 1. However, if no such details have been provided to the Transferee Company 1 by the Eligible Shareholders 1 in physical form on or before the Record Date 1, the Transferee Company 1 shall deal with the relevant Merger Consideration Shares 1 in such manner as may be permissible under the Applicable Law including by way of issuing corresponding equity shares in dematerialised form to a trustee (“Trustee 1”) who shall hold the relevant Merger Consideration Shares 1 in trust for the benefit of such Eligible Shareholder 1. The relevant Merger Consideration Shares 1 held by Trustee 1 for the benefit of the relevant Eligible Shareholder 1 shall be transferred to the respective Eligible Shareholder 1 once such shareholder provides details of his/her / its demat account to the Trustee 1, along with such other documents as may be required by the Trustee 1. The respective Eligible Shareholders 1 shall have all the rights of the shareholders of the Transferee Company 1, including the right to receive dividend,



voting rights and other corporate benefits, pending the transfer of relevant Merger Consideration Shares 1 from the Trustee 1.

48.8 The Merger Consideration Shares 1 to be issued by the Transferee Company 1 in lieu of the shares of the Transferor Company 7, if any, held in the unclaimed suspense account of the Transferor Company 7 shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company 7. The Merger Consideration Shares 1 to be issued by the Transferee Company 1 in lieu of the shares of the Transferor Company 7 held in the investor education and protection fund authority shall be issued to investor education and protection fund authority in favour of such Eligible Shareholders 1.

48.9 The Merger Consideration Shares 1 to be issued by the Transferee Company 1 pursuant to Clause 48.1 above in respect of the shares of the Transferor Company 7, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of appropriate court or otherwise, also be kept in abeyance in a like manner by the Transferee Company 1.

#### **49. ACCOUNTING TREATMENT**

49.1 Accounting treatment in the books of the Transferee Company 1

49.1.1 Upon Part V of this Scheme coming into effect, the Transferee Company 1 shall account for the amalgamation of the Transferor Company 7, together, in its books of accounts as per the 'Pooling of Interest Method' in accordance with accounting principles as laid down in Appendix C the Indian Accounting Standard 103 (Business Combinations), and other applicable Accounting Standards, notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, in the books of accounts of the Transferee Company 1 such that:

- (i) the Transferee Company 1 shall record the assets, liabilities and reserves of the Transferor Company 7 at their carrying values as appearing in the consolidated financial statements of the Transferee Company 1;
- (ii) the identity of the reserves of the Transferor Company 7 shall be preserved and they shall appear in the financial statements of the Transferee Company 1 in the same form and manner in which they appear in the consolidated financial statements of the Transferee Company 1 (subject to clauses mentioned below);
- (iii) the inter-company balances between the Transferor Company 7 and the Transferee Company 1, if any, appearing in the books of the Transferee Company 1 shall stand cancelled, and there shall be no further obligation in that behalf;
- (iv) the Transferee Company 1 shall credit its share capital account with the aggregate face value of the equity shares issued to shareholders of Transferor Company 7 as of the Record Date;
- (v) the surplus / deficit, if any arising after taking the effect of Clauses 49.1.1(i), Clause 49.1.1(ii), Clause 49.1.1 (iii), Clause 49.1.1(iv) and Clause 48.6, ), shall be transferred to the Capital Reserve / amalgamation adjustment deficit account as the case may be, in the financial statements of the Transferee Company 1 and should be presented separately from other Capital Reserves with disclosure of its nature and purpose in the notes;
- (vi) in case of any difference in accounting policy between each of the Transferor Company 7 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.

- (vii) comparative financial information in the financial statements of the Transferee Company 1 shall be restated for the accounting impact of amalgamation of the Transferor Company 7, as stated above, as if the amalgamation 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; and
- (viii) any matter not dealt with in clause hereinabove shall be dealt with in accordance with the requirement of applicable Indian Accounting Standards.

#### 49.2 Accounting treatment in the books of the Transferor Company 7

As the Transferor Company 7 shall stand dissolved without being wound up, upon Part V of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company 7.

### 50. DISSOLUTION OF THE TRANSFEROR COMPANY 7

- 50.1 Upon Part V of the Scheme becoming effective, the Transferor Company 7 shall stand dissolved without being wound up, without any further act, instrument or deed and the respective Boards and any committees thereof of the Transferor Company 7 shall without any further act, instrument or deed be and stand discharged. Pursuant to the Scheme coming into effect, the shares of the Transferor Company 7 (whether in electronic form and/or in the physical form) shall stand cancelled, and the name of the Transferor Company 7 shall be struck off from the RoC records.

### 51. COMBINATION OF AUTHORISED SHARE CAPITAL

- 51.1 Upon Part V of the Scheme becoming effective, the authorised share capital of the Transferor Company 7 shall, taking into consideration the increase in authorised share capital of Transferee Company 1 pursuant to Clause 19 and increase in authorised share capital of Transferor Company 7 pursuant to Clause 35, stand transferred, merged and combined with the authorised share capital of the Transferee Company 1 pursuant to this Scheme without any further act, deed or instrument including payment of stamp duty and fees payable to the RoC to the extent already paid by the Transferor Company 7. In terms of the provisions of Section 232(3)(i) of the Act, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company 7 on the authorized capital shall be set-off against the fees payable by the Transferee Company 1 on the increase in the authorized share capital as mentioned in this Clause 51. In relation to the foregoing, if applicable, the Transferee Company 1 shall pay requisite fees on its authorised share capital enhanced by the amalgamation after having made adjustments, as permitted in terms of Sections 232(3)(i) read with Section 233(11) of the Act. The aggregate authorised share capital of the Transferee Company 1 shall automatically stand increased to that effect by filing the requisite forms with the RoC on such increased and combined authorised share capital.
- 51.2 Consequently, with effect from the Effective Date 1, the memorandum of association of the Transferee Company 1 shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act as per Clause 37 of Part V of this Scheme, such that Clause V of the memorandum of association shall be replaced by the following:

*“The Authorised Share Capital of the Company is Rs. 8,01,44,70,000 (Rupees Eight Hundred One Crore Forty Four Lakh Seventy Thousand) divided into:*

*Equity Share Capital:*

Rs. 482,95,20,000 (Four Hundred Eighty Two Crore Ninety Five Lakh Twenty Thousand) consisting of 48,29,52,000 (Forty Eight Crore Twenty Nine Lakh Fifty Two Thousand) equity shares of Rs. 10 (Rupees Ten) each and

Preference Share Capital:

Rs. 3,18,49,50,000 (Rupees Three Hundred Eighteen Crore Forty Nine Lakh Fifty Thousand) of preference share capital consisting of

a) 1,00,00,000 (One Crore) preference shares of Rs. 90 (Rupees Ninety) each aggregating to Rs. 90,00,00,000 (Rupees Ninety Crore) and

b) 22,84,95,000 (Twenty Two Crore Eighty Four Lakh Ninety Five Thousand) preference shares of Rs. 10 (Rupees Ten) each aggregating to Rs. 228,49,50,000 (Rupees Two Hundred Twenty Eight Crore Forty Nine Lakh Fifty Thousand).

*The Shares shall have the rights, privileges and conditions attaching thereto as are provided by the terms of issue of such shares, regulations of the Company for the time being with power to increase and 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 respectively such preferential, deferred, qualified, special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the regulations of the Company.”*

- 51.3 In the event the authorised capital of the Transferee Company 1 undergoes any change prior to the Effective Date 1, the capital clause of the memorandum of association of the Transferee Company 1, shall be modified accordingly to take into account the effect of any such change (including reclassification of any part of the share capital) without any further act, instrument or deed.
- 51.4 The approval of this Scheme by shareholders of the Transferee Company 1 under Sections 230 to 232 of the Act, shall be deemed to have been an approval under Section 13, 14, 61 and 64 or any other applicable provisions under the Act to the alteration of the memorandum of association of the Transferee Company 1 as may be required under the Act, and no further resolution(s) would be required to be separately passed in this regard.

## **52. CONDUCT OF BUSINESS**

52.1 Unless otherwise agreed amongst inter alios the Parties in writing, during the period between the date of approval of the Scheme by the Boards of the Parties and the Effective Date 1:

52.1.1 the Transferor Company 7 will carry on their respective business in the ordinary course and shall continue to operate, manage and expand and grow its business consistent with past practice in trust and good faith and in accordance with Applicable Law;

52.1.2 the Transferor Company 7 and the Transferee Company 1 shall be entitled, pending the sanction of this Scheme by the Tribunal, to apply to the Appropriate Authorities concerned, as necessary under Applicable Law, for transfer / issuance of Permits which the Transferee Company 1 may require to carry on the business of the Transferor Company 7 or to give effect to this Scheme.

## **PART VI**

### **AMALGAMATION OF THE AMALGAMATING COMPANIES WITH THE AMALGAMATED COMPANY**

#### **53. TRANSFER AND VESTING**

53.1 Upon Part VI of the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to Sections 230 to 232 and other applicable provisions of the Act, the Amalgamating Companies shall (after Part II, Part III, Part IV and Part V of the Scheme have come into effect) stand amalgamated with the Amalgamated Company as a *going concern* and all their respective assets and liabilities of the Amalgamating Companies, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, so as to become on and from the Appointed Date, the assets and liabilities of the Amalgamated Company by virtue of operation of law or otherwise, and in the manner provided in this Scheme.

#### **54. TRANSFER AND VESTING OF ASSETS**

54.1 Without prejudice to the generality of Clause 53 above, upon Part V of the Scheme becoming effective and with effect from the Appointed Date:

54.1.1 In respect of the assets of the Amalgamating Companies that are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and / or, by endorsement and delivery, or by vesting and recordal, including without limitation stock in trade and merchandise (including, raw materials, supplies, finished goods, supply, advertisement, promotional and packing material) wherever lying, equipment, furniture, fixtures, books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, shall stand vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning this Scheme, without any further act, instrument or deed undertaken by the Amalgamating Companies or the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Amalgamated Company subject to the provisions of this Scheme in relation to Encumbrances under Clause 55 hereof;

54.1.2 In respect of movable assets of the Amalgamating Companies other than those dealt with in Clause 54.1.1 above including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/or customers or any other person, if any, whether recoverable in cash or in kind or for value to be received, bank balances, and, provisions, receivables, deposits (including interests thereto), benefits of any bank guarantee, performance guarantee and letters of credit etc.) with Appropriate Authority or any Person, investment in shares and any other securities, the same shall without any further act, instrument or deed become the assets of, and be vested in the Amalgamated Company and shall also be deemed to have been transferred by way of delivery by possession of the respective documents in this regard, without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and other applicable provisions of Applicable Law to the end and intent that the right of the Amalgamating Companies to recover or realize the same becomes a right of, and stands vested in the Amalgamated Company, without any notice or other intimation to such debtors, depositors or persons as the case may be;

54.1.3 All assets (including any intangible and/or incorporeal assets), estate, rights, title, remedies, claims, rights of action, interest and authorities held by or granted to the Amalgamating

Companies, on the Appointed Date not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Amalgamated Company upon the coming into effect of Part VI of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws;

- 54.1.4 All immovable property, whether or not included in the books of the Amalgamating Companies, whether freehold or leasehold or licensed properties allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities (including but not limited to capital works in progress, land, buildings, structures standing on the land, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded to the land) and all documents of title, right, security deposits and easements in relation thereto shall become the property of the Amalgamated Company and be vested in the Amalgamated Company or be deemed to have been so, automatically without any act or deed to be done or executed by the Amalgamating Companies and/or the Amalgamated Company. Consequent to the foregoing, all lease or license or rent agreements executed by the Amalgamating Companies, entered into by the Amalgamating Companies with various landlords, owners and lessors including the Appropriate Authorities in connection with the use of the assets of the Amalgamating Companies, together with security deposits, shall stand automatically vested in favour of the Amalgamated Companies on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the rent, license fees, taxes and fulfil all obligations in relation to or applicable to such immovable properties and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Companies. Any transfer/ assignment of lease or license or any tenancy rights by the Amalgamating Companies in favour of the Amalgamated Company pursuant to this Scheme shall continue for the balance period of time will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. It is clarified that, with respect to the immovable properties of the Amalgamating Companies in the nature of land and buildings, the Amalgamated Company may register the true copy of the Sanction Order with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property or may execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 54.1.4 or Clause 54.1.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the conveyance of immovable property shall take place and the conveyance shall be undertaken solely pursuant to and in terms of this Scheme and the Sanction Order. All Permits, if any, required for enabling the Amalgamated Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law are deemed to be granted as part of this Scheme. The mutation or substitution of the title to the immovable properties shall, upon Part VI of the Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon Part VI of the Scheme becoming effective in accordance with the terms hereof;
- 54.1.5 For the purpose of giving effect to the Sanction Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Amalgamated Company shall be entitled to exercise all rights and privileges and shall be liable to fulfil all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Amalgamated Company pursuant to the Sanction Order and upon Part VI of the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Amalgamating Companies and/or the Amalgamated Company. It is clarified that the Amalgamated Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the

purposes of the aforesaid mutation and/or substitution. For the purposes of this Clause, the Boards of the Amalgamating Companies and/or the Amalgamated Company may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;

- 54.1.6 All bank / demat accounts operated or entitled to be operated by the Amalgamating Companies shall be deemed to have been transferred and shall stand transferred to the Amalgamated Company and name of the Amalgamating Companies shall be substituted by the name of the Amalgamated Company in the bank's records and the Amalgamated Company shall be entitled to operate all bank / demat accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Amalgamated Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Companies to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Amalgamating Companies after the Effective Date 2, shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the banker of the Amalgamated Company shall honour all cheques issued by the Amalgamating Companies for payment after the Effective Date 2;
- 54.1.7 Third party or Appropriate Authority shall take on record the Sanction Order on its file and duly record the necessary substitution or endorsement in the name of the Amalgamated Company as successor in interest, pursuant to the sanction of this Scheme by the Tribunal, without any further act, matter or deed by the Amalgamating Companies or the Amalgamated Company. There shall be no break in the validity and enforceability of the Permits for the purpose of carrying on its business or for any other purpose of whatsoever nature;
- 54.1.8 All Intellectual Property and rights thereto of the Amalgamating Companies, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators, designs, research and studies and all such other industrial or intellectual rights of whatsoever nature, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information whether in physical or electronic form; and all other interests relating to the goods or services being dealt with by the Amalgamating Companies, shall become the property of and/or stand vested in, the Amalgamated Company;
- 54.1.9 All books, records, files, papers, engineering and process information, computer programs, test reports, product registrations, dossiers, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records, any media or format including machine readable or electronic media/ format and other records of the Amalgamating Companies shall be transferred to the Amalgamated Company;
- 54.1.10 All rights to use and avail 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,

arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Companies shall become the property of and/or stand vested in, the Amalgamated Company;

54.1.11 The past track record of the Amalgamating Companies including without limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Amalgamating Companies (acquired by reason of its operations in the past), including without limitation, the profitability, experience, credentials, past record, goodwill and market share, of the Amalgamating Companies shall for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders, and contracts of all authorities, agencies and clients, be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids and tenders, and contracts of all authorities, agencies and clients.

## **55. TRANSFER OF LIABILITIES**

55.1 Upon Part VI of the Scheme becoming effective and with effect from the Appointed Date, all the Liabilities of the Amalgamating Companies, shall without any further act, instrument or deed be and stand transferred to the Amalgamated Company to the extent that they are outstanding as on the Effective Date 2, so as to become the Liabilities of the Amalgamated Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Amalgamating Companies. The Amalgamated Company undertakes to meet, discharge and satisfy the same to the exclusion of the Amalgamating Companies.

55.2 The provisions of this Clause and that of Clause 56 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/or superseded by the foregoing provisions.

55.3 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities of the Amalgamating Companies transferred to the Amalgamated Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

## **56. ENCUMBRANCES**

56.1 The vesting of the assets comprised in the Amalgamating Companies to and in the Amalgamated Company upon Part VI of the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

56.2 In so far as the existing Encumbrances in respect of the Liabilities of the Amalgamating Companies are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets of the Amalgamating Companies to which such Liability relate, which have already been Encumbered in respect of the Liabilities of the Amalgamating Companies as transferred to the Amalgamated Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Amalgamated Company. Provided that if any of the assets of the Amalgamating Companies being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered in respect of the Liabilities of the

Amalgamating Companies, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Amalgamated Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender, trustee or third party shall not affect the operation of the above.

- 56.3 In so far as the existing Encumbrances over the assets and other properties of the Amalgamated Company or any part thereof which relate to the Liabilities and obligations of the Amalgamated Company prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Companies vested in the Amalgamated Company by virtue of the Scheme.
- 56.4 Any reference to the Amalgamating Companies and their respective assets and properties in any security documents or arrangements (to which the Amalgamating Companies are a party), shall be construed as a reference to the Amalgamated Company and the relevant assets and properties of the Amalgamating Companies vested in the Amalgamated Company by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon Part VI of coming into effect of the Scheme, the Amalgamated Company may enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

## **57. EMPLOYEES**

- 57.1 Upon Part VI of the Scheme becoming effective, all the staff and employees of the Amalgamating Companies who are in such employment as on the Effective Date 2 shall become, and be deemed to have become, the staff and employees of the Amalgamated Company, without any break or interruption in their services on terms and conditions which are overall no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service. It is clarified that such employees of the respective Amalgamating Companies who become employees of the Amalgamated Company by virtue of this Scheme, shall be governed by the terms of employment of the Amalgamated Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Amalgamated Company are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. The Amalgamated Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Amalgamating Companies, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Companies, the Amalgamated Company shall stand substituted for the Amalgamating Companies for all purposes whatsoever, upon Part VI of this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Amalgamating Companies, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon Part VI of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Companies for such purpose shall be treated as having been continuous. In addition, upon Part VI of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Amalgamating Companies shall be continued/ continue to operate against the relevant employee and the Amalgamated Company shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Amalgamating Companies or the Amalgamated Company.



57.2 With regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Amalgamating Companies, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Companies in relation to such schemes or funds shall become those of the Amalgamated Company. Upon Part VI of the Scheme becoming effective: (a) all contributions made to such funds by the Amalgamating Companies on behalf of such employees shall be deemed to have been made on behalf of the Amalgamated Company, and shall be transferred to the Amalgamated Company, the relevant authorities or the funds (if any) established by the Amalgamated Company, as the case may be; and (b) all contributions made by such employees, including interests/investments (which are referable and allocable to the employees transferred), shall be transferred to the Amalgamated Company, the relevant authorities or the funds (if any) established by the Amalgamated Company, as the case may be. Upon Part VI of the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Companies for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, by operation of law pursuant to the Sanction Order, without any further act, instrument or deed undertaken by the Amalgamating Companies or the Amalgamated Company. It is clarified that the services of all employees of the Amalgamating Companies transferred to the Amalgamated Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Amalgamated Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Amalgamating Companies for the erstwhile fund(s) of the Amalgamating Companies; or (b) merge the pre-existing fund of the Amalgamating Companies with other similar funds of the Amalgamated Company.

57.3 The Amalgamated Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Amalgamating Companies, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

## **58. LEGAL PROCEEDINGS**

58.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings, including Tax assessment proceedings/appeals, of whatever nature (hereinafter called the **“Proceedings of the Amalgamating Companies”**) by or against the Amalgamating Companies are pending and/or arising on the Effective Date 2 and relate to the Amalgamating Companies, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Amalgamating Companies may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Companies as if this Scheme had not been made. On and from the Effective Date 2, the Amalgamated Company may initiate any legal proceeding for and on behalf of the Amalgamating Companies. The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating Companies, which are capable of being continued by or against the Amalgamated Company, transferred to its name as soon as is reasonably possible after the Effective Date 2 and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

## **59. CONTRACTS**

59.1 Upon Part VI of the Scheme becoming effective and subject to the other provisions of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, memoranda of understandings, memoranda of agreements, bids, letters of intent, undertakings, engagements, arrangements, service contracts, consultant contracts, contracts with vendors and suppliers), technology contracts, outsourcing agreements, assignment agreements, license agreements (including for Intellectual Property), deeds, bonds, policies, information technology related

agreements, schemes, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacture of goods/service providers, other arrangements, insurance covers and claims, clearances, tenders including contracts / arrangements with government, expression of interest, service orders, purchase orders (either with or without a general purchase agreement), non-disclosure undertakings, and other commitments, whether written or otherwise, and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder, and other instruments to which the Amalgamating Companies are a party or to the benefit of which the Amalgamating Companies may be eligible, or under which the Amalgamating Companies have any obligations to discharge and which are subsisting or having effect on the Effective Date 2 shall, without any further act, instrument or deed, continue in full force and effect in favour of or against the Amalgamated Companies and may be enforced as fully and effectually as if, instead of the Amalgamating Companies, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto or thereunder. If the Amalgamated Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite agreements, confirmations or novations, the Amalgamating Companies will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Companies (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it is duly constituted attorney of the Amalgamating Companies.

- 59.2 On and from the Effective Date 2, and thereafter, the Amalgamated Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Amalgamating Companies, until the transfer of rights and obligations of the Amalgamating Companies to the Amalgamated Company under this Scheme has been given effect to under such contracts and transactions.
- 59.3 With effect from the Effective Date 2, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Companies and Amalgamated Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.
- 59.4 All inter se contracts solely between the Amalgamating Companies and the Amalgamated Company shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.

## **60. PERMITS**

- 60.1 Upon Part VI of the Scheme becoming effective and with effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Amalgamating Companies shall be transferred to and vested in the Amalgamated Company or deemed to have transferred to and vested in the Amalgamated Company, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Amalgamated Company as if the same were originally given by or issued to or executed in favour of the Amalgamated Company and the Amalgamated Company shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Amalgamated Company to carry on the operations of the Amalgamating Companies without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part VI of the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company shall, if required, file appropriate applications/ documents with relevant authorities concerned for information

and record purposes. The Amalgamated Company shall be permitted to continue with the existing Permits of the Amalgamating Companies till the aforementioned consent of any Person or Appropriate Authority is received / new Permit is received by the Amalgamated Company to give effect to the provisions of this Clause.

60.2 From the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Amalgamated Company, for the purposes of the relevant Permit, the Amalgamated Company is authorized to carry on business in the name and style of the Amalgamating Companies and use the Permits of the Amalgamating Companies.

## **61. SAVING OF CONCLUDED TRANSACTIONS**

61.1 Subject to the terms of the Scheme, the amalgamation of the Amalgamating Companies with the Amalgamated Company under Clauses 53 to 60 above shall not affect any transaction or proceedings already concluded by the Amalgamating Companies until the Effective Date 2, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Companies in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

## **62. TAXATION MATTERS**

Part VI of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. Upon the effectiveness of Part VI of the Scheme, by operation of law pursuant to the order of the Tribunal:

62.1 With effect from the Appointed Date and upon Part VI of the Scheme becoming effective, all direct taxes and indirect taxes, duties, cess receivable/payable by the Amalgamating Companies, including all or any refunds/credit (including export and tax credits) /claims/ tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation) relating thereto shall be treated as the asset/liability or refunds/credit/claims/ tax losses (including book losses)/unabsorbed depreciation (including book unabsorbed depreciation), as the case may be, of the Amalgamated Company. It is also clarified that the Amalgamated Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions it has entered into, by virtue of this Scheme with effect from the Appointed Date.

62.2 Direct taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, tax collected at source, foreign taxes, buyback distribution tax, minimum alternative tax, if any, paid by the Amalgamating Companies shall be treated as paid by the Amalgamated Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable.

62.3 If the Amalgamating Companies is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in the Amalgamated Company with effect from the Appointed Date to the extent the benefits / incentives/ schemes are linked to direct tax laws and with effect from Effective Date 2 to the extent the benefits / incentives/ schemes are linked to Indirect Tax Laws.

62.4 The Amalgamated Company is expressly permitted to revise, withdraw and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, goods and service tax returns, as

may be applicable and shall be entitled to claim credit for advance tax paid and exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Amalgamated Company prior to the Appointed Date and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.

- 62.5 On and from the Effective Date 2, it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. including under applicable Tax Laws, the Amalgamated Company, if so required, shall issue notice in the name of the Amalgamating Companies, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Amalgamated Company, as the person entitled thereto, to the end and intent that the right of the Amalgamating Companies, to recover or realise the same, stands transferred to the Amalgamated Company.
- 62.6 From the Effective Date 2, all the invoicing and compliance would be done by the Amalgamated Company post obtaining all requisite GST registrations, wherever so required. To the extent such set of registrations are not effective as on the Effective Date 2, for such intervening period, the Amalgamated Company would undertake the invoicing and compliance using the GST registrations of the Amalgamating Company, as the case may be, to ensure compliance with law and timely discharge of GST liability.
- 62.7 Upon Part VI of the Scheme becoming effective, the obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Companies pertaining to the period on or after the Appointed Date, under direct tax laws or other Applicable Laws dealing with taxes duly complied by the Amalgamating Companies shall be made or deemed to have been made and duly complied with by the Amalgamated Company.
- 62.8 In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government or central government, all indirect tax related benefits, transport marketing assistance, GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to GST input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses (including book losses) / minimum alternative tax, unabsorbed depreciation (including book unabsorbed depreciation) and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Amalgamating Companies and any interest thereon, with regard to any law, act or rule or scheme made by, the Appropriate Authority shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed, vest with and be available to the Amalgamated Company on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamating Companies to the end and intent that the right of the Amalgamating Companies to recover or realize the same, stands transferred to the Amalgamated Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 62.9 The Amalgamated Company shall be eligible to claim a deduction otherwise admissible but not claimed by the Amalgamating Companies, including for expenditure admissible on actual payment basis or on deduction/collection of appropriate taxes (such as section 43B, section 40, section 40A etc. of the Income Tax Act), upon fulfilment of conditions, if any, required under the Income Tax Act.

### **63. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

- 63.1 Upon Part VI of the Scheme becoming effective, the resolutions/ power of attorneys passed / executed by the Amalgamating Companies, as are considered necessary by the Board of the Amalgamated Company and that are valid and subsisting on the Effective Date 2, shall continue to be valid and

subsisting and be considered as resolutions and power of attorney passed/ executed by the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Amalgamated Company shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Amalgamated Company.

#### **64. CONSIDERATION – EQUITY SHARES**

- 64.1 Upon Part VI of the Scheme becoming effective and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the Eligible Shareholders 2, 56 (Fifty Six) equity shares of the Amalgamated Company, credited as fully paid-up equity shares of the face value of INR 2 each, for every 100 (One Hundred) fully paid-up equity shares of INR 10 each held by such member in the Amalgamating Company 1 (“**Share Exchange Ratio 2**”). The equity shares to be issued by the Amalgamated Company to the Eligible Shareholders 2 in accordance with this Clause 64.1 shall be referred to hereinafter as “**Merger Consideration Shares 2**”.
- 64.2 Since the Amalgamating Company 2 is a wholly owned subsidiary of the Amalgamated Company, and the Amalgamated Company, being the holding company, cannot issue or allot any shares to itself, no shares whatsoever shall be issued by the Amalgamated Company in consideration of the amalgamation. Accordingly, all such shares of the Amalgamating Company 2 held by the Amalgamated Company along with its nominees and the investment of the Amalgamated Company in such shares as appearing in the books of the Amalgamated Company shall stand cancelled upon Part VI of the Scheme becoming effective without issue or allotment of new shares in lieu of shares of the Amalgamating Company 2.
- 64.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Amalgamating Company 1, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company 1 and in relation to the shares of the Amalgamated Company issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transition period.
- 64.4 Where the Merger Consideration Shares 2 are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased Eligible Shareholders 2 of the Amalgamating Company 1, the concerned respective heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
- 64.5 If any Eligible Shareholder 2 becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of Merger Consideration Shares 2 in accordance with this Scheme, the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue such consolidated shares to a trustee appointed by the Board of the Amalgamated Company, who shall hold such shares in trust on behalf of the Eligible Shareholders 2 (entitled to the said fractional shares), for the specific purpose of selling such consolidated shares in the market at such price or prices and on such time or times, as trustee deems fit, but within 90 (ninety) days from the date of allotment of such shares, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the Eligible Shareholders 2 in proportion of their respective fractional entitlements.

- 64.6 The Merger Consideration Shares 2 allotted and issued in terms of Clause 64.1 of above, shall be listed and / or admitted to trading on the BSE and NSE, in compliance of the SEBI Schemes Master Circular and other relevant provisions and subject to the Amalgamated Company obtaining the requisite approvals from all the relevant Appropriate Authorities pertaining to the listing and trading of the Merger Consideration Shares 2. The Amalgamated Company shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.
- 64.7 The Merger Consideration Shares 2 to be allotted and issued to the Eligible Shareholders 2 as provided in Clause 64.1 above shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank *pari passu* in all respects with the then existing equity shares of the Amalgamated Company after the Effective Date 2 including with respect to dividends, voting rights and other corporate benefits attached to the equity shares of the Amalgamated Company.
- 64.8 It is clarified that the issuance and allotment of the Merger Consideration Shares 2 by the Amalgamated Company to the shareholders of the Amalgamating Company 1 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statues and regulations as may be applicable were duly complied with.
- 64.9 Subject to Applicable Laws, the Merger Consideration Shares 2 to be issued in terms of this Scheme shall be issued in dematerialized form. The register of members maintained by the Amalgamated Company and / or other relevant records, whether in physical or electronic form, maintained by the Amalgamated Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Amalgamated Company) be updated to reflect the issue of the Merger Consideration Shares 2 in terms of this Scheme. The Eligible Shareholders 2 who hold equity shares in the Amalgamating Company 1 in physical form should provide the requisite details relating to his / her / its account with a depository participant or other confirmations as may be required, to the Amalgamated Company, prior to the Record Date 2 to enable it to issue the Merger Consideration Shares 2. However, if no such details have been provided to the Amalgamated Company by the Eligible Shareholders 2 in physical form on or before the Record Date 2, the Amalgamated Company shall deal with the relevant Merger Consideration Shares 2 in such manner as may be permissible under the Applicable Law including by way of issuing corresponding equity shares in dematerialised form to a trustee (“**Trustee 2**”) who shall hold the relevant Merger Consideration Shares 2 in trust for the benefit of such Eligible Shareholder 2. The relevant Merger Consideration Shares 2 held by Trustee 2 for the benefit of the relevant Eligible Shareholder 2 shall be transferred to the respective Eligible Shareholder 2 once such shareholder provides details of his/her / its demat account to the Trustee, along with such other documents as may be required by the Trustee 2. The respective Eligible Shareholders 2 shall have all the rights of the shareholders of the Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of relevant Merger Consideration Shares 2 from the Trustee.
- 64.10 The Merger Consideration Shares 2 allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the BSE and NSE, as the case may be.
- 64.11 There shall be no change in the shareholding pattern or control of the Amalgamated Company between the Record Date 2 and the date of listing of Merger Consideration Shares 2 which may affect the status of the approval from BSE or NSE.
- 64.12 The Merger Consideration Shares 2 to be issued by the Amalgamated Company in lieu of the shares of the Amalgamating Company 1, if any, held in the unclaimed suspense account of the Amalgamating Company 1 shall be issued to a new unclaimed suspense account created for respective shareholders of the Amalgamating Company 1. The Merger Consideration Shares 2 to be issued by the Amalgamated Company in lieu of the shares of the Amalgamating Company 1 held in the investor education and

protection fund authority shall be issued to investor education and protection fund authority in favour of such Eligible Shareholders 2.

- 64.13 The Merger Consideration Shares 2 to be issued by the Amalgamated Company pursuant to Clause 64.1 above in respect of the shares of the Amalgamating Company 1, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of appropriate court or otherwise, also be kept in abeyance in a like manner by the Amalgamated Company.
- 64.14 In the event the Amalgamated Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares / rights issue during the pendency of the Scheme, the Share Exchange Ratio 2 shall be adjusted accordingly to consider the effect of any such corporate actions.

## **65. CONSIDERATION - WARRANTS**

- 65.1 Upon Part VI of the Scheme becoming effective and in consideration of the amalgamation of the Amalgamating Company 1 into the Amalgamated Company, the Amalgamated Company shall pursuant to this Scheme, and as an integral part hereof, without any further application, act or deed, issue and allot, in demat form, to the Warrant Holders, 56 (Fifty Six) share warrants of the Amalgamated Company (at the Warrant Price (*defined below*) for every 100 (One Hundred) share warrants of the Amalgamating Company 1 (“**Warrant Exchange Ratio**”). The share warrants to be issued by the Amalgamated Company to the Warrant Holders in accordance with this Clause 65.1 shall be referred to hereinafter as “**Amalgamated Company Warrants**”. Pursuant to the Warrant Exchange Ratio and rounding down any fraction entitlements to the previous whole number, Dr. Hari Babu Bodepudi and Dr. Kalidindi Srihari Raju shall be allotted up to 2,03,41,257 (Two Crore Three Lakhs Forty One Thousand Two Hundred and Fifty Seven) and 24,56,420 (Twenty Four Lakhs Fifty Six Thousand Four Hundred and Twenty) Amalgamated Company Warrants respectively. Each Amalgamated Company Warrant shall be convertible into 1 (one) equity share of the Amalgamated Company.
- 65.2 The “relevant date” for the allotment of Amalgamated Company Warrants is the date on which the Board of the Amalgamated Company approves the Scheme, which is in accordance with the SEBI Preferential Allotment Circular and the price at which the Amalgamated Company Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Preferential Allotment Circular (“**Warrant Price**”) and is INR 181.94 per Amalgamated Company Warrant.
- 65.3 In accordance with the provisions of the SEBI ICDR Regulations:
- 65.3.1 the Warrant Holders shall pay an amount equivalent to 25% (twenty-five per. cent.) of the Warrant Price (the “**Warrant Subscription Price**”) for subscription to the Amalgamated Company Warrant on the date of allotment of the Amalgamated Company Warrants. Provided however that any amount paid by the Warrant Holders by way of initial upfront consideration on allotment of the share warrants by the Amalgamating Company 1 or at any subsequent date, to the Amalgamating Company 1, shall be adjusted against the Warrant Subscription Price of the Amalgamated Company Warrants;
- 65.3.2 the option against the Amalgamated Company Warrants shall be exercised by the Warrant Holders within 18 (eighteen) months from the date of their allotment (“**Warrant Exercise Period**”), at the option of the Warrant Holders;
- 65.3.3 the balance 75% (seventy-five per. cent.) of the Warrant Price shall be paid by the Warrant Holders upon exercise of the option against the Amalgamated Company Warrants;
- 65.3.4 in the event any Warrant Holder does not exercise the against the Amalgamated Company Warrants within the Warrant Exercise Period, the total Warrant Subscription Price paid by such Warrant Holder shall be forfeited by the Amalgamated Company and the Amalgamated

Company Warrants shall lapse, to the extent that the option attached to such Amalgamated Company Warrants has not been exercised;

65.3.5 All taxes arising in connection with the issuance, subscription, or exercise of any Amalgamated Company Warrants, and the subsequent allotment of equity shares pursuant to the exercise of such warrants, shall be borne solely by the Warrant Holders. The Amalgamated Company shall withhold any applicable taxes as required by law. In the event the Amalgamated Company incurs or suffers any tax liability arising from the issuance, subscription, or exercise of the Amalgamated Company Warrants, the Warrant Holders agrees to promptly remit the necessary funds to the Amalgamated Company to enable it to discharge such liabilities and provide the relevant support /document /evidence as required by the Amalgamated Company; and

65.3.6 the equity shares of the Amalgamated Company allotted pursuant to the exercise of the option against the Amalgamated Company Warrants shall be subject to a lock-in for such period as specified under SEBI ICDR Regulations.

65.4 It is hereby clarified that for the purposes of Clause 65, the consent of the shareholders of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the issuance and allotment of the Amalgamated Company Warrants of the Amalgamated Company to the Warrant Holder and no further resolutions, approvals or authorization of the shareholders of the Amalgamated Company under Sections 42 and 62(1)(c) of the Act and/or any other applicable law would be separately required subject to the provisions of the SEBI Schemes Master Circular.

## **66. ACCOUNTING TREATMENT**

66.1 Accounting treatment in the books of the Amalgamated Company

66.1.1 Notwithstanding anything else contained in the Scheme, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 2 in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard 103 (“Ind AS”) 103 (Business Combinations of entities under common control), notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, in the books of accounts such that:

- (i) The Amalgamated Company shall record the assets and liabilities, if any, of the Amalgamating Company 2 vested in it pursuant to this Scheme, at the carrying values thereof and in the same form as appearing in the consolidated financial statements of the Amalgamated Company;
- (ii) The identity of the reserves of the Amalgamating Company 2 shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company 2 in the same form and at the carrying value as appearing in the consolidated financial statements of the Amalgamated Company;
- (iii) Pursuant to the amalgamation of the Amalgamating Company 2 with the Amalgamated Company, inter-company balances, between the Amalgamated Company and the Amalgamating Company 2, if any, as appearing in the books of the Amalgamated Company shall stand cancelled and there shall be no further obligation in that behalf;
- (iv) The value of all the investments held by the Amalgamated Company in the Amalgamating Company 2 shall stand cancelled pursuant to amalgamation;
- (v) The surplus, if any arising after taking the effect of clauses 66.1.1(i) to (iv) shall be transferred to Capital Reserve in the financial statements of the Amalgamated Company. The deficit, if any arising after taking the effect of clauses 66.1.1(i) to (iv)



and adjustment of previously existing credit balance in capital reserve, if any, shall be first debited to Retained Earnings in the financial statements of the Amalgamated Company to the extent of the balance available in the said account. If there is further deficit, the amount will be debited to the Amalgamation Adjustment Deficit Account and its nature shall be akin to Debit balance in Profit and Loss Account. The balance of this account shall be presented as part of reserves and a note explaining the nature shall be given in the financial statements of the Amalgamated Company;

- (vi) In case of any difference in accounting policy between the Amalgamating Company 2 and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- (vii) Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of the merger of the Amalgamating Company 2, as stated above, as if the merger had occurred from the beginning of the comparative period presented. However, if the entities came under common control after that date, the prior period information shall be restated only from that date;
- (viii) For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Amalgamating Company 2 are completed; and
- (ix) Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

66.1.2 Notwithstanding anything else contained in the Scheme, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company 1 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, read with the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- (i) The Amalgamated Company shall record the assets and liabilities, if any, of the Amalgamating Company 1 vested in it pursuant to this Scheme, at the carrying values thereof and in the same form as appearing in the standalone financial statements of the Amalgamating Company 1;
- (ii) The identity of the reserves of the Amalgamating Company 1 shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company 1 in the same form and at the carrying value as appearing in the standalone financial statements of the Amalgamating Company 1, subject to clause 66.1.2(v);
- (iii) Pursuant to the amalgamation of the Amalgamating Company 1 with the Amalgamated Company, inter-company balances, between the Amalgamated Company and/or the Amalgamating Company 1, if any, as appearing in the books of the Amalgamated Company and/or the Amalgamating Company 1 shall stand cancelled and there shall be no further obligation in that behalf;
- (iv) The Amalgamated Company shall credit its share capital account with the aggregate face value of the equity shares issued by it to the shareholders of Amalgamating Company 1 pursuant to Clause 64 of the Scheme;

- (v) Existing share capital along with securities premium (including the treasury shares) of Amalgamating Company 1 will stand cancelled;
- (vi) The surplus, if any arising after taking the effect of clauses 66.1.2(i) to (v) shall be transferred to Capital Reserve in the financial statements of the Amalgamated Company. The deficit, if any arising after taking the effect of clauses 66.1.2(i) to (v) and adjustment of previously existing credit balance in capital reserve, if any, shall be first debited to Retained Earnings in the financial statements of the Amalgamated Company to the extent of the balance available in the said account. If there is further deficit, the amount will be debited to the Amalgamation Adjustment Deficit Account and its nature shall be akin to Debit balance in Profit and Loss Account. The balance of this account shall be presented as part of reserves and a note explaining the nature shall be given in the financial statements of the Amalgamated Company;
- (vii) In case of any difference in accounting policy between the Amalgamating Company 1 and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- (viii) Comparative financial information in the financial statements of the Amalgamated Company shall be restated for the accounting impact of the merger of the Amalgamating Company 1, as stated above, as if the merger had occurred from the beginning of the comparative period presented. However, if the entities came under common control after that date, the prior period information shall be restated only from that date;
- (ix) For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Amalgamating Company 1 are completed;
- (x) Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

#### 66.2 Accounting treatment in the books of the Amalgamating Company 1

As the Amalgamating Company 1 shall stand dissolved without being wound up, upon Part VI of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Amalgamating Company 1.

#### 66.3 Accounting treatment in the books of the Amalgamating Company 2

As the Amalgamating Company 2 shall stand dissolved without being wound up, upon Part VI of the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Amalgamating Company 2.

### 67. EMPLOYEES STOCK OPTION PLAN

67.1 With respect to the Amalgamating Company 1 ESOP Plan, upon Part VI of the Scheme becoming effective, the Amalgamated Company shall adopt a new employee stock option scheme (“**Amalgamated Company New Option Scheme**”), and issue such number of stock options not exceeding 2.8% (two point eight percent) of the post amalgamation paid-up share capital of the Amalgamated Company on a fully diluted basis under the Amalgamated Company New Option Scheme. The stock options issued under the Amalgamated Company New Option Scheme shall be on the same terms and conditions as (and which are not less favourable than those) provided in the Amalgamating Company 1 ESOP Plan, in a manner such that the benefit of the options granted under

the Amalgamating Company 1 ESOP Plan is sufficiently transferred.

- 67.2 It is hereby clarified that upon Part VI of this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees under the Amalgamating Company 1 ESOP Plan shall automatically stand cancelled. Further, upon Part VI of the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the Amalgamating Company 1 ESOP Plan, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees considering the Share Exchange Ratio 2, in a manner such that the benefit of the options granted under the Amalgamating Company 1 ESOP Plan are sufficiently transferred. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio 2 as above shall be rounded off to the nearest higher integer. The number of shares that the Eligible Employees would be entitled to under each option, and the exercise price payable for options granted by the Amalgamated Company to the Eligible Employees, shall be based on the number of shares and exercise price payable under the Amalgamating Company 1 ESOP Plan, as may be adjusted after taking into account the effect of the Share Exchange Ratio 2.
- 67.3 On the Effective Date 2, the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2021 (“**SEBI ESOP Regulations**”), as amended to-date, shall apply, to the extent applicable, to the stock options granted by the Amalgamated Company under the Amalgamated Company New Option Scheme in pursuance of this Scheme.
- 67.4 The grant of stock options by the Amalgamated Company under the Amalgamated Company New Company Stock Options pursuant to this Scheme shall be effected as an integral part of the Scheme and the approval of relevant Appropriate Authorities and the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Amalgamated Company New Stock Option Scheme, including without limitation, for the purposes of creating the Amalgamated Company New Stock Option Scheme and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.
- 67.5 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Amalgamating Company 1 ESOP Plan or the Amalgamated Company Option Scheme, as the case may be.
- 67.6 The Board of Directors of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the nomination and remuneration committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

## **68. DISSOLUTION OF THE AMALGAMATING COMPANIES**

- 68.1 Upon Part VI of the Scheme becoming effective, the Amalgamating Companies shall stand dissolved without being wound up, without any further act, instrument or deed and the respective Boards and any committees thereof of the Amalgamating Companies shall without any further act, instrument or deed be and stand discharged. Pursuant to the Scheme coming into effect, the equity shares and share warrants of the Amalgamating Companies (whether in electronic form and/or in the physical form), as the case may be, shall stand cancelled, and the name of the Amalgamating Companies shall be struck off from the RoC records.

## **69. COMBINATION OF AUTHORISED SHARE CAPITAL**

- 69.1 Upon Part V of the Scheme becoming effective, and as an integral part of Part V of the Scheme: (A)

considering the combination of authorised share capital pursuant to Clause 19 in Part II and Clause 50 of Part IV of the Scheme, the authorised share capital of the Amalgamating Company 1 comprising of (i) 48,29,52,000 equity shares of INR 10/- each aggregating to INR 482,95,20,000, (ii) 22,84,95,000 preference shares of INR 10/- each aggregating to INR 228,49,50,000, (iii) 1,00,00,000 preference shares of INR 90/- each aggregating to INR 90,00,00,000, shall stand reclassified entirely only as equity share capital comprising 4,00,72,35,000 equity shares of INR 2 each aggregating to INR 8,01,44,70,000, (B) the authorised share capital of Amalgamating Company 2 comprising of 47,00,000 equity shares of INR 10/- each aggregating to INR 4,70,00,000 shall reclassified entirely only as equity share capital comprising aggregating 2,35,00,000 equity shares of INR 2 each aggregating to INR 4,70,00,000. It is clarified that the approval of the shareholders of the Amalgamating Companies to this Scheme shall be deemed to be their respective consents / approvals to the reclassification of the authorized share capital envisaged under this Clause as required under Sections 13, 61 and other applicable provisions of the Act.

69.2 Upon Part VI of the Scheme becoming effective and upon the reclassification/ reorganization of the resultant authorised share capital of the Amalgamating Companies as set out in Clause 69.1, the authorised share capital of the Amalgamating Companies shall, taking into consideration the increase in authorised share capital of Amalgamating Company 1 pursuant to Clause 19 and Clause 51, stand transferred, merged and combined with the authorised share capital of the Amalgamated Company pursuant to this Scheme without any further act, deed or instrument including payment of stamp duty and fees payable to the RoC to the extent already paid by the Amalgamating Companies. In terms of the provisions of Section 232(3)(i) of the Act, and other applicable provisions, if any, the aggregate fees paid by the Amalgamating Companies on the authorized capital shall be set-off against the fees payable by the Amalgamated Company on the increase in the authorized share capital as mentioned in this Clause 69. In relation to the foregoing, if applicable, the Amalgamated Company shall pay requisite fees on its authorised share capital enhanced by the amalgamation after having made adjustments, as permitted in terms of Sections 232(3)(i) read with Section 233(11) of the Act. The aggregate authorised share capital of the Amalgamated Company shall automatically stand increased to that effect by filing the requisite forms with the RoC on such increased and combined authorised share capital.

69.3 Consequently, with effect from the Effective Date 2, the memorandum of association of the Amalgamated Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act as per Clause 52 of Part VI of this Scheme, such that Clause V of the memorandum of association shall be replaced by the following:

*“The Authorised Share Capital of the Company is Rs. 8,86,14,70,000 (Rupees Eight Hundred Eighty Six Crore Fourteen Lakh Seventy Thousand) divided into 4,43,07,35,000 (Four Hundred Forty Three Crore Seven Lakh Thirty Five Thousand) equity shares of Rs. 2 (Rupees Two Only) each with power to increase and/ or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such qualified or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, or modify or abrogate any such rights, privileges or conditions in such manner as may from the time being be provided by the regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.”*

Further, the articles of association of the Amalgamated Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 14 and other applicable provisions of the Act as per Clause 52 of Part VI of this Scheme, such that Article No. 5 of the articles of association of the Amalgamated Company regarding the authorised share capital shall be replaced by the following:

*“The Authorised Share Capital of the Company is Rs. 8,86,14,70,000 (Rupees Eight Hundred Eighty Six Crore Fourteen Lakh Seventy Thousand) divided into 4,43,07,35,000 (Four Hundred Forty Three Crore Seven Lakh Thirty Five Thousand) equity shares of Rs. 2 (Rupees Two Only) each.*

*The Company has power from time to time to increase or reduce its capital. Any of the said shares and any new shares thereafter to be created may from time to time be divided into shares of several classes in such manner as may be provided hereinafter and the Company may allow and so that the shares of each class may have or confer such preferred or other special rights and privileges as may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under the provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with sanction as is provided for hereafter.”*

- 69.4 In the event the authorised capital of the Amalgamated Company undergoes any change prior to the Effective Date 2, the capital clause of the memorandum of association of the Amalgamated Company and Article 5 of the articles of association of the Amalgamated Company, shall be modified accordingly to take into account the effect of any such change (including reclassification of any part of the share capital) without any further act, instrument or deed.
- 69.5 The approval of this Scheme by shareholders of the Amalgamated Company under Sections 230 to 232 of the Act, shall be deemed to have been an approval under Section 13, 14, 61 and 64 or any other applicable provisions under the Act to the alteration of the memorandum of association of the Amalgamated Company as may be required under the Act, and no further resolution(s) would be required to be separately passed in this regard.

## **70. CONDUCT OF BUSINESS**

- 70.1 Unless otherwise agreed amongst inter alios the Parties in writing, during the period between the date of approval of the Scheme by the Boards of the Parties and the Effective Date 2:
- 70.1.1 the Amalgamating Companies will carry on their respective business in the ordinary course and shall continue to operate, manage and expand and grow its business consistent with past practice in trust and good faith and in accordance with Applicable Law;
- 70.1.2 the Amalgamating Companies and the Amalgamated Company shall be entitled, pending the sanction of this Scheme by the Tribunal, to apply to the Appropriate Authorities concerned, as necessary under Applicable Law, for transfer / issuance of Permits which the Amalgamated Company may require to carry on the business of the Amalgamating Companies or to give effect to this Scheme.

## **PART VII**

### **GENERAL TERMS AND CONDITIONS**

#### **71. APPLICATIONS / PETITIONS TO THE TRIBUNAL**

- 71.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 71.2 The Parties shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed amongst the Parties, which the Parties may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed in writing amongst *inter alios* the Parties.

#### **72. SEQUENCING OF ACTIONS**

- 72.1 The Scheme shall be implemented in the following sequence:

- 72.1.1 reduction of share capital of the Transferee Company 1 by cancellation of partly paid-up equity shares of Transferee Company 1 in accordance with Part II of this Scheme shall become effective;
- 72.1.2 filing of the certified copies of the Sanction Order with the RoC by each of the Transferor Companies and the Transferee Company 1, pursuant to which, the amalgamation of the Transferor Companies with the Transferee Company 1 in accordance with Part III of this Scheme shall become effective;
- 72.1.3 reorganisation/ reclassification of the authorised share capital of Transferee Company 1 in accordance with Part III of this Scheme;
- 72.1.4 transfer of the respective authorised share capital of the respective Transferor Companies to the Transferee Company, in accordance with Part III of this Scheme;
- 72.1.5 dissolution of the respective Transferor Companies without being wound up and cancellation of the shares of the Transferor Companies, in accordance with Part III of the Scheme;
- 72.1.6 filing of the certified copies of the Sanction Order with the RoC by each of the Transferor Company 6 and the Transferee Company 2, pursuant to which, the amalgamation of the Transferor Company 6 with the Transferee Company 2 in accordance with Part IV of this Scheme shall become effective;
- 72.1.7 transfer of the authorised share capital of the Transferor Company 6 to the Transferee Company 2, in accordance with Part IV of this Scheme;
- 72.1.8 dissolution of the Transferor Company 6 without being wound up and the cancellation of shares of the Transferor Company 6, in accordance with Part IV of the Scheme;
- 72.1.9 filing of certified copies of the Sanction Order with the RoC by each of the Transferor Company 7 and Transferee Company 1, in accordance with Part V of this Scheme, pursuant to which, the amalgamation of the Transferor Company 7 with the Transferee Company 1 in accordance with Part V of this Scheme shall become effective;
- 72.1.10 transfer of the respective authorised share capital of the Transferor Company 7 to the Transferee Company 1, in accordance with Part V of this Scheme;
- 72.1.11 dissolution of the Transferor Company 7 without being wound up and the cancellation of shares of the Transferor Company 7, in accordance with Part V of the Scheme;
- 72.1.12 issue and allotment of Merger Consideration Shares 1 by the Transferee Company 1 to the Eligible Shareholders 1 in accordance with Part V of the Scheme and providing a list of shareholders and holders of share warrants of the Amalgamating Company 1 to the Amalgamated Company;
- 72.1.13 filing of certified copies of the Sanction Order with the RoC by each of the Amalgamating Companies and the Amalgamated Company, pursuant to which, the amalgamation of the Amalgamating Companies with the Amalgamated Company in accordance with Part VI of this Scheme shall become effective;
- 72.1.14 reorganisation/ reclassification of the authorised share capital of Amalgamating Companies in accordance with Part VI of this Scheme;
- 72.1.15 transfer of the respective authorised share capital of the respective Amalgamating Companies to the Amalgamated Company, in accordance with Part VI of this Scheme;

72.1.16 dissolution of the respective Amalgamating Companies without being wound up and cancellation of shares of the Amalgamating Companies, in accordance with Part VI of the Scheme;

72.1.17 issue and allotment of Merger Consideration Shares 2 and Amalgamated Company Warrants by the Amalgamated Company to the Eligible Shareholders 2 and Warrant Holders respectively, in accordance with Part VI of the Scheme;

72.1.18 issue of stock options by the Amalgamated Company to the Eligible Employees, in accordance with Part VI of the Scheme.

### **73. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

73.1 Unless otherwise agreed *inter alios* the Parties in writing, the Boards of the Parties may (i) jointly make any modifications or amendments to this Scheme at any time and for any reason whatsoever, at their full and absolute discretion, or which may otherwise be considered necessary, desirable or appropriate, and (ii) jointly consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

### **74. CONDITIONS PRECEDENT**

74.1 This Scheme is conditional upon and subject to the following conditions precedent:

74.1.1 the Stock Exchanges having issued their observation / no-objection letters as required under the SEBI LODR Regulations read with the SEBI Schemes Master Circular;

74.1.2 this Scheme being approved by the respective requisite majority of each class of members and creditors of the Parties as applicable or as may be required under the Act and as may be directed by the Tribunal;

74.1.3 this Scheme being approved by the public shareholders of the Amalgamated Company through e-voting in terms of paragraph 10(a) of Part I of the SEBI Schemes Master Circular and the votes cast by the public shareholders of the Amalgamated Company in favour of this Scheme being more than the number of votes cast by public shareholders of the Amalgamated Company against this Scheme;

74.1.4 approval for this Scheme from the Competition Commission of India;

74.1.5 sanction of the Scheme by the Tribunal under Sections 230 to 232 and other relevant provisions of the Act and receipt of certified copy of the Sanction Order;

74.1.6 satisfaction (or waiver in writing) of such other conditions precedent as mutually agreed amongst *inter alios* the Parties in writing; and

74.1.7 the certified copies of the Sanction Order having been filed by the Parties with the RoC.

74.2 The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 74.1 above are satisfied (or to the extent permissible under Applicable Law, waived jointly by the Boards of the Parties subject to mutual agreement in writing amongst *inter alios* the Parties) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person. It is hereby clarified that submission of the Scheme to the Tribunal and to the Appropriate Authorities for their respective approval is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Laws.

74.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of persons relating to the Parties, if any, such shareholders and classes of persons, shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations, SEBI ESOP Regulations or otherwise, to the same extent applicable to all the matters related to or arising pursuant to the Scheme and this Scheme itself.

## **75. REMOVAL OF DIFFICULTIES**

75.1 Unless otherwise agreed amongst inter alios the Parties in writing, the Parties through their respective Boards may jointly give such directions 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 Tribunal 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 Laws, and also do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

## **76. WITHDRAWAL OF THIS SCHEME**

76.1 Unless otherwise agreed amongst inter alios the Parties in writing: (i) the Parties acting jointly, not singly, shall be at liberty to withdraw the Scheme, as may be mutually agreed amongst the respective Boards of the Parties at any time before the Effective Date 1, and (ii) in the event of withdrawal, no rights and liabilities whatsoever shall accrue to or be incurred by the respective Parties or their shareholders or creditors or employees or any other Person, and each of the Parties shall bear its own costs and expenses.

## **77. COSTS AND EXPENSES**

77.1 Save as expressly otherwise agreed amongst inter alios the Parties in writing: (i) all costs, charges, Taxes including duties, levies and all other expenses, if any, incurred by any of Parties in carrying out and implementing this Scheme and matters incidental thereto, shall be respectively borne by such Parties in respect of stamp duty payable on Merger Consideration Shares 1, till the Effective Date 2; and (ii) on and from the Effective Date 2, the Amalgamated Company shall bear all costs, charges, expenses, Taxes including duties, levies and stamp duty associated with the Sanction Order, issuance of the Merger Consideration Shares 2 and transfer of immovable property.

77.2 All the expenses incurred by the Transferor Companies, Transferor Company 6, Transferor Company 7 and Amalgamating Companies in relation to the amalgamation mentioned as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Amalgamated Company in accordance with Section 35DD of the Income Tax Act over a period of 5 (five) financial years from the Appointed Date.

## **78. SEVERABILITY**

78.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to, only if the Scheme is approved in its entirety and given effect to in accordance with the terms of the Scheme, except to the extent that the Parties may otherwise agree in writing.

78.2 Subject to Clause 78.1 above, if any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to the Parties, in which case the Parties,



acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

**79. NO CAUSE OF ACTION**

79.1 No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Parties or their respective directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

**//Certified Copy//  
For SeQuent Scientific Limited**

**Phillip Trott  
Company Secretary  
Membership Regn. No.- F-7403**