

SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232

OF

THE COMPANIES ACT, 2013

OF

BMW IRON & STEEL INDUSTRIES LIMITED

- Transferor Company 1

AND

NIPPON CRYO PRIVATE LIMITED

- Transferor Company 2

WITH

BMW INDUSTRIES LIMITED

- Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

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GENERAL:

This Scheme of Amalgamation ("the Scheme"), provides for the amalgamation of BMW Iron & Steel Industries Limited (hereinafter referred to as "BISIL" or Transferor Company-1) and Nippon Cryo Private Limited (hereinafter referred to as "NCPL" or Transferor Company-2) with BMW Industries Limited (hereinafter referred to as "BIL" or Transferee Company). The Scheme is made pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act").

A. DESCRIPTION OF THE COMPANIES:

1.1 **BMW IRON & STEEL INDUSTRIES LIMITED**("BISIL" or Transferor Company-1) having Corporate Identity Number U27109WB2005PLC102557 is a public company incorporated on 30th March, 2005 under the provisions of the Companies Act, 1956 and having its registered office at 119, Park Street, White House, 3rd Floor, Kolkata-700016, West Bengal.

1.2 **BISIL** has been incorporated with, *interalia*, the following main objects:

- i. *To carry on the business as manufacturers, producers, founders, Consignment Agents, C.F. Agent, Stockiest, Distributors, Importers, Exporters and dealers of all kinds of Steel, Stainless Steel, Special Steel, Mild Steel, Aluminium, Copper and their Products, Rolling Materials, Hot rolled/Cold Rolled Coils & Sheets, Structural Materials & Building Materials, Cable Wires & Ropes, Tools & Spares, Ferrous & Non Ferrous Materials, Furniture & Furnishing Materials, Ferrous and Non- Ferrous Scrap Bundle, Briquettes, Metal Scrap- treatment, bailing pressed and processors of lower grade ferrous & non-ferrous scrap into high grade scrape including manufacturers of ferrous & non- ferrous briquettes in rough iron, pig iron, sponge iron, ferrous and non ferrous castings of all kinds and in particular of continuous casting, chilled and malleable castings, special alloy castings, steel castings, gravity die casting gunmetal, copper, brass, aluminium castings, foundry work of all kinds, ceramics, wall tiles, floor tiles and chemicals.*

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- ii. *To carry on the business as manufactures, exporters, importers, buyers, sellers, distributors, agents of and dealers in all kinds and description of Iron and Steel Rolls including Forged Rolls, Solid and Hollow Rolls for all industries including Steel plants, alloyed and unalloyed iron and set castings and parts of components thereof, ferrous and non-ferrous metal founders, Structural Steel, Stainless Steel Carbon Steel Alloy Steel, Mild Steel Micro-alloy Steel, Tool Steel and other Special Steel group and their products such as ingots, billets, blooms, sheets, strips, rounds, rods, bars, ropes, squares, invert angles, valves, plates, mining, ubeam elevator, guide channels, flats, slabs, beams, rails, joints, joist, channels, angles, rolls, steel strips, plates plain and cooled twisted bars, sections, shafting, structural, pies, tunes, wires, etc., Tin strips, G.P. Sheets, G.C. Sheets, C.R.C Sheets, H.R. Strips/Sheets, Galvanised Strips, tools and implements, machine parts, engineering goods, mill wrights, hard-wares of all kinds and description etc. and all other varieties of profiles and products whether forged, rolled, cast or drown and all products intermediates and by-products consequent to or obtained in the process of manufacture of above articles.*
- iii. *To establish, own or acquire steel rolling and/or steel re-rolling mills, Iron & Steel melting furnace, blast furnace, cook over furnace, Machine Shop and to acquire, and to carry on the business of Steel fabricators of all kinds, Iron & Steel Converters, boilers and steam generating plants, rolling stock, mechanical, civil and electrical engineers, contractors, erectors and metallurgists.*
- 1.3 **NIPPON CRYO PRIVATE LIMITED** ("NCPL" or Transferor Company-2) having Corporate Identity Number U27100JH2004PTC010686 is a private company incorporated on 15th April, 2004 under the provisions of the Companies Act, 1956 and having its registered office at Plot No.2, Large Sector, Adityapur Industrial Area, Tata Kandra Main Road, Adityapur, Jamshedpur -832108, Jharkhand.
- 1.4 **NCPL** has been incorporated with, interalia, the following main objects:
- i. *To carry on the business of manufacturing, compressing and trading in industrial gases, medical gases and any other gases or kindred substances, or any compounds*

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thereof by any process, and of selling or applying such gases, substances and compounds or any of them to such purposes as the company may from time to time desirable, and to manufacture, buy, sell, let on hire deal in Engines, Electrode, Transformers, Gas Cylinders, Compressors, Welding Machines and other apparatus and conveniences which may seem calculated to promote (directly or indirectly) the consumption of gases.

ii. To design, fabricate, install, acquire, purchase and deal in, equipment and machinery required in the manufacturer of industrial gases and other gases or kindred substances, or any compounds, all types of welding electrodes, welding and cutting equipments, are welding transformers, dissolved acetylene lamps generators and plant, acetylene apparatus and accessories of every description

1.5 **BMW INDUSTRIES LIMITED** ("BIL" or Transferee Company) having Corporate Identity Number L51109WB1981PLC034212 is a public company incorporated on 21st October, 1981 under the provisions of the Companies Act, 1956 and having its registered office 119, Park Street, White House, 3rd Floor, Kolkata -700016, West Bengal. The equity shares of the Company are listed on the BSE Limited and The Calcutta Stock Exchange Limited.

1.6 **BIL** has been incorporated with, inter alia, the following main objects:

i. To carry on all or any of the business of manufactures, assemblers, fitters, engineers, erectors, founders, smelters, refiners, makers, drawers, miners, workers, repairers, rollers, re-rollers stores, hirers, hire-purchase dealers, importers, exporters, agents, representatives, proprietors, contractors, merchants, suppliers, manipulators and dealers of and in pig iron and steels of all kinds of ferrous and non ferrous metals and alloys, iron and metal scrape, ferro-alloys, machines, machinery parts and accessories, tools and implements of all kinds of machine tools, rollers and tapper bearings, heavy and other machines and tools, cast iron, steel and metal goods, iron, steel and other machines and tools, cast iron, steel and metal goods, iron, steel and other metal castings and forgings, textile machines and accessories, jute mills machine, mining accessories, agricultural machinery,

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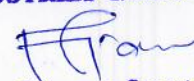

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implements and accessories, wood working machine, earth cutting and moving machines, bull dozers, dumpers, dredgers, shovels, road rollers, building machines and equipments, chemical plants, equipments and accessories, filtration equipments, crystallisers, electro-medical appliances and instruments, electrical machines and equipments, oil and floor mill machines and accessories, cement Plants & Machinery, paper and sugar mill machines-parts and accessories, fire fighting machine and equipments, distillery equipments structural materials steel structures, equipments, parts, parts and goods, pullers, chain pulley blocks, cranes, fork lifter conveying equipments, elevators, hoist, converts mixture, railway slipper, wagons and parts, trolleys, coaches, chassis, shafts, handling and loading equipments, weighing bridges, winches, hydraulic presses, boilers, boiler parts and accessories turbines, internal combustion engines, furnaces, chimneys, generators, transformer, switches, welding machines ball mills, crushers, haulers, drilling machines and Accessories, gas turbines, bridges, diesel engines, compressors motors, tools lathes, milling machines, drilling machines, grinding lapping and honing machines, presses, shers, bending machines, thread cutting machines, electro-welding and soldering machines & tools iron & metal wares, foundry machines, cold shaping machines, hot forming machines, pipe & fitting, moulds and dies. Hamilton & other typing of poles, wire nails, bolts & nuts, sheet, joists angles M.S. Rounds, wire-ropes, electric cable and wires, equipments for generation, transmission and distribution of electricity, storage batteries, dry cells and other machines equipment, accessories, parts, raw materials, and produces required in connection therewith.

- ii. To carry on manage, supervise and control the business of transmitting manufacturing, supplying, generation, distributing and dealing in electricity and all form of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.
- iii. To carry on in India or abroad the business of establishing, commissioning setting up, operating and maintaining electric power transmission systems/networks, power system, generating stations based on conventional/ non-conventional resources for

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evacuation , transmission distribution, trading or supply of power through establishing or using station, tie- lines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build own, operate and transfer (BOOT) basis or otherwise and to acquire in any manner power transmission systems/networks, power systems generation stations, tie-lines, sub-stations and transmission or distribution systems from state Electricity Boards, Vidyut Boards, Power Utilities Generating Companies, Transmission Companies, Distribution Companies Central or State Government Undertakings, Licensees, other Local authorities or statutory bodies, other captive or independent power Producers and distributors and to do all the ancillary related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms.

To plan, Develop, establish, erect, construct, acquire, operate, run Manage, hire, lease, buy, sell, maintain, enlarge, alter, renovate, modernize, work and use power system network of all types including ultra high voltage (UHV), extra-high voltage (EHV), high voltage (HV), high voltage direct current (HVDC), medium voltage (MV) and low voltage (LV) lines and associated stations, substation, transmission and distribution centers, systems and network and to lay cables, wires, accumulators, plants, motors, meters, apparatus, computers, telecommunication and telemetering equipments and other materials connected with generation, transmission, distribution, supply and other materials connected with generation, transmission, distribution, supply and other ancillary activities relating to the electrical power and to undertake for and on behalf of others all these activities in any manner.

B. RATIONALE FOR THE SCHEME:

The amalgamation of BISIL and NCPL with BIL, the Transferee Company would, inter alia, have the following benefits:

- (a) BIL, the Transferee Company is engaged in the business of manufacturing and trading in iron and steel and is one of the largest Steel Processing Companies in India having multi location manufacturing units in the Steel sector. The Transferor Companies, BISIL and NCPL, are engaged in the business of manufacturing of iron & steel

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products. The combined efforts and resources on such merger would lead to a more concentrated approach towards diversification, development of the business and the achievement of their objectives.

- (b) The Scheme envisages amalgamation of Transferor Companies into Transferee Company, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the applicant companies. Accordingly, it would be in the best interests of the shareholders of the Transferor Companies and Transferee Company.
- (c) The transferee company is the ultimate holding company of the Transferor companies and therefore are under the same management group.
- (d) The amalgamation of the Transferor Companies with the Transferee Company will combine synergies thereby resulting in efficiency of management and maximising overall shareholder value.. The proposed merger will also result in the larger pool of various resources as well as manpower, which will enable the merged entity to grow and prosper at a faster pace. The amalgamation of the companies will pave the way for better and more efficient utilization of larger resources and funds.
- (e) The merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage assets, capabilities, experience and infrastructure of the companies; reduce managerial overlaps involved in operating different entities, ease and increase operational and management efficiency, integrate business functions, and eliminate duplication and rationalization of administrative expenses due to the running of separate entities. It would also lead to growth prospects for the personnel and organizations connected with these companies and thus be in the interest and welfare of the employees of the companies concerned and will also be in the larger interest of the stakeholders.
- (f) The merger of the Applicant Companies will help in the creation of a platform for further growth and expanding business operations.

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- (g) The banks, creditors and financial institutions will not be adversely affected by the proposed amalgamation.
- (h) In view of the aforesaid, the Board of Directors of BIL as well as the Board of Directors of BISIL and NCPL have considered and proposed the amalgamation of the entire undertaking and business of BISIL, and NCPL with BIL. Accordingly, the Board of Directors of all the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of BISIL and NCPL into BIL pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act.
- (i) To give effect to the proposals contained herein, this Scheme of Amalgamation be presented for approval to the Honourable National Company Law Tribunal, Kolkata Bench.

C. PARTS OF THE SCHEME:

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Companies and the Transferee Company.
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Companies to and in the Transferee Company.
- (iii) **Part III** deals with issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Companies.
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and the applicability of the Income Tax Act, 1961.

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(v) **Part V** deals with the dissolution of the Transferor Companies and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of BISIL and NCPL (the Transferor Companies) into BIL (the Transferee Company), pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 but not limited to Section 2 (1B).


PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, the following expressions, unless repugnant to the context, shall have the meaning assigned hereto:

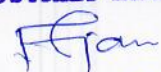
- 3.1 **“Act”** means the Companies Act, 2013 and the rules made there under, including any statutory modifications, re-enactments or amendments for the time being in force.
- 3.2 **“Appointed Date”** means 1st April, 2019 or such other date as the Honorable National Company Law Tribunal, Kolkata Bench may direct.
- 3.3 **“Assets”** in relation to Transferor Companies means Fixed Assets, Investments, Current Assets, Loans and Advances and any other assets as per the books of the Transferor Companies as at 31st March, 2019.
- 3.4 **“BIL”** means “BMW INDUSTRIES LIMITED”, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at 119, Park Street, White House 3rd Floor Kolkata-700016, West Bengal

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- 3.5 **“BISIL”** means “BMW IRON & STEEL INDUSTRIES LIMITED”, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at 119, Park Street, White House 3rd Floor Kolkata-700016, West Bengal.
- 3.6 **“Board”** means the Board of Directors of BISIL, NCPL, with BIL including any Committees thereof.
- 3.7 **“Clause”** means a clause in this Scheme.
- 3.8 **“Effective Date”** means the later of the dates on which certified copies of the order of the NCLT, Kolkata Bench sanctioning the scheme are filed with the Registrar of Companies, West Bengal by the Transferor Companies and the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 3.9 **“Employees”** means all the permanent employees of the Transferor Companies who are on the payroll of the Transferor Companies as on the Appointed Date.
- 3.10 **“Encumbrance”** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, title defect, title retention
- 3.11 **“Liabilities”** in relation to the Transferor Companies means Loan Funds, Current Liabilities, Reserves and Surpluses, provisions and all other liabilities of the Transferor Companies as per the books of the Transferor Companies as at 31st March, 2019.
- 3.12 **“NCLT”** or **“Tribunal”** shall mean the National Company Law Tribunal, Kolkata Bench having jurisdiction in relation to the Transferee and Transferor Companies.
- 3.13 **“NCPL”** means “NIPPON CRYO PRIVATE LIMITED”, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Plot No.2, Large Sector, Adityapur Industrial Area, Tata Kandra, Main Road, Jamshedpur -832108, Jharkhand

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- 3.14 **“Proceedings”** include any suit, appeal or any legal proceeding of whatsoever nature, in any Court of law or tribunal or any judicial or quasi-judicial body or any assessment proceeding before any authority under any law and also arbitration proceeding.
- 3.15 **“Record Date”** means the date to be fixed by the board of directors of the Transferee Company for the purpose of determining the equity shareholders of the Transferor Companies to whom shares of the Transferee Company will be allotted pursuant to this Scheme.
- 3.16 **“Registrar of Companies”** means the Registrar of Companies, West Bengal for BIL and BISIL; Registrar of Companies, Jharkhand for NCPL.
- 3.17 **“Scheme”** means this Scheme of Amalgamation between the Transferor Companies and the Transferee Company and their respective shareholders in the present form as submitted to the Tribunal for sanction with any modification(s) approved or imposed or directed by the Tribunal.
- 3.18 **“Stock Exchanges”** means the BSE Limited (“BSE”) and the Calcutta Stock Exchange Limited (“CSE”) where the shares of the Transferee Company is listed.
- 3.19 **“Transferee Company”** means “BIL”.
- 3.20 **“Transferor Companies”** means “BISIL”, NCPL”,
- 3.21 **“Undertaking of Transferor Companies”** or **“Undertaking”** means the entire business and the whole of the undertaking of the Transferor Company as a going concern together with all its assets, rights, licenses and powers and all its debts, liabilities, outstanding, duties and obligations as on the Appointed Date and without prejudice to the generality of the foregoing clause, the said undertaking shall include:
- (a) All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts,

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concessions, engagements, arrangements, estates, interests, intellectual property rights, trademarks, brands, goodwill, powers, rights and titles, benefits and advantages, if any, of whatsoever nature and wherever situated of every description belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by Transferor Companies as on the Appointed Date, and

- (b) All the debts, duties, liabilities and obligations of every description of or pertaining to Transferor Companies standing in the books of Transferor Companies as on the Appointed Date as provided herein.
- (c) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Government Authority under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (d) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims to any patents, trademarks, design, quota rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Companies.
- (e) All records, files, papers, designs, and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, if any, of the Transferor Companies.

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- (f) All employees of the Transferor Companies and all other obligations of whatsoever kind, including liabilities in respect of employees of the Transferor Company with regard to payment of gratuity, provident fund or compensation, if any, etc.
- (g) Without prejudice to the generality of the foregoing mentioned hereinabove, the term "Undertaking of Transferor Companies" shall include the entire business which is being carried out under the name and style of Transferor Companies and shall include the advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorizations, benefits, capital work-in-progress, concessions, rights and assets, industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, permits, consents, clearances, approvals, certificates, powers of every kind, nature and description whatsoever, privileges, quota, rights, registration, reserves, waivers, acknowledgments including but not limited to the relevant factory licenses, environmental clearances/consents/approvals, all supply arrangements/ linkages/ agreements and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, if any, and all benefits including subsidies, grants, incentives, tax credits, electricity permits, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, tenancy rights, titles, trademarks, trade names, if any, and all other utilities held by Transferor Companies or to which Transferor Companies are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Companies and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Companies.

Terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the

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Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

2.1 The details of Share Capital of **BISIL** as on 31.03.2019 is as under:

PARTICULARS	AMOUNT
Authorized Capital: 50,00,000 equity shares of Rs. 10/- each	5,00,00,000
Total	5,00,00,000
Issued, Subscribed and Paid-up Capital: 40,50,300 equity shares of Rs. 10/- each	4,05,03,000
Total	4,05,03,000

2.2 The details of Share Capital of **NCPL** as on 31.03.2019 is as under:

PARTICULARS	AMOUNT
Authorized Capital: 10,00,000 equity shares of Rs. 100/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Capital: 88,500 equity shares of Rs. 100/- each	88,50,000
Total	88,50,000

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2.3 The details of Share Capital of **BIL** as on 31.03.2019 is as under:

PARTICULARS	AMOUNT
Authorized Capital: 50,00,00,000 equity shares of Re. 1/- each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up Capital: 22,50,86,460 equity shares of Re. 1/- each	22,50,86,460
Total	22,50,86,460

2.4 Subsequent to above, there is no change in the Capital Structure of Transferee or the Transferor Companies.

3. The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANIES TO AND IN THE TRANSFEREE COMPANY

4. TRANSFER OF "UNDERTAKING" OF TRANSFEROR COMPANIES:

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4.1. **Generally:** Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Companies shall, pursuant to the sanction of this Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

4.2. Transfer of assets:

4.1.1 Without prejudice to the generality of the clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed date:

- (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Companies, including assets and properties acquired on or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- (b) In respect of such of the assets and properties of the Undertaking of the Transferor Companies as are immovable in nature, whether held as fixed

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assets and/or inventory, the same shall be so transferred by the Transferor Companies, and shall, upon such transfer become, as and from the Appointed Date, the immovable assets of the Transferee Company, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this clause. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such instruments, deeds and writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances on part of the Transferor Companies, to be carried out or performed in order to give effect to the provisions of this clause.

- (c) Without prejudice to the provisions of 4.2.1 (a) above, in respect of such of the assets and properties of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Companies and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (d) In respect of movables other than those dealt with in clause 4.2.1 (c) above, assets including sundry debts, receivables, claims, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any

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

- (e) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

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- (f) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Companies and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

4.2 Transfer of Liabilities :

- 4.2.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (Herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be

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assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 4.2.2 All debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date, whether or not provided in the books of the Transferor Companies, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme, which shall meet, discharge and satisfy the same.
- 4.2.3 Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Companies as on the appointed Date have been discharged or satisfied by the Transferor Companies after the appointed date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.2.4 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Companies in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised,

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used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

4.2.5 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

4.2.6 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 the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

5 ENCUMBRANCES:

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- 5.1 The transfer and vesting of the assets comprised in the Undertaking of the Transferor Companies to and in the Transferee Company under clause 4 shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 5.2 All the existing securities, mortgages, charges, encumbrances or liens ("the Encumbrances"), if any, as on the Appointed Date and created by the Transferor Companies after the Appointed Date over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such encumbrances secure or relate to liabilities of the Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no such encumbrances shall have been created by the Transferor Companies over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 5.3 The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 5.4 Any reference in any security documents or arrangements (to which the Transferor Companies are a party) to the Transferor Companies and its assets and properties, shall be

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construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Companies and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

- 5.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of this Scheme.
- 5.6 It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 5.7 The provisions of this clause shall operated in accordance with the terms of this Scheme, notwithstanding anything contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

6 CONTRACTS, DEEDS, ETC.:

- 6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies is a party or to the

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benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or there under.

- 6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Companies are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- 6.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and

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benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 7 **LEGAL PROCEEDINGS:** On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Transferor Companies, in the same manner and to the same extent as would or might have been initiated by the Transferor Companies as the case may be, had the Scheme not be made. If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Companies or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.
- 8 **TRANSFER OF PROFITS/ LOSSES AND RESERVES:** With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure

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(including payment of penalty, damages or such litigation, if any) arising or incurred by the Undertaking of Transferor Companies shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company;

9 TRANSFER OF AUTHORISED CAPITAL:

9.1 Upon the Scheme coming into effect and pursuant to Section 232(3) of the Companies Act, 2013, the Authorized Share capital of the Transferor Companies shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this scheme only such amount of Authorized Capital of the Transferor Companies would be added to the Authorized Share Capital of the Transferee Company as can be raised by the Transferee Company by utilizing the fees already paid by the Transferor Companies on its Authorized Share Capital which is available for set-off against any fees payable by the Transferee Company for increase in the Authorized Share Capital.


9.2 Clause V of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61 and 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

10 CONDUCT OF BUSINESS:

10.1 With effect from the Appointed Date and up to and including the Effective Date:

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- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Companies, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

10.2 With effect from the date of filing of this Scheme with the Tribunal and up to and including the Effective Date, the Transferor Companies shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any

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amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

- i. If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Tribunal; or
- ii. if the same is permitted by this Scheme; or
- iii. If written consent of the Board of Directors of the Transferee Company has been obtained.

10.3 The Transferor Companies shall not, without the prior written consent of the Board of Directors of the Transferee Company, take, enter into, perform or undertake, as applicable,

- (a) any material decision in relation to its business and affairs and operations;
- (b) any agreement or transaction (other than an agreement or transaction in the ordinary course of the Transferor Companies' business); and
- (c) such other matters as the Transferee Company may notify from time to time;
- (d) Without prejudice to the generality of above, the Transferor Companies shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis or bonus shares), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except under any of the following circumstances:

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- i. by mutual consent of the respective Board of Directors of the Transferor Companies and of the Transferee Company; or
- ii. as may be permitted under this Scheme.

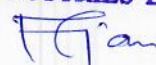
10.4 No changes in the terms and conditions of the employment of Transferor Companies' Employees: From the date of acceptance of the Scheme by the respective Boards of Transferor Companies and Transferee Company, the Transferor Companies shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

10.5 Enforcement of Legal Proceedings: All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions, if any) by or against Transferor Companies shall not abate, be discontinued or be in any way prejudicially affected by reasons of this Scheme or the transfer of the Undertaking of Transferor Companies or of anything contained in this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against Transferor Companies as if this scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted, enforced by or against Transferor Companies if this Scheme had not been made. Transferee Company shall take steps to have the abovementioned proceedings continued in its name.

10.6 Enforcement of Contracts: Subject to the other provisions of this Scheme, all lawful agreements, arrangement, bonds, contracts, deeds and other instruments of whatsoever

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nature relating to the Undertaking of Transferor Companies and to which Transferor Companies are party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favour of Transferee Company, as the case may be, and may be enforced as fully and effectual as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between Transferee Company and other parties thereto. Transferee Company shall enter and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

10.7 Rights of Shareholders: The holders of shares of Transferor Companies and Transferee Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

10.8 Place of Vesting: The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Section 232 of the said Act, take place at the registered office of Transferee Company.

11 APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961 AND OTHER TAX LAWS

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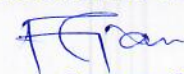


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- 11.1 This Scheme has been drawn up to comply with the conditions relating to 'amalgamation' as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions 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 and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 11.2 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexure under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws, GST and other tax laws, and to claim refunds and/or credit for taxes paid/ (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 11.3 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date by the Transferor Companies. In the event of the Transferor Companies failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of Transferee Company. As and from the Effective Date, the tax proceedings

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shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Companies.

11.4 Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, excise duty laws, applicable state value added tax, laws and other applicable laws and regulations dealing with taxes, duties, levies due to Transferor Companies consequent to the assessment made to the Transferor Companies and for which no credit is taken in the account as on the date immediately preceding the Appointed Date shall also belong to and received by the Transferee Company upon this Scheme becoming effective.


11.5 Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, CENVAT, registrations, GST, etc.) to which the Transferor Companies are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

12 TREATMENT OF TAXES

12.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Sales Tax/ Value added Tax Laws, service laws, GST, luxury Tax, Stamp laws or other applicable laws/regulations (hereinafter in this clause referred to as "Tax Laws") dealing with taxes/duties/levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company

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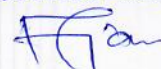
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- 12.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, GST, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 12.3 Any refund under the Tax laws due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company
- 12.4 On the Scheme becoming effective, the Transferee Company shall be entitled to file/ revise its income tax returns, TDS Returns and other statutory returns, if required and shall have the right to claim refunds, depreciation benefits etc, if any, as also the income returns filed by the Transferor Companies so far as is necessitated on account of the Scheme becoming effective from 1st April, 2019, being the Appointed Date under the Scheme.

13 EMPLOYEES OF TRANSFEROR COMPANIES:

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Upon the coming into effect of this Scheme:

- (a) Employees, if any, of the Transferor Companies who are in its employment as on the Effective Date shall become employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and other terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Companies. It is clarified that the employees of the Transferor Companies who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement or settlement, if any, validly entered into by the Transferor Companies with any union/employees of the Transferor Companies and recognized by the Transferor Companies. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Companies on the same basis as it may do for the employees of the Transferee Company.
- (b) The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Companies or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Companies (collectively

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referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to such funds of the Transferee Company.

14 SAVING OF CONCLUDED TRANSACTIONS:

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Companies under Clause 3 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

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15 CREDITORS:

- 15.1 The Scheme does not involve any compromise or composition with the creditors of the Transferor Companies or the Transferee Company and the rights of the creditors of the Transferor Companies or the Transferee Company are not to be affected in any manner.
- 15.2 The charge and/or security of the secured creditors of the Transferor Companies and the Transferee Company shall remain unaffected by this Scheme.

PART III

CANCELLATION OF SHARES CAPITAL OF THE TRANSFEROR COMPANIES

16 CANCELLATION OF SHARE CAPITAL

- 16.1 The Transferor Companies, BISIL and NCPL are wholly owned step down subsidiaries of the Transferee Company. As a result, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Companies and the entire issued, subscribed and paid up share capital of the Transferor Companies shall stand cancelled.
- 16.2 Upon the coming into effect of this scheme, the share certificates, if any, and/ or the shares representing the shares held by the Transferee Company in the Transferor Companies shall be deemed to be cancelled without any further act or deed.
- 16.3 Any sum of money owed by Transferee Company in Transferor Companies or vice versa shall stand cancelled.

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PART IV
ACCOUNTING TREATMENT

17 ACCOUNTING TREATMENT

- 17.1 The Amalgamation being in the nature of Common Control Business Combination, the accounting treatment shall be in the manner provided in Appendix C of Indian Accounting Standard 103. Upon the Scheme becoming effective, the Transferee Company shall account for amalgamation in its Books of Accounts as under :-
- 17.2 The accounting shall be on the basis of "Pooling of Interests" method.
- 17.3 On and from the Appointed Date, all assets and liabilities of the Transferor Company shall be recorded in the Books of Accounts of the Transferee Company at their existing carrying amount and in the same form as they appear in the Books of Accounts of the Transferor Company as on the Effective Date;
- 17.4 The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the financial statements of the Transferee Company. In the absence of any retained earnings in the books of the Transferee Company, the retained earnings of the Transferor Company be transferred to General Reserve, if any.
- 17.5 The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

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17.6 The excess, if any, between the amounts recorded as share capital issued as consideration and the amount of share capital of the Transferor Company is recognised as goodwill in the financial statements of the Transferee Company and in case of any deficiency, the same shall be treated as Capital Reserve.

17.7 Inter Company balances, if any, shall stand cancelled.

18 APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961

14.1 This Scheme has been drawn up to comply with the conditions relating to 'amalgamation' as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions 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 and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

PART V

DISSOLUTION OF TRANSFEROR COMPANIES AND GENERAL TERMS AND CONDITIONS

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15 DISSOLUTION OF TRANSFEROR COMPANIES:

Upon the Scheme being sanctioned and an Order being made by the Tribunal under Section 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Effective Date without any further act or deed.

16 EFFECTIVE DATE:


The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date upon the certified copies of the order of the NCLT sanctioning this Scheme is filed by the Transferee and the Transferor Companies with the Registrar of Companies, West Bengal.

17 COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

- 17.1 The Transferee Company being listed company, this Scheme is subject to the compliance by the said company of all requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 17.2 In view of the Regulation 37(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, draft scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filled with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. In compliance with the aforesaid Regulation, the Transferee Company shall file the draft scheme with the Stock Exchanges where it is listed.

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18 APPLICATION TO NCLT, KOLKATA BENCH FOR SANCTIONING SCHEME:

18.1 Joint Application by Transferor Companies and Transferee Company: The

Transferor Companies and Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Section 230 and 232 and other applicable provisions of the said Act to the Tribunal, Kolkata Bench for sanctioning of this Scheme of Amalgamation and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect.

18.2 It is hereby clarified that submission of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Companies and Transferee Company has or may have under or pursuant to all applicable laws.

19 MODIFICATIONS TO THE SCHEME:

19.1 **Scheme subject to Modifications:** The Scheme shall be subject to such modifications as the Tribunal while sanctioning the same may direct and which the Board of Transferor Companies and Transferee Company may consent and agree to.

19.2 **Modifications and Amendments to Scheme:** The Transferor Companies (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to any alteration, or modification to this Scheme, including but not limited to those which the Tribunal and/or any other authority may deem fit, approve or propose.

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19.3 **Withdrawal of Scheme:** In the event that any conditions proposed by the Tribunal are found unacceptable for any reason whatsoever by Transferor Companies or by Transferee Company, then Transferor Companies and/or Transferee Company shall be entitled to withdraw the Scheme in which even no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

20 CONDITIONALITY OF SCHEME:

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained:

20.1 **Approval of shareholders/Creditors (if any) of Transferor Companies and Transferee Company:** The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders/creditors of the Transferor Companies and the Transferee Company, as may be directed by the Tribunal, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act.

20.2 **Sanction of NCLT, Kolkata Bench:** The sanction of the Honorable NCLT, Kolkata Bench under Sections 230 and 232 and other applicable provisions of the said Act in favour of the Transferor Companies and the Transferee Company and the certified copy

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of the order of the Tribunal sanctioning this scheme being filed with Registrar of Companies.

21 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the said sanctions and approvals referred to in the Clause 20 above not being obtained and/or the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or may otherwise arise in law.

22 EFFECT OF NON FULFILLMENT OF ANY OBLIGATION:

In the event of non-fulfillment of any or all the obligations under the Scheme, by either Transferor Companies or Transferee Company, the non performance of which will put the other company under any obligation, then such defaulting company will indemnify all costs/interest, etc. to the other company, subject to a specific provision, if any, to the contrary under the Scheme.

23 COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses of Transferor Companies and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the

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completion of the amalgamation of the Undertakings in pursuance of this Scheme shall be borne and paid by the respective companies.

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