

REF:NS:SEC
4th June, 2021

National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai - 400051.

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222,
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc
10 Paternoster Square
London EC4M 7LS.

Dear Sirs,

Re: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') - Newspaper advertisement with respect to approval of the Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited ('MVML' or 'Transferor Company') with Mahindra and Mahindra Limited ('M&M' or 'Transferee Company') and their respective Shareholders by the National Company Law Tribunal, Mumbai Bench

We refer to our letter dated 26th April, 2021, wherein we had intimated that the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') had by pronouncement of its Order on 26th April, 2021, approved the Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited ('MVML' or 'Transferor Company') with Mahindra and Mahindra Limited ('M&M' or 'Transferee Company') and their respective Shareholders ('the Scheme') under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder.

Pursuant to Regulation 30 of the Listing Regulations, and clause 22 of the said Order with respect to approval of the Scheme, please find enclosed the advertisement published today (i.e. 4th June, 2021) in the Newspapers viz.- Business Standard (in English) and Navshakti (in Marathi), informing the approval of the Scheme by NCLT on 26th April, 2021.

A certified copy of the said Order issued by NCLT today i.e. 4th June, 2021 is enclosed.

Yours faithfully,
For MAHINDRA AND MAHINDRA LIMITED



NARAYAN SHANKAR
COMPANY SECRETARY

Encl: a/a

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited ('MVML' or 'Transferor Company') with Mahindra and Mahindra Limited ('M&M' or 'Transferee Company') and their respective Shareholders (the Scheme).

MAHINDRA VEHICLE MANUFACTURERS LIMITED is a company incorporated under the Companies Act, 1956 with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra, India
[CIN: U34100MH2007PLC171151]

...First Petitioner/Transferor Company



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MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

MAHINDRA AND MAHINDRA
LIMITED is a company incorporated
under the Companies Act, 1913 with its
registered office at Gateway Building,
Apollo Bunder, Mumbai 400001, Ma-
harashtra, India
[CIN:L65990MH1945PLC004558]

...Second Petitioner/Transferee Company

(Hereinafter the First and Second Petitioner Company collectively referred
to as 'Petitioner Companies')

Order delivered on: 26.04.2021

Coram:

Mr. H.P Chaturvedi : Hon'ble Member (Judicial)

Mr. Ravikumar Duraisamy : Hon'ble Member (Tech-
nical)

Appearances (via videoconferencing) :

For the Petitioners : Mr. Hemant Sethi, Ms Vidisha
Poonja i/b Hemant Sethi & Co.,
Advocates

For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

ORDER

Per: Ravikumar Duraisamy, Member

1. The Court is convened by videoconference today.
2. Heard Learned Counsel for Petitioner Companies. No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and in the matter of Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited ('MVML' or 'Transferor Company') with Mahindra and Mahindra Limited ('M&M' or 'Transferee Company') and their respective Shareholders (the Scheme).
4. The Learned Counsel for the Petitioner Companies submits that First Petitioner Company is engaged in the business of manufacture of passenger vehicles like XUV 500, KUV 100, TUV 300, Alturas and the whole new range of medium and heavy commercial vehicles (Blazo & Furio) and Construction equipment (Earth Master). In March 2015, MVML opened a branch in Detroit, US for design, engineering & development of Automobile. In addition to captive design & engineering work, said branch is also providing services to M&M. MVML has recently opened a new branch in Virginia. The Second Petitioner Com-



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pany is engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses.

5. The Learned Counsel for the Petitioner Companies submits that the proposed merger will be beneficial to the Petitioner Companies, their respective shareholders and creditors, employees and other stakeholders and they will have following benefits:

- MVML provides support and services largely to M&M and there are no other third party(s) outside the Mahindra group to which any services are provided by MVML. Accordingly, the merger of MVML into M&M will result in operational synergies resulting in cost optimization. Moreover, this would enable M&M to enhance its focus on the automotive business.
- The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings.
- It is the intention of the M&M management to rationalize the group holding structure by way of reduction in the number of entities.

Alongside this intent:

- In light of the feedback provided by the investors, analysts and other stakeholders of M&M on various forums, it is proposed to streamline the structure of M&M by merging MVML with M&M.



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- The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of the Company more meaningfully.
 - In addition, the proposed merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MVML.
 - The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MVML and M&M.
6. The Petitioner Companies further submits that the Board of Directors in their respective meeting held on 29th May 2019 has approved the Scheme and have approached the Tribunal for sanction of the Scheme
7. Learned Counsel for the Petitioner Companies submits that the Petition has been filed in consonance with the order dated 20th February 2020 passed by this Tribunal in CA(CAA) No. 3948/MB/C-II/2019.
8. The Regional Director has filed its report dated 4th March 2021 ("the Report") stating that, save and except the observations as stated in paragraph IV (a) to (e) of the report, this Tribunal may pass such order or orders as deemed fit and proper in the facts and circumstance of the



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case. The observation stated in para IV of the Report of the Regional Director are as under:

a. *In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.*

b. *As per Definition of the Scheme*

'Appointed Date' means the 1st day of April, 2019 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.

"Effective Date" means the last of the dates on which the conditions mentioned in Clause 20(a) is obtained or passed or filed, as the case may be.

Further, the Petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.

c. *Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.*

d. *As per Clause 16 (b) of the Scheme, if the approval of NCLT for the Scheme of Merger is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, its shall be treated as an adjustment event under Ind AS 10 – 'Events after the Reporting Period' and shall be given effect to in the financial statements with effect from the Appointed date.*



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In this regards, Petitioner Companies have to undertake that after giving accounting treatment the surplus shall be credited to Capital Reserve Account arising out of amalgamation and deficits shall be debited to Goodwill Account. Further Petitioner Companies have to undertake that reserves shall not be available for distribution of dividend.

- e. *ROC, Mumbai Report dated 04.12.2020 has interalia mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection is pending.*

Several complaints are pending against Transferee Company i.e. Mahindra and Mahindra Limited, which is enclosed herewith as (Annexure G).

Further mentioned that :-

As per master data :-

Mahindra Vehicles Manufactures Limited (Transferor Company)

Authorised Capital (Rs) 65000000000

Paid up Capita (Rs) 47547234840

Mahindra And Mahindra Limited (Transferee Company)

Authorised Capital (Rs) 40750000000

Paid up Capital (Rs) 6215962720

Which does not match with the details mentioned in the Scheme.

Following Charges are pending (open) against Mahindra Vehicles Manufacturers Limited (Transferor Company)

Charge Amount Status

5000000000 OPEN

1500000000 OPEN

Hence, Petitioner Transferee Company shall undertake to pay off all pending open charges of the Transferor Company.

Petitioner Companies shall undertake to clarify the difference between authorised share capital and paid-up share capital pointed out in aforesaid



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which does not match with the master data and the details mentioned in the scheme.

9. In response to the above observations of the Regional Director, the Petitioner Companies have filed an Affidavit in rejoinder dated 11th March 2021 and have clarified as follows:
- (a) As far as observations made in paragraph IV (a) of the Report of Regional Director is concerned, the Transferee Company undertakes that in addition to compliance of AS-14 (IND AS-103), to the extent applicable, the Transferee Company will also pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.
- (b) As far as the observations made in paragraph IV (b) of the Report of Regional Director is concerned, the Transferee Company confirms that as per Clause 1.3 of the Scheme, the "Appointed Date" is fixed at 1st day of April, 2019 which is in compliance with the provisions of section 232(6) of the Companies Act, 2013, and the Scheme shall be deemed to be effective from 1st April 2019 i.e. the Appointed Date. The same therefore meets the requirement of circular No F.No.7/12/2019/CL-L1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.
- (c) As far as observations made in paragraph IV (c) of the Report of Regional Director is concerned, the Transferee Company under-



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takes when the Transferor Company is dissolved, the fee, if any, paid by the Transferor Company on its authorised capital shall be set-off against any fees payable by the Transferee Company on its authorized capital subsequent to the amalgamation and undertake to comply with provisions of section 232(3)(i) of Companies Act, 2013.

- (d) As far as observations made in paragraph IV (d) of the Report of Regional Director is concerned, the Transferee Company undertakes to comply with the observation of the RD. Further, Transferee Company also undertakes that, the Capital Reserves so created shall not be made available for distribution of dividend.
- (e) As far as observations made in paragraph IV (e) of the Report of Regional Director is concerned, the Regional Director has pointed out the observation raised by the ROC which interalia states -

a) *"Several complaints are pending against Transferee Company i.e. Mahindra and Mahindra Limited"*

➤ The Transferee Company undertakes that, pursuant to the sanction of the Scheme, the Transferee Company will still be in existence and will resolve all the complaints that are pending against it in the due course of time.

b) *As per master data :-*



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Mahindra Vehicles Manufactures Limited (Transferor Company)

Authorised Capital (Rs) 65000000000

Paid up Capital (Rs) 47547234840

Mahindra And Mahindra Limited (Transferee Company)

Authorised Capital (Rs) 40750000000

Paid up Capital (Rs) 6215962720

Which does not match with the details mentioned in the Scheme

- With respect to the paid-up capital of the Transferor Company, the Transferee Company has stated that, it is on account of shares issued by MVML (Transferor Company) to M&M (Transferee Company) post filing of the Scheme in accordance with provisions of Clause 11(g) of the Scheme. Further, with respect to the authorized share capital of Transferor Company, the Transferee Company states that the details in the master data are same as the details as disclosed in the Scheme and there is no further discrepancy in this regard.

With respect to the authorized and paid-up share capital of the Transferee Company, the Transferee Company States that the details in the master data are same as the details disclosed in the Scheme and there is no further discrepancy in this regard.

- c) *Following Charges are pending (open) against Mahindra Vehicles Manufacturers Limited (Transferor Company)*

| <i>Charge Amount</i> | <i>Status</i> |
|----------------------|---------------|
| <i>5000000000</i> | <i>OPEN</i> |



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1500000000 OPEN

Hence, Petitioner Transferee Company shall undertake to pay off all pending open charges of the Transferor Company.

- With reference to observations made pertaining to open charges, it is hereby clarified that as per Clause 7 of the Scheme, it provides for the Transfer and Vesting of Liabilities of the Transferor Company to the Transferee Company, which is reproduced as below –

“Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (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 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in 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 Company, 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 7.”



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Accordingly, the Transferee Company undertakes to pay off all pending open charges of the Transferor Company in the ordinary course of business.

10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. The clarifications and undertakings given by the Petitioner Companies are accepted.
11. The Regional Director has filed his Supplementary Report dated 18 March 2021, stating therein that the Petitioner Companies in their Affidavit-in-Rejoinder have submitted it's replies on all issues in regards to the observations made by the Regional Director in his report.
12. The Official Liquidator, High Court, Bombay, has filed his report dated 4th January 2021, inter alia, stating therein that the affairs of Transferor Company have been conducted in a proper manner, not prejudicial to the interest of the shareholders of Transferor Company and that First Petitioner Company/Transferor Company may be ordered to be dissolved without winding up by this Tribunal.
13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant



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to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

14. The Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed.
15. Since all the requisite statutory compliances have been fulfilled, CP(CAA) No. 1011/MB/C-II/2020 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
16. The Scheme is hereby sanctioned with the Appointed Date of 1st April 2019.



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17. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with e-form INC-28 within 30 days from the date of receipt of the certified copy of order by the Petitioner Companies.
18. The First Petitioner Company/Transferor Company stand dissolved without the process of winding up.
19. The Petitioner Companies shall comply with the undertakings given by it.
20. The Second Petitioner Company/Transferee Company to lodge a copy of this Order duly authenticated/certified by the Registry, National Company Law Tribunal, Mumbai Bench along with the Scheme, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified order from the Registry.
21. All concerned regulatory authorities to act upon a copy of this order duly certified by the Registry, National Company Law Tribunal, Mumbai Bench along with Scheme.



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22. The Petitioner Companies is directed to issue newspaper publications with respect to approval of the Scheme, in the same newspapers in which previous publications were issued.
23. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
24. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
25. Ordered accordingly.

Sd/-
RAVIKUMAR DURAISAMY
MEMBER (TECHNICAL)
26.04.2021
SAM

Sd/-
H.P CHATURVEDI
MEMBER (JUDICIAL)

Certified True Copy
Date of Application 26/4/2021
Number of Pages 15
Fee Paid Rs 75
Applicant called for collection copy on 04/6/2021
Copy prepared on 04/6/2021
Copy Issued on 04/6/2021

Joint Registrar
National Company Law Tribunal Mumbai Bench



SCHEME OF MERGER BY ABSORPTION

Mahindra Vehicle Manufacturers LimitedTransferor Company

AND

Mahindra and Mahindra LimitedTransferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE

PROVISIONS OF THE COMPANIES ACT, 2013

This Scheme of Merger by Absorption (the Scheme) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Mahindra Vehicle Manufacturers Limited with Mahindra and Mahindra Limited and their respective shareholders.

A. Description of the Companies:

Transferor Company

- a. Mahindra Vehicle Manufacturers Limited is a company incorporated on 25th May, 2007 under the Companies Act, 1956 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, India (“Transferor Company” or “MVML”) [CIN: U34100MH2007PLC171151]. It was set up in 2007, as an automotive manufacturing Company and having its plant at Chakan, Pune. MVML is



in the business of manufacture of passenger vehicles like XUV 500, KUV 100, TUV 300, Alturas and the whole new range of medium and heavy commercial vehicles (Blazo & Furio) and construction equipment (EarthMaster). In March 2015, MVML opened a branch in Detroit, US for design, engineering & development of Automobile. In addition to captive design & engineering work, said branch is also providing services to M&M. MVML has recently opened a new branch in Virginia. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

Transferee Company

- b. Mahindra and Mahindra Limited is a public limited company incorporated on 2nd October, 1945 under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India (“**Transferee Company**” or “**M&M**”) [CIN : L65990MH1945PLC004558]. The Transferee Company is inter alia, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses. The equity shares of the Transferee Company are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.



B. Rationale of the Scheme:

- MVML provides support and services largely to M&M and there are no other third party(s) outside the Mahindra group to which any services are provided by MVML. Accordingly, the merger of MVML into M&M will result in operational synergies resulting in cost optimization. Moreover, this would enable M&M to enhance its focus on the automotive business.
- The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings.
- It is the intention of the M&M management to rationalize the group holding structure by way of reduction in the number of entities.

Alongside this intent:

- In light of the feedback provided by the investors, analysts and other stakeholders of M&M on various forums, it is proposed to streamline the structure of M&M by merging MVML with M&M.
- The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of the Company more meaningfully.
- In addition, the proposed merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MVML.
- The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MVML and M&M.



C. Parts of the Scheme:

The Scheme of Merger by Absorption is divided into following three parts:

- (i) **Part I** – Deals with the definitions, interpretations and share capital;
- (ii) **Part II**– Deals with Merger by Absorption of MVML with M&M; and
- (iii) **Part III** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

PART I

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1) Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (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 the introductory paragraphs above), shall have the following meanings:

- 1.1. **‘Act’ or ‘the Act’** means the Companies Act, 2013 and Rules made thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. **‘Applicable Law(s)’** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.



- 1.3. ‘**Appointed Date**’ means the 1st day of April, 2019 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4. ‘**Appropriate Authority**’ means any governmental, statutory, regulatory, departmental or public body or authority of India including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, the National Company Law Tribunal.
- 1.5. “**Board of Directors**” or “**Board**” in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;
- 1.6. ‘**Effective Date**’ means the last of the dates on which the conditions mentioned in Clause 20(a) is obtained or passed or filed, as the case may be.
- 1.7. “**Employees**” means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.8. “**Encumbrance**” means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or



exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term "Encumbered" shall be construed accordingly;

- 1.9. "**Governmental Authority**" means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 1.10. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Merger by Absorption in its present form as submitted to the Tribunal with any modification(s) made under Clause 23 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 1.11. "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.12. "**SEBI Circular**" shall mean the circular issued by the SEBI, being Circular **CFD/DIL3/CIR/2017/21** dated March 10, 2017, and any amendments thereof.
- 1.13. "**Stock Exchanges**" means the Bombay Stock Exchange Limited and National Stock Exchange of India Limited;



1.14. **'Tribunal'** means the National Company Law Tribunal, Mumbai Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.

1.15. **"Undertaking"** means all the undertakings and entire business, activities and operations of the Transferor Company in India and abroad, as a going concern, including, without limitation:

- a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, all land whether freehold or leasehold or otherwise, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending



contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, privileges (including Industrial Promotion Subsidy and benefits as per the Eligibility Certificates issued by the Directorate of Industries, Government of Maharashtra and the pending claims filed by MVML, as may be approved by the appropriate authority under the Package scheme of Incentives and exemption), lease rights granted by the Maharashtra Industrial Development Corporation for various leasehold land parcels including any license(s) and approval, if any, other benefits



(including tax benefits), incentives deductions, exemptions, rebates, allowances, amortization, credits (including tax credits and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), Minimum Alternate Tax Credit ("MAT Credit"), Foreign Tax Credit, dividend distribution tax, tax deducted at source, tax collected at source and advance income tax payment, entitlement if any, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the merger pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax ("SGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Service Tax ("CGST") credits) under the Goods and Service Tax ("GST") laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts of the Transferor Company;



- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- d. all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- e. All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.
- f. Any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the



operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

The headings herein shall not affect the construction of this Scheme.



Unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders.
- ii. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- iii. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or "upon this Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.



3) SHARE CAPITAL

3.1. The share capital of Transferor Company as at March 31, 2019 is as under:

| Particulars | Amount (Rupees) |
|--|-----------------------|
| Authorized Capital | |
| 500,00,00,000 equity shares of Rs. 10 each | 5000,00,00,000 |
| 150,00,00,000 Preference Shares of Rs. 10/- each | 1500,00,00,000 |
| Total | 6500,00,00,000 |
| Issued, Subscribed and Paid – up Capital | |
| 406,47,23,484 equity shares of Rs.10 each | 4064,72,34,840 |
| 60,00,00,000 Preference shares of Rs.10 each | 600,00,00,000 |
| | 46,64,72,34,840 |

The equity shares of the Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Transferor Company is held beneficially by Transferee Company including six shares jointly held by nominee shareholders. The Transferor Company is a wholly owned subsidiary of Transferee Company.

Subsequent to March 31, 2019 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the stated capital of Transferor Company.

There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.



3.2. The share capital of Transferee Company as at March 31, 2019 is as under:

| Particulars | Amount (Rupees) |
|--|----------------------------|
| Authorized Capital | |
| 810,00,00,000 Ordinary (Equity) Shares of Rs. 5 each | 4050,00,00,000 |
| 25,00,000 Unclassified Shares of Rs. 100 each | 25,00,00,000 |
| Total | 4075,00,00,000 |
| Issued, Subscribed and Paid – up Capital | |
| 124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each | 621,59,62,720 |
| Total | 621,59,62,720 |

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to March 31, 2019 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorised Share Capital, issued, subscribed and paid-up share capital of the Transferee Company. The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. 6,17,40,932 GDRs were outstanding as on 31st March, 2019. The Transferor Company is a wholly owned subsidiary of Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities.



PART II
MERGER OF MVML WITH M&M

Section 1 – Transfer and vesting

4) Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

5) Transfer and Vesting of Assets

a. Without prejudice to the generality of Clause 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date,



the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- b. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof.
- c. Without prejudice to the provisions of Clause 5(a) and 5(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the



provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.

- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (c) above) including sundry debtors, receivables, 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 company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- e. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments 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 and with effect



from the Appointed Date or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.

- f. Upon the coming into effect of the Scheme, and with effect from the Appointed Date, all the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, Foreign Tax Credits, dividend distribution tax, MAT credit and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the GST laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely Advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & Foreign Tax Credits), tax losses, MAT Credit, dividend distribution tax credit income costs, charges, expenditure or losses of Transferee Company, as the case may be.
- g. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives (including Industrial Promotion Subsidy and benefits as per the Eligibility Certificates issued by the Directorate of Industries, Government of Maharashtra and the pending claims filed by MVML, as may be approved by the appropriate authority under the Package scheme of Incentives related eligibility and exemption), tax deferrals, exemptions 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 Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, 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 and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims (including the pending claims under Package Scheme of Incentives filed by MVML, as may be approved by the appropriate authority), 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.

6) Contracts, Deeds etc.

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on 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 Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

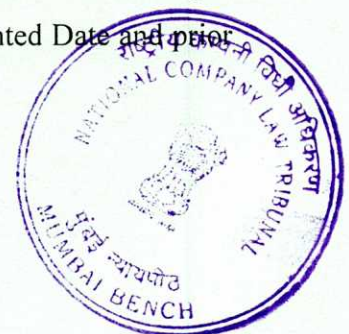
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under 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 Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall 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 benefits under the same shall be available to the Transferee Company.

7) Transfer and Vesting of Liabilities

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (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 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in 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 Company, 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 7.
- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior



to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

- c. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, 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 stand transferred to and vested in and 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.
- d. 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 from the Appointed Date to the Effective Date become due between the Transferor Company 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 the appropriate effect shall be given in the books of accounts and records of the Transferee Company.



8) Encumbrances

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4, Clause 5 and Clause 6 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.
- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.



- d. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, 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, with the Registrar of Companies to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- f. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- g. The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.



9) Employees of Transferor Company

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company in India and abroad shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the 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 (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.
- c. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the



Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.

- d. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be



in relation to such schemes/ Funds shall become those of the Transferee Company.

10) Legal, Taxation and other Proceedings

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on 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 instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, 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 as if this Scheme had not been made.
- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.



Section 2 – Conduct of Business

11) From the date on which the Boards of Directors of the Transferor Company and the Transferee Company approve this Scheme until the Effective Date:

- a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- b. The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
- c. all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
- d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations,



duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and

- e. all taxes (including, without limitation, income tax, minimum alternate tax, sales tax, service tax, VAT, excise and custom duties, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST), foreign taxes, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax or otherwise howsoever, by the Transferor Company (including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies) in respect of the profits or activities or operation of the Transferor Company with effect from 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.
- f. If and to the extent there are inter-corporate loans, deposits or balances as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled and there shall be no obligation/ outstanding balance in that behalf.



- g. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible debentures to the Transferee Company, increase its capital (by fresh issue of shares, convertible debentures or otherwise).
- h. Without prejudice to the provisions of Clauses 4 to 10, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- i. For the avoidance of doubt, it is hereby clarified that nothing in the scheme shall prevent the Transferee Company and / or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity and preference shareholders.
- j. For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

Section 3 – Cancellation of share capital of Transferor Company

- 12) The Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand



cancelled on the Effective Date without any further act, instrument or deed.

Section 4 - Increase in Authorised Share Capital of Transferee Company

- 13) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, if any, including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.
- 14) The capital clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“5. The Authorised Share Capital of the Company is Rs. 10575,00,00,000 (Rupees Ten Thousand Five Hundred and Seventy Five Crores only) divided into 1810,00,00,000 (One Thousand Eight Hundred and Ten Crore) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different



classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.”

- 15) It is clarified that for the purposes of Clause 13 and 14 above, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.

PART III

DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

16) Accounting and Tax Treatment

a. Applicability of provisions of Income Tax Act

- i. The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to ‘amalgamation’ as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as Income



Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, 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. Such modification will, however, not affect the other parts of the Scheme.

- ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for minimum alternate tax purposes, carry forward and set-off of tax losses and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company (including minimum alternate tax, dividend distribution tax and foreign taxes), and to claim tax benefits, under the Income Tax Act including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- iii. Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority, and including the right to claim credit for minimum alternate tax, dividend distribution tax, set-off and carry forward of accumulated losses, foreign taxes, deferred revenue expenditure, deduction, rebate,



allowance, amortization benefit, etc. including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies under the Income-tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, SGST and IGST etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, CGST returns, SGST returns, IGST returns and to claim refunds/ credits (including, but not limited to Foreign Tax Credit, dividend distribution tax and minimum alternate tax), pursuant to the provisions of this Scheme.

- iv. The Transferee Company shall also be permitted to claim refunds/ credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 16(a)(iii) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax/ dividend distribution tax (including any credit for dividend distribution tax on dividend received by the Transferor Company)/ , foreign taxes and



carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- v. The withholding tax/ tax collected at source/ advance tax/ minimum alternate tax/ dividend distribution tax, foreign taxes, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax/ dividend distribution tax, foreign taxes paid by the Transferee Company and credit for such withholding tax/ tax collected at source/ advance tax/minimum alternate tax/ dividend distribution tax, foreign taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ tax collected at source/ advance tax/ dividend distribution tax/ foreign tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- vi. The service tax, VAT, sales tax, excise and custom duties under the pre – GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax, sales tax, excise and custom duties, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.



b. Accounting Treatment

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

Accordingly, the Transferor Company and Transferee Company both being entities under common control, the accounting would be done at book values as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations'.

If the approval of NCLT for the scheme of merger is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – 'Events after the Reporting Period' and shall be given effect to in the financial statements with effect from the Appointed Date.

17) Resolutions

- a. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and



deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

18) Savings of concluded transactions

The transfer and vesting of undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.



19) Dissolution of the Transferor Company

- a. Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

20) Conditionality to the scheme

- a. The effectiveness of the Scheme is conditional upon and subject to:
- i. The requisite sanction or approval from Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
 - ii. The scheme being approved by Directorate of Industries under the Package Scheme of Incentives as notified by the Government of Maharashtra resolution.
 - iii. Approval of Maharashtra Industrial Development Corporation for the transfer of leasehold land parcels from Transferor Company to Transferee Company pursuant to this Scheme, if applicable.
 - iv. this Scheme being approved by the respective requisite majorities of the various classes of shareholders of the Transferor Company and the Transferee Company if required under the Act and/ or as may be directed by the Tribunal and the requisite orders of the Tribunal being obtained;



- v. The certified copy of the order of the Tribunal under Section 230 to 232 and other applicable provisions of the Act sanctioning the scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor and Transferee Companies.
- b. On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

21) Effect of Non Receipt of Approvals/Sanctions

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

If any part of this Scheme hereof is invalid, held illegal or unenforceable, under any present or future laws, then it is the intention of the parties that such part



shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

22) Applications

Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the Tribunal under Section 230 to 232 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

23) Modifications or amendments to the Scheme

- a) The Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things



necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a Committee of the concerned Board or any Director or Company Secretary or any other officer, authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the 'delegate').

- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

24) Costs, Charges and Expenses

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

