



Vardhman

VARDHMAN TEXTILES LIMITED

Delivering Excellence. Since 1965.

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601 048
E: corp.finance@vardhman.com

Ref. VTL: SCY:MAY: 2022-23

Dated: 06.05.2022

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. Scrip Code: 502986	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VTL
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Dear Sir,

Sub: Scheme of Amalgamation between VMT Spinning Company Limited ('Transferor Company 1') and Vardhman Nisshinbo Garments Company Limited ('Transferor Company 2') with Vardhman Textiles Limited ('Transferee Company' and 'the Company') under Sections 230 to 232 of the Companies Act, 2013.

This is in continuation to our earlier intimation dated 31st March, 2022 informing the Exchange that the National Company Law Tribunal, Chandigarh Bench ("NCLT") has sanctioned the Scheme of Amalgamation filed by the Company under section 230 and 232 of the Companies Act, 2013 comprising of amalgamation of VMT Spinning Company Limited ('Transferor Company 1') and Vardhman Nisshinbo Garments Company Limited ('Transferor Company 2') with Vardhman Textiles Limited ('Transferee Company') with effect from the appointed date i.e. 1st April, 2020.

In view of the above, please find enclosed herewith a copy of certified NCLT Order (Form No. CAA 7), for your information and record.

Thanking you,

Yours faithfully,

For Vardhman Textiles Limited


Sanjay Gupta
(Company Secretary)

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345
WWW.VARDHMAN.COM



75
Azadi Ka
Amrit Mahotsav

**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
CORPORATE BHAWAN, PLOT NO. 4-B
GROUND FLOOR, SECTOR 27-B, MADHYA MARG,
CHANDIGARH-160019**

No.NCLT/Reg./FO/2022/...167.....

Date..29.4.2022

CP (CAA) No.25/Chd/Pb/2020

**Under Sections 230 to 232
and other applicable
provisions of the Companies
Act, 2013**

In the matter of Scheme of Amalgamation of: -

To

1. **VMT Spinning Company Limited**
having its registered office at
Vardhman Premises, Chandigarh Road
Ludhiana, Punjab 141010
PAN: AABCV8087C
CIN: U17117PB1990PLC014070

.... Petitioner Company No.1 / Transferor Company No.1

And

2. **Vardhman Nisshinbo Garments Company Limited**
having its registered office at
Vardhman Premises, Chandigarh Road
Ludhiana, Punjab 141010
PAN: AACCV9943L
CIN: U18100PB2009PLC032764

.... Petitioner Company No.2 / Transferor Company No.2

With

3. **Vardhman Textiles Limited**
having its registered office at
Chandigarh Road, Ludhiana
Punjab-141010
PAN: AABCM4692E

CP(CAA) No.25/Chd/Pb/2020

CIN: L17111PB1973PLC003345

.... Petitioner Company No.3 / Transferee Company

Please find enclosed herewith formal order as per Form No. CAA 7 of Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 containing the directions of the Hon'ble National Company Law Tribunal, Chandigarh for compliance in terms of order dated 30.03.2022.


(Kartikeya Verma)
Designated Registrar

CP(CAA) No.25/Chd/Pb/2020

FORM No. CAA.7
(Pursuant to section 232 and rule 20)
Before the National Company Law Tribunal,
Chandigarh Bench, Chandigarh

CP (CAA) No.25/Chd/Pb/2020

Under Sections 230 to 232
and other applicable
provisions of the Companies
Act, 2013

In the matter of Scheme of Amalgamation of: -

To

1. **VMT Spinning Company Limited**
having its registered office at
Vardhman Premises, Chandigarh Road
Ludhiana, Punjab 141010
PAN: AABCV8087C
CIN: U17117PB1990PLC014070

.... Petitioner Company No.1 / Transferor Company No.1

And

2. **Vardhman Nisshinbo Garments Company Limited**
having its registered office at
Vardhman Premises, Chandigarh Road
Ludhiana, Punjab 141010
PAN: AACCV9943L
CIN: U18100PB2009PLC032764

.... Petitioner Company No.2 / Transferor Company No.2

With

3. **Vardhman Textiles Limited**
having its registered office at
Chandigarh Road, Ludhiana
Punjab-141010
PAN: AABCM4692E
CIN: L17111PB1973PLC003345

.... Petitioner Company No.3 / Transferee Company

Upon the above petition coming up for hearing on 30th March, 2022 and upon reading the said petition, compliance affidavit submitted by the Petitioner Companies and

CP(CAA) No.25/Chd/Pb/2020



hearing Learned Advocate for the petitioner companies and after carefully perusing the records, the National company Law Tribunal approved the 'scheme' with the clarification that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

THIS TRIBUNAL DO FURTHER ORDER:

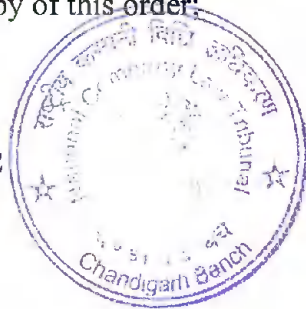
1. That all the property, rights and powers of the Transferor Companies be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Companies but subject nevertheless to all charges now affecting the same;
2. That all the liabilities and duties of the Transferor Companies be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company;
3. That the Appointed Date for the scheme shall be 01.04.2020 as specified in the scheme;
4. That the proceedings, if any, now pending by or against the Transferor Companies be continued by or against the Transferee Company;
5. That the employees of the Transferor Companies shall be transferred to the Transferee Company in terms of the provisions of the 'Scheme';
6. That the fee, if any, paid by the Transferor Company on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme';
7. That the Transferee Company shall file the revised memorandum and articles of association with the Registrar of Companies, Punjab and Chandigarh and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company; after setting off the fees paid by the Transferor Companies;

CP(CAA) No.25/Chd/Pb/2020



8. That the Petitioner Companies shall, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Companies registered with him on the file relating to the said Transferee Company, and the files relating to the Transferor Companies and Transferee Company shall be consolidated accordingly, as the case may be;
9. The Petitioner Companies shall file an affidavit regarding compliance of provisions of Section 184, 185 and 189 of the Companies Act, 2013 and(or) Section 295, 297, 299 and 301 of the Companies Act, 1956 with the concerned authorities within 30 days of this order.
10. That the Transferee Company shall deposit in total an amount of ₹2,00,000/- (Two Lakh Only) i.e. ₹ 1,00,000/- (One Lakh only) in favour of "The Company Law Tribunal Bar Association" Chandigarh and ₹ 1,00,000/- in favour of Pay & Accounts Office in respect of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi within a period of four weeks from the date of receipt of the certified copy of this order:

Dated: 30.03.2022
(By the Tribunal)



(Kartikeya Verma)
Designated Registrar
National Company Law Tribunal,
Chandigarh Bench

SCHEDULE OF PROPERTIES

(attached as supplied by the Transferor Company)

Date of Presentation _____
 No. of application for Copy As per Schedule of Property 88/19/4/2022
 No of Pages 3 + 6 + 27 = 36
 Copying Fee -
 Registration & Postage Fee -
 Total ₹ -
 Date of Receipt & _____
 Date of Preparation of Copy 29.4.2022
 Date of Delivery of Copy 29.4.22

CP(CAA) No.25/Chd/Pb/2020

DD / DR / AR / Co
National Company Law Tribunal
Chandigarh Bench

Annexure-1

List of Assets of the Transferor Company 1 i.e. VMT Spinning Company Limited as on 1st April 2020 to be transferred to Transferee Company i.e. Vardhman Textiles Limited, pursuant to the scheme Sanctioned by the Hon'ble National Company Law Tribunal, Bench at Chandigarh.

Schedule

Part I

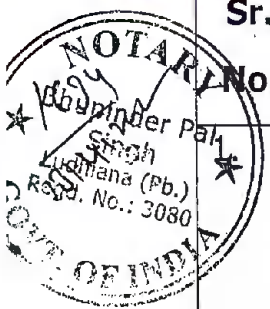
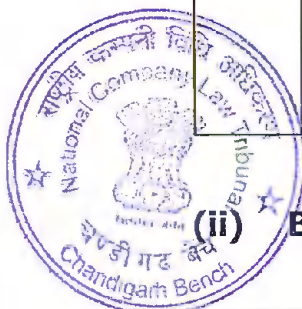
Particulars of Freehold Properties:

(i) Land:

Sr. No.	Descriptions (i.e., Complete Address, Area in Sq. Metres)
1.	Village Kalyanpur P.O Baddi Tehsil Nalagarh Distt Solan (H.P) 173205 Area – 102 Bighas, 8 Biswas equivalent to 77057.50 Sq. Meters (approx.) Khasra No.701, 702, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 706, 707, 708, 709, 811, 816, 818, 703, 704, 705, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 812, 813, 814, 815, 817, 819, 820, 821)

(ii) Building:

Sr. No.	Descriptions
	All the freehold buildings, structures and undertakings comprised in the business of and in the name of VMT Spinning Company Limited situated at/standing upon the piece of land described in (i) above i.e. Village Kalyanpur P.O Baddi Tehsil Nalagarh Distt Solan (H.P) 173205.



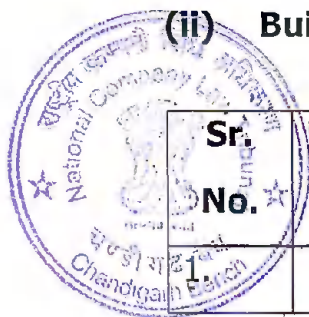
Part II

Particulars of Leasehold Properties:

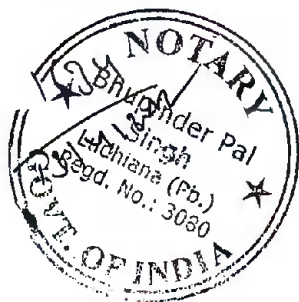
(i) Land:

Sr. No.	Descriptions (i.e., Complete Address, Area in Sq. Metres)
1.	Nil

(ii) Building:



Sr. No.	Descriptions
1.	Nil

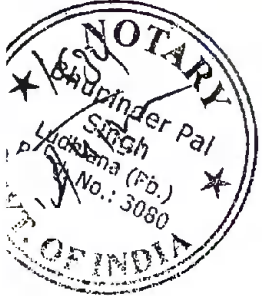
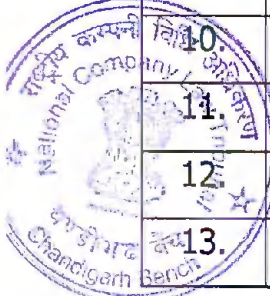


Part III

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Particulars of Other Assets:

S.No.	Particulars	Amount (INR in lakhs)
1.	Description of all stocks, shares, debentures and other charges	-
2.	Plant and Machinery	3,657.03
3.	Other Fixed Assets	1,224.70
4.	Capital Work in Progress	220.33
5.	Other Intangible Assets	3.32
6.	Non-Current Loans	0.04
7.	Other non-current Assets	24.84
8.	Inventories	10,565.27
9.	Trade Receivables	675.90
10.	Cash and cash equivalents	207.29
11.	Current Loans	4.69
12.	Other Financial Assets	1.88
13.	Other Current Assets	640.41



Annexure-2

List of Assets of the Transferor Company 2 i.e. Vardhman Nisshinbo Garments Company Limited as on 1st April 2020 to be transferred to Transferee Company i.e. Vardhman Textiles Limited, pursuant to the scheme Sanctioned by the Hon'ble National Company Law Tribunal, Bench at Chandigarh.

Schedule

Part I

Particulars of Freehold Properties:

(iii) Land:

Sr. No.	Descriptions (i.e., Complete Address, Area in Sq. Meters)
1.	<p>D-295/2, PHASE-VIII, FOCAL POINT LUDHIANA-PUNJAB-141123</p> <p>Area - 23 Kanal, 17 Marla equivalent to 2.98 acre (approx.) equivalent to 12,064.69 Sq. Meters (approx.)</p> <p>Rectangle No. 10 (Khasra No. 24/2, 17/1, 18/2/1, 18/2/2, 19/1, 14, 13, 12/2)</p>

(iv) Building:

Sr. No.	Descriptions
1.	All the freehold buildings, structures and undertakings comprised in the business of and in the name of Vardhman Nisshinbo Garments Company Limited situated at/standing upon D-295/2, Phase-VIII Focal Point, Ludhiana, Punjab-141123



Part II

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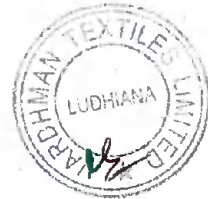
Particulars of Leasehold Properties:

(iii) Land:

Sr. No.	Descriptions (i.e., Complete Address, Area in Sq. Metres)
1.	Nil

(iv) Building:

Sr. No.	Descriptions
1.	Nil

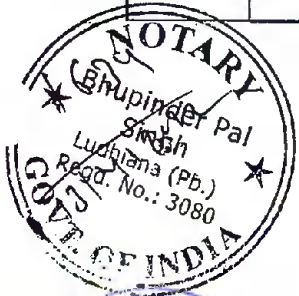


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Part III

Particulars of Other Assets

S.No.	Particulars	Amount (INR in lakhs)
1.	Description of all stocks, shares, debentures and other charges	-
2.	Plant and Machinery	1,011.47
3.	Other Fixed Assets	1,191.85
4.	Other Intangible Assets	12.28
5.	Non-Current Loans	0.08
6.	Other Non-Current Financial Assets	9.17
7.	Deferred Tax Assets	43.80
8.	Other Non-Current Assets	2.89
9.	Inventories	1,106.59
10.	Trade Receivables	1,865.40
11.	Cash and cash equivalents	0.15
12.	Current Loans	1.32
13.	Other Current Financial Assets	643.24
14.	Income tax Assets	31.35
15.	Other Current Assets	62.44



SCHEME OF AMALGAMATION

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE SECTIONS OF THE COMPANIES
ACT, 2013 READ WITH RULES MADE THEREUNDER**

AMONG

**VMT SPINNING COMPANY LIMITED
("TRANSFEROR COMPANY 1")**

AND

**VARDHMAN NISSHINBO GARMENTS COMPANY LIMITED
("TRANSFEROR COMPANY 2")**

AND

**VARDHMAN TEXTILES LIMITED
("TRANSFeree COMPANY")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



A. PREAMBLE TO THE SCHEME OF AMALGAMATION

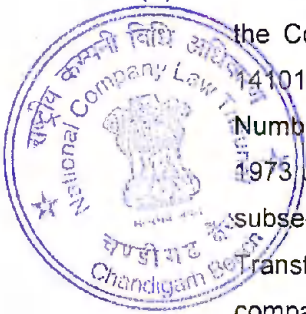
1. This Scheme of Amalgamation ("**Scheme**") is presented under the provisions of Sections 230 – 232 and other relevant provisions of the Companies Act, 2013 ('**Act**'), for the: (i) amalgamation of the VMT Spinning Company Limited ('**Transferor Company 1**') and Vardhman Nisshinbo Garments Company Limited ('**Transferor Company 2**') ('*Transferor Company 1 and Transferor Company 2 together referred to as the 'Transferor Companies'*') with and into the Vardhman Textiles Limited ('**Transferee Company**'); (ii) transfer of the authorized share capital of each of the Transferor Companies to the Transferee Company; and (iii) dissolution without winding up of each of the Transferor Companies, pursuant to the provisions of Sections 230 – 232 and other relevant provisions of the Act and the relevant provisions of this Scheme. In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

2. Brief overview of the companies involved in the scheme:

(i) **VMT Spinning Company Limited ("Transferor Company 1")**, is a public company incorporated under the Companies Act, 1956 having its registered office at Vardhman Premises, Chandigarh Road, Ludhiana, Punjab 141010, India with Permanent Account Number ('**PAN**') AABCV8087C and Corporate Identification Number ('**CIN**') U17117PB1990PLC014070. The Transferor Company 1 was incorporated on June 27, 1990 under the name Tamarai Threads Limited. The name of the Transferor Company 1 was subsequently changed to Loyal Tamarai Textiles Limited on June 30, 1992 and subsequently to VMT Spinning Company Limited on March 9, 1995. The registered office of the Transferor Company 1 was shifted from the State of Tamil Nadu to the U.T. of Chandigarh on February 7, 1994 and further to State of Punjab on February 5, 2001. E-mail address of the Transferor Company 1 is secretarial.lud@vardhman.com. The Transferor Company 1 is engaged in the business of manufacturing cotton and blended yarn. The Transferor Company 1 is a wholly owned subsidiary of the Transferee Company.

(ii) **Vardhman Nisshinbo Garments Company Limited ("Transferor Company 2")**, is a public company incorporated under the Companies Act, 1956 having its registered office at Vardhman Premises, Chandigarh Road, Ludhiana, Punjab 141010, India with Permanent Account Number ('**PAN**') AACCV9943L and the Corporate Identification Number ('**CIN**') U18100PB2009PLC032764. The Transferor Company 2 was incorporated on April 17, 2009 under the name Vardhman Texgarments Limited. The name of the Transferor Company 2 was subsequently changed to Vardhman Nisshinbo Garments Company Limited on December 22, 2010. E-mail address of the Transferor Company 2 is secretarial.lud@vardhman.com. The Transferor Company 2 is engaged in the business of manufacturing and sale of garments (mainly shirts). The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.

(iii) **Vardhman Textiles Limited ("Transferee Company")**, is a public company incorporated under the Companies Act, 1956 having its registered office at Chandigarh Road, Ludhiana, Punjab 141010, India with Permanent Account Number AABCM4692E and the Corporate Identification Number L17111PB1973PLC003345. The Transferee Company was incorporated on October 8, 1973 under the name Mahavir Spinning Mills Limited. The name of the Transferee Company was subsequently changed to Vardhman Textiles Limited on September 5, 2006. E-mail address of the Transferee Company is secretarial.lud@vardhman.com. The Transferee Company is a textile company which is engaged in the business of manufacturing yarn and woven fabrics. The equity shares of the Transferee Company are listed on the Stock Exchanges.



- (iv) The amalgamation of the Transferor Company 1 and Transferor Company 2 with and into the Transferee Company, pursuant to and in accordance with this Scheme, shall be in accordance with Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section 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) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- (v) **DATE OF TAKING EFFECT:** The Scheme set out herein in its present form or with any modification(s) approved, imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

B. RATIONALE FOR THE SCHEME

The management of each of the Transferor Companies and the Transferee Company believe that the business existing in the Transferor Companies should be consolidated with the Transferee Company for the following primary reasons:

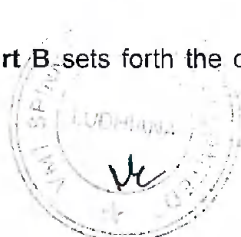
- (i) The amalgamation of the Transferor Companies with and into the Transferee Company will enable consolidation of the business and operations of the Transferor Companies into the Transferee Company, which complement the business of the Transferee Company and which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Companies and the Transferee Company, thereby significantly contributing to business efficiency, future growth and maximizing shareholder value.
- (ii) The amalgamation of the Transferor Companies with and into the Transferee Company will lead to the integration of complementing businesses in one entity, the Transferee Company.
- (iii) Since the Transferor Company 1 and Transferor Company 2 are wholly-owned subsidiaries of the Transferee Company, the merger of the aforementioned companies with and into the Transferee Company is likely to create more value for their respective stakeholders and shareholders, eliminate multiple companies in similar businesses and improve efficiencies of the consolidated business.

- (iv) The amalgamation of the Transferor Companies with and into the Transferee Company will lead to elimination of inter-company transactions and balances between the Transferor Companies and the Transferee Company and the consolidation of the yarn, fabric and garment businesses in one entity.

C. PARTS OF THE SCHEME

This Scheme is segregated into the following four (4) parts:

- (i) **Part A** sets forth the definitions;
- (ii) **Part B** sets forth the capital structure of the Transferor Companies and the Transferee



Company;

- (iii) **Part C** deals with the amalgamation of the Transferor Companies into and with the Transferee Company, in accordance with Sections 230 to 232 of the Act and other applicable provisions of the Act, and deals with the change in share capital, consideration and accounting treatment in the books of the Transferee Company;
- (iv) **Part D** deals with the general terms and conditions applicable and sets forth certain additional arrangements that form part of this Scheme.

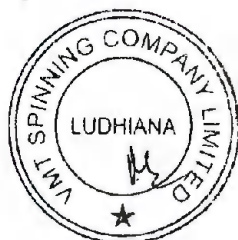


PART- A

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- 1.1 "Act" means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder, including without limitation the Companies (Compromises, Arrangements and Amalgamation) Rules 2016, each as amended from time to time.
- 1.2 "Applicable Laws" means any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time.
- 1.3 "Appointed Date" means the opening of business hours on April 1, 2020, being the time and date with effect from which this Scheme will be deemed to be effective, in the manner described in Clause 4.3 of Part D of the Scheme.
- 1.4 "Board of Directors" in relation to the Transferor Companies and the Transferee Company, means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the Board of Directors or by such committee of directors.
- 1.5 "Effective Date" means the date on which the last of the conditions set out in Clause 4.1 of Part D of the Scheme is satisfied and the Scheme is made effective with effect from the Appointed Date.
- 1.6 "Governmental Authorities" means any government authority, statutory authority, regulatory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on each of the Transferee Company and Transferor Companies, or any one party or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 1.7 "IT Act" means the Income Tax Act, 1961, and the rules, regulations, circulars and notifications issued thereunder, each as amended, modified, replaced or supplemented from time to time.
- 1.8 "RoC" means the Registrar of Companies, Chandigarh.
- 1.9 "Scheme" means this Scheme of Amalgamation among the Transferor Company 1, Transferor Company 2, Transferee Company and their respective shareholders and creditors, pursuant to the provisions of Sections 230 – 232 and other applicable provisions of the Act, and rules made thereunder.
- 1.10 "Stock Exchanges" means the stock exchanges where the equity shares of the Transferee Company are listed and are admitted to trading, viz, BSE Limited and the National Stock Exchange of India Limited.



- 1.11 "Transferee Company" means Vardhman Textiles Limited, a public company incorporated under the Companies Act, 1956 having its registered office at Chandigarh Road, Ludhiana, Punjab 141010, India with Permanent Account Number AABCM4692E and the Corporate Identification Number L17111PB1973PLC003345.
- 1.12 "Transferor Companies" means, collectively, the Transferor Company 1 and the Transferor Company 2.
- 1.13 "Transferor Company 1" means VMT Spinning Company Limited, a public company incorporated under the Companies Act, 1956 having its registered office at Vardhman Premises, Chandigarh Road, Ludhiana, Punjab 141010, India with Permanent Account Number AABCV8087C and the Corporate Identification Number U17117PB1990PLC014070 and shall include without limitation:
- (i) all assets, whether moveable or immoveable, whether tangible or intangible, plant and machinery, equipment, stocks and inventory, including all rights, title, interests, claims, covenants, undertakings, of the Transferor Company 1 in such assets;
 - (ii) all investments, receivables, loans, security deposits and advances extended, including accrued interest thereon, of the Transferor Company 1;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, availed by the Transferor Company 1;
 - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax deferrals and benefits, subsidies (including but not limited to any entitlements under the Technology Upgradation Fund Scheme (TUFS)), concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts and credits in respect of income tax, such as carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, CENVAT, Input Tax Credit, sales tax, value added tax, central sales tax, turnover tax, excise duty, service tax, goods and services tax and minimum alternate tax credit), of the Transferor Company 1;
 - (v) all trademarks, service marks, domain names, patents and other intellectual property rights of every kind and description whatsoever, of the Transferor Company 1;
 - (vi) all privileges and benefits of, or under, all contracts, agreements, purchase and sale orders, memoranda of understanding, bids, tenders, expressions of interest, letters of intent, commitments, undertakings, deeds, bonds, investments undertaken by or arrangements of any kind, and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever, of the Transferor Company 1;
 - (vii) insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company 1 is a party, or to the benefit of which the Transferor Company 1 is eligible;
 - (viii) all employees of the Transferor Company 1;
 - (ix) all advance payments, earnest monies, security deposits, advance rentals, payment against warrants, if any, or other rights or entitlements of the Transferor Company 1;
 - (x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Transferor Company 1; and
 - (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former



customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company 1.

1.14 "Transferor Company 2" means Vardhman Nisshinbo Garments Company Limited, a public company incorporated under the Companies Act, 1956 having its registered office at Vardhman Premises, Chandigarh Road, Ludhiana, Punjab 141010, India with Permanent Account Number AACCV9943L and the Corporate Identification Number U18100PB2009PLC032764 and shall include without limitation:

- (i) all assets, whether moveable or immovable, whether tangible or intangible, plant and machinery, equipment, stocks and inventory, including all rights, title, interests, claims, covenants, undertakings, of the Transferor Company 2 in such assets;
- (ii) all investments, receivables, loans, security deposits and advances extended, including accrued interest thereon, of the Transferor Company 2;
- (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, availed by the Transferor Company 2;
- (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax deferrals and benefits, subsidies (including but not limited to any entitlements under the Technology Upgradation Fund Scheme (TUFS)), concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts and credits in respect of income tax, such as carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, CENVAT, Input Tax Credit, sales tax, value added tax, central sales tax, turnover tax, excise duty, service tax, goods and services tax and minimum alternate tax credit), of the Transferor Company 2;
- (v) all trademarks, service marks, domain names, patents and other intellectual property rights of every kind and description whatsoever, of the Transferor Company 2;
- (vi) all privileges and benefits of, or under, all contracts, agreements, purchase and sale orders, memoranda of understanding, bids, tenders, expressions of interest, letters of intent, commitments, undertakings, deeds, bonds, investments undertaken by or arrangements of any kind, and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever, of the Transferor Company 2;
- (vii) insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company 2 is a party, or to the benefit of which the Transferor Company 2 is eligible;
- (viii) all employees of the Transferor Company 2;
- (ix) all advance payments, earnest monies, security deposits, advance rentals, payment against warrants, if any, or other rights or entitlements of the Transferor Company 2;
- (x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Transferor Company 2; and
- (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company 2.



1.15 "Tax" or "Taxes" shall include all outgoings or dues or liabilities, crystallized or contingent, on account of taxes on net income, gross income, gross receipts, sales, use, services, ad valorem, value-added, capital gains, corporate income tax, minimum alternate tax, buyback distribution tax, dividend distribution tax, transfer, franchise and profits; withholding tax; property tax; water tax; any tax payable in a representative capacity, goods and service tax; service tax, value-added tax, duties of custom and excise, octroi duty, entry tax, stamp duty, other governmental charges or duties or other taxes or statutory payments in relation to contract labour and/ or other contractors and/ or sub-contractors, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; and Taxation will be construed accordingly.

1.16 "Tribunal" means the National Company Law Tribunal, Chandigarh bench.

The expressions, which are used in this Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, as the case may be, including any statutory modification or re-enactment thereof, from time to time.



PART - B

2. CAPITAL STRUCTURE

2.1. The capital structure of the Transferee Company, as on March 31, 2020 is as under:

Share Capital	Amount (INR)
Authorised Share Capital	
9,00,00,000 equity shares of INR 10 each	90,00,00,000
1,00,00,000 redeemable cumulative preference shares of INR 10 each	10,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-up Share Capital	
5,75,18,760 equity shares of INR 10 each	57,51,87,600
Total	57,51,87,600

2.2. Since March 31, 2020 and until the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed or paid up capital of the Transferee Company.

2.3. The capital structure of the Transferor Company 1, as on March 31, 2020 is as under:

Share Capital	Amount (INR)
Authorised Share Capital	
2,50,00,000 equity shares of INR 10 each	25,00,00,000
1,00,00,000 redeemable cumulative preference shares of INR 10 each	10,00,00,000
Total	35,00,00,000
Issued, Subscribed and Paid-up Share Capital	
2,07,00,240 equity shares of INR 10 each fully paid-up	20,70,02,400
Total	20,70,02,400

2.4. Since March 31, 2020 and until the date of the Scheme being approved by the Board of Directors of the Transferor Company 1, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 1. The shares of the Transferor Company 1 are not listed on any stock exchanges.

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company 1,



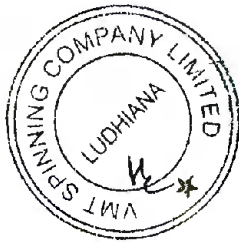
100% of the paid up equity share capital of the Transferor Company 1, on a fully-diluted basis, is held by the Transferee Company.

2.6. The capital structure of the Transferor Company 2, as on March 31, 2020 is as under:

Share Capital	Amount (INR)
Authorised Share Capital	
2,80,00,000 equity shares of INR 10 each	28,00,00,000
1,40,00,000 non-cumulative convertible preference shares of INR 10 each	14,00,00,000
Total	42,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,40,00,000 equity shares of INR 10 each	14,00,00,000
1,00,00,000 10% non-cumulative convertible preference shares of INR 10 each	10,00,00,000
Total	24,00,00,000

2.7. Since March 31, 2020 and until the date of the Scheme being approved by the Board of Directors of the Transferor Company 2, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 2. The shares of the Transferor Company 2 are not listed on any stock exchanges.

2.8. As on the date of approval of the Scheme by the Board of Directors of the Transferor Company 2, 100% of the paid up equity share capital of the Transferor Company 2, on a fully-diluted basis, is held by the Transferee Company.



PART - C

3. AMALGAMATION OF THE TRANSFEROR COMPANIES WITH AND INTO THE TRANSFEREE COMPANY

3.1 TRANSFER AND VESTING OF THE TRANSFEROR COMPANIES INTO AND WITH THE TRANSFEREE COMPANY

3.1.1 Subject to the provisions of the Scheme in relation to the modalities of amalgamation, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferor Companies, together with all their properties, assets, investments, borrowings, approvals, intellectual property rights, insurance covers or claims, records, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities, shall amalgamate with and into the Transferee Company, and all presents and future properties, assets, investments, borrowings, approvals, intellectual property rights, insurance covers or claims, records, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities of the Transferor Companies shall stand transferred to and vested in, and shall become the property of and an integral part of the Transferee Company subject to the existing charges and encumbrances, if any, (to the extent such charges or encumbrances are outstanding on the Effective Date), by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed required by either of the Transferor Companies or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Companies shall stand amalgamated with and into the Transferee Company, in the manner described below:

- (i) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed done by the Transferor Companies or the Transferee Company. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfill all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the title to the immovable properties of the Transferor Companies shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Governmental Authorities shall suffice as record of continuing title with the Transferee Company pursuant to this Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. Transferee Company may, if and as required, undertake such act/action as it deems appropriate in this regard. The Transferee Company shall in pursuance of the vesting order of the Tribunal be entitled to the delivery and possession of all documents of title to such immovable property in this

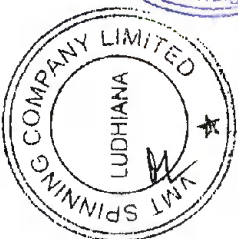
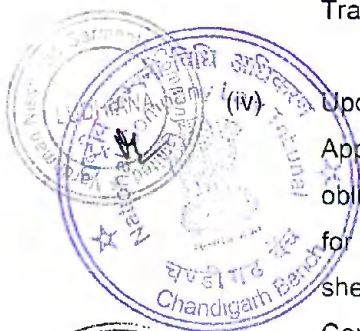


regard.

(ii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Transferor Companies as are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed done by the Transferor Companies or the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company.

(iii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified in Clause iii above) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances, if any, relating to the Transferor Companies, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with Governmental Authorities, semi-Governmental Authorities, local and other authorities and bodies, customers and other persons, cheques on hand, shall, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after the Effective Date, cheques received in the name of the Transferor Companies, to enable the Transferee Company to receive the amounts thereunder. Where any of the outstanding receivables attributed to the Transferor Companies have been received by the Transferor Companies after the Appointed Date, but before the Effective Date, the same shall be deemed to have been received by the Transferor Companies for and on behalf of the Transferee Company.

(iv) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Companies, whether provided for or not in the books of accounts of the Transferor Companies or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Companies requires satisfaction of the charge over the properties of the Transferor Companies and recordal of a new charge with the Transferee

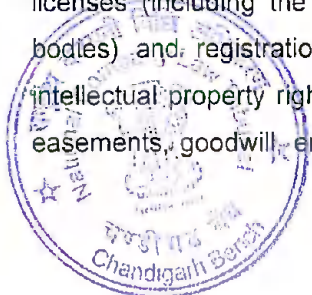
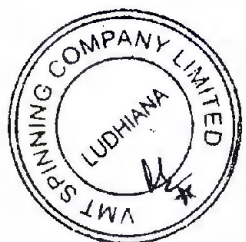


Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the vesting order of the Tribunal sanctioning the Scheme, or a certified copy of the same, and any deed of modification or novation executed *inter alios* by the Transferee Company. Where any of the loans, liabilities and obligations attributed to the Transferor Companies have been discharged by the Transferor Companies after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Transferor Companies for and on behalf of the Transferee Company. All loans, advances and other obligations due from Transferor Companies by the Transferee Company 1 or vice versa, or between Transferor Companies if any, shall stand cancelled and shall have no effect.

(v) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of the Transferor Companies shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company.

(vi) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Companies to which it is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or 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 thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Companies or to the benefit of which the Transferor Companies may be eligible and which are subsisting or have effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company, without any further act, instrument or deed of the Transferor Companies or the Transferee Company and shall be appropriately transferred or assigned by the concerned parties / Governmental Authority in favour of the Transferee Company.

(vii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) and registrations including relating to trademarks, logos, patents and other intellectual property rights, approvals, clearances, tenancies, privileges, powers, offices, easements, goodwill, entitlements, facilities of every kind and description of whatsoever

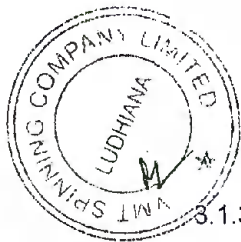


nature, in relation to the Transferor Companies, to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, shall be enforceable by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company.

(viii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations (including, but not limited to, income tax, sales tax, service tax, goods and services tax, excise, value added tax, central sales tax (if any)), approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Companies or granted to the Transferor Companies shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of the Transferee Company upon amalgamation of the Transferor Companies with and into the Transferee Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions, approvals or consents required to carry on the operations of the Transferor Companies shall vest in and become available to the Transferee Company upon this Scheme, coming into effect on the Effective Date and with effect from the Appointed Date, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company.

3.1.2 Upon this Scheme becoming effective, the secured creditors of the Transferee Company shall be entitled to security over such properties and assets forming part of the Transferor Companies on the Appointed Date on which the secured creditors of the Transferor Companies have security, on a pari passu basis with the secured creditors of the Transferor Companies, and the secured creditors of the Transferor Companies shall be entitled to security over such properties and assets forming part of the Transferee Company on the Appointed Date on which the secured creditors of the Transferee Company have security, on a pari passu basis with the secured creditors of the Transferee Company. For the avoidance of doubt, it is clarified that all the assets of the Transferor Companies and the Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by the Transferee Company. For this purpose, no further consent from the existing creditors shall be required and the sanction of this Scheme shall be considered as a specific consent of such creditors.

3.1.3 All the licenses, brand names, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, no-objection certificates, 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 and all other applicable



provisions, if any, of the Act, 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, no-objection certificates, special status and other benefits or privileges of the Transferee Companies and shall remain valid, effective and enforceable on the same terms and conditions. For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications/ documents with the relevant authorities concerned for information and record purposes, and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.1.4 The Transferee Company shall, 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, execute deeds of confirmation or other writings or arrangements including any forms or depository instructions, with any party to any contract or arrangement in relation to the Transferor Companies to which the Transferor Companies are parties, and make any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing in the name of and on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Companies, *inter alia*, in its capacity as the successor entity of the Transferor Companies.

3.1.5 The Transferee Company and the Transferor Companies shall, respectively, make appropriate filings with the Governmental Authorities in order to give formal effect to the provisions of this Clause 3 of this Scheme, and the relevant Governmental Authorities shall take the same on record, and shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof.



3.2 LEGAL PROCEEDINGS

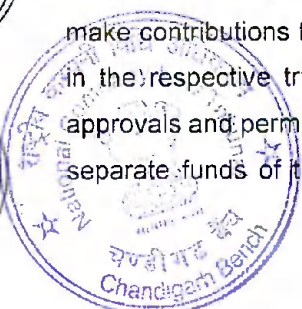
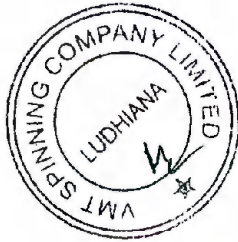
3.2.1 Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Companies. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Companies, including (but not limited to) those before any Governmental Authority, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Companies with and into the Transferee Company, or of anything contained in this Scheme, but the proceedings shall 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, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act,



instrument or deed of the Transferor Companies or the Transferee Company. Initiation of assessment, re-assessment and/or any other proceedings pertaining to the period prior to the Appointed date on/ in connection to any of the Transferor Company, if any, under any provision of the IT Act and/or any other Applicable Laws shall be with respect to such Transferor Company only and that the same shall not extend to/deemed to include the standalone Transferee Company or the Transferor Company (other than the Transferor Company on/ in connection to which the assessment/reassessment proceedings are initiated). Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, where required, the Transferee Company undertakes to have such legal or other proceedings initiated by or against the Transferor Companies transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. For the avoidance of doubt, it is clarified that the Transferee Company undertakes to handle all legal or other proceedings which may be initiated by or against any of the Transferor Company after the Effective Date in respect of the period up to the Effective Date, in its own name and account and further undertakes to pay all amounts including interest, penalties, damages, etc. which the Transferor Companies may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Companies for the period up to the Effective Date.

3.3 STAFF, WORKMEN AND EMPLOYEES

3.3.1 Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons that were employed in the Transferor Companies immediately before such date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company, on terms and conditions no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service on the same terms and conditions as were applicable to such employees immediately prior to such amalgamation and without any break or interruption in service. It is clarified that such employees of the Transferor Companies that become employees of the Transferee Company by virtue of this Scheme, shall continue to be governed by the terms of employment as were applicable to them immediately before such amalgamation and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees, of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all employees, class of employees or any particular employee. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Companies in respect of such employees forming part of the Transferor Companies with their respective employees. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation ('Funds') created or existing for the benefit of such employees of the Transferor Companies, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall stand substituted for the Transferor Companies, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Companies or the Transferee Company, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. 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



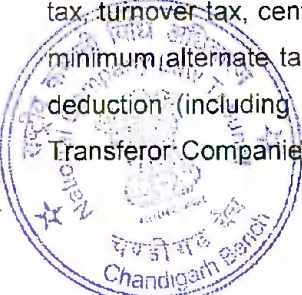
Companies or be transferred to and merged with other similar funds of the Transferee Company.

3.3.2 The existing provident fund benefits, gratuity benefits and superannuation benefits or any other special benefits or obligation, if any, created or used by the Transferor Companies (or an affiliate of the Transferor Companies on behalf of the Transferor Companies) for its employees being transferred to the Transferee Company pursuant to this Scheme shall be continued by the Transferee Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes or funds shall become those of the Transferee Company. Further, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Companies shall be continued/ continue to operate against the relevant employee and shall be enforced by the Transferee Company, without any further act, instrument or deed of the Transferor Companies or the Transferee Company.

3.4 CONSEQUENTIAL MATTERS RELATING TO TAX

3.4.1 Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all direct and indirect taxes of any nature, duties and cess or any other like payment made by the Transferor Companies to any statutory authorities, including (but not limited to) income tax, service tax, security transaction tax, value added tax, central sales tax, customs duty, minimum alternate tax, advance tax, excise duty, goods and services tax, or any other like payments made by the Transferor Companies to any statutory authorities), or other collections made by the Transferor Companies and relating to the period after the Appointed Date up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Transferee Company, without any further act, instrument or deed of the Transferor Companies or the Transferee Company. Further, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all deduction (including but not limited to under Section 80JJAA) otherwise admissible to Transferor Companies including deduction admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40, Section 40A etc. of the IT Act) shall be eligible for deduction to the Transferee Company. Further, the Transferee Company shall be entitled to claim credit for taxes deducted/collected at source/ paid against its tax/ duty liabilities/ minimum alternate tax, advance tax, service tax, value added tax liability etc., notwithstanding the certificates/ challans or other documents for payment of such taxes/ duties, as the case may be, being in the name of the Transferor Companies.

3.4.2 Upon the Scheme coming into effect on the Effective Date, all taxes payable by or refundable to or being the entitlement of the Transferor Companies, including all or any refunds or claims shall be treated as the tax liability or refunds/ credits/ claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, entitlements (including, but not limited to, credits in respect of income tax, including carry forward tax losses, unabsorbed depreciation, sales tax, closing balance of CENVAT, Input Tax Credit, value added tax, turnover tax, central sales tax, excise duty, goods and services tax, security transaction tax, minimum alternate tax and duty entitlement credit certificates), holidays, remissions, reductions, deduction (including but not limited to Section 80JJAA) as would have been available to the Transferor Companies by operation of law without any act or deed of the Transferee company,



shall upon this Scheme becoming effective, be available to the Transferee Company, and losses and unabsorbed depreciation of the Transferor Companies be carried forward and set off against tax on future taxable income of the Transferee Company in accordance with provisions of Section 72A of the IT Act. The Transferee Company shall undertake all necessary compliances prescribed under applicable laws to effectuate transfer of credits of goods and services tax, Input Tax Credits, refunds etc of the Transferor Companies to the Transferee Company.

3.4.3 Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes payable by the Transferor Companies including all or any refunds of claims shall be treated as the tax liability or refunds/ claims as the case may be, of the Transferee Company, without any further act, instrument or deed of the Transferor Companies or the Transferee Company, and the Transferee Company shall be entitled to file/ revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme, and all tax compliances under Applicable Laws by the Transferor Companies shall be deemed to have been undertaken by the Transferee Company. Further, any tax deducted at source by the Transferor Companies on transactions with the Transferee Company, if any from the Appointed Date to Effective Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

3.4.4 All the expenses incurred by the Transferee Company and/or Transferor Companies in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company and/or Transferor Companies, as applicable, in accordance with the Section 35DD of the IT Act over a period of five (5) years beginning with the previous year in which the Scheme becomes effective.

3.5 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

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

(i) The Transferor Companies shall carry on and be deemed to have been carrying on all the business and activities of the Transferor Companies for and on behalf of and in trust for the Transferee Company.

(ii) All profits/ losses accruing to the Transferor Companies and all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and services tax, value added tax, sales tax, service tax etc.) thereon arising or incurred by it, shall, for all purposes, be treated as the profits, losses or taxes as the case may be, of the Transferee Company.

(iii) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the respective 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.

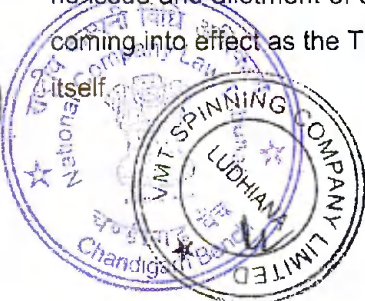


- (iv) All accretions and depletions in relation to the Transferor Companies shall be for and on account of the Transferee Company.
- (v) The Transferor Companies shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:
 - a) when it is expressly provided in this Scheme; or
 - b) when it is in the ordinary course of business as carried on by the Transferor Companies, as on the date of filing of this Scheme in the Tribunal; or
 - c) when written consent of the Transferee Company has been obtained in this regard;
- (vi) Except by mutual consent of the Boards of Directors of the relevant Transferor Companies and the Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Companies and/or the Transferee Company as on the Appointed Date. or except as contemplated in this Scheme, pending sanction of this Scheme, the Transferor Companies and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, preference shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies);
- (vii) The Transferor Companies shall not alter or substantially expand the business except with the written concurrence of the Transferee Company; and
- (viii) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorisations of the Transferor Companies, shall stand transferred by the order of the Tribunal, to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Tribunal.



3.6 CONSIDERATION

3.6.1 The Transferor Company 1 and the Transferor Company 2 are the wholly owned subsidiaries of the Transferee Company. Accordingly, upon the Scheme becoming effective, all the equity shares, as held by the Transferee Company in the Transferor Company 1 and Transferor Company 2, either by itself or through its nominees, shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Transferee Company upon the Scheme coming into effect as the Transferee Company cannot issue shares of the Transferee Company to itself.



The investments in the shares of the Transferor Company 1 and Transferor Company 2, appearing in the books of account of the Transferee Company shall, without any further act or deed, stand cancelled.

3.7 ACCOUNTING TREATMENT

3.7.1 Pursuant to this Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company 1 and Transferor Company 2 in its books in accordance with principles as laid down in Appendix C to the Indian Accounting Standard 103 (Business Combination) along with IND-AS Transition Facilitation Group (ITFG) bulletin-9 in the following manner:

- (i) All assets and liabilities of the Transferor Companies shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor Companies as on the Appointed Date.
- (ii) The balance of the reserves appearing in the financial statements of the Transferor Companies as on the Appointed Date will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- (iii) Inter-company holdings and balances, if any, between the Transferee Company and the Transferor Companies or between any of the Transferor Companies inter-se shall stand cancelled. The difference, if any, between the cost of investments and face value of inter-company holdings shall be adjusted against balance of capital reserve of the Transferee Company post-merger.
- (iv) In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- (v) Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorised to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.
- (vi) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date

TRANSFER OF THE AUTHORIZED SHARE CAPITAL

3.8.1 As an integral part of the Scheme and upon the effectiveness of this Scheme, the authorised share capital of the Transferor Company 1 amounting to INR 35,00,00,000 (Rupees Thirty Five Crores only) and Transferor Company 2 amounting to INR 42,00,00,000 shall stand consolidated and vested in, and merged with the authorised share capital of the Transferee Company and the



authorised share capital of the Transferee Company as set out in Clause 2.1 of Part B of the Scheme hereinabove shall stand enhanced to INR 177,00,00,000 (Rupees One Hundred and Seventy Seven Crores Only) divided into 14,30,00,000 (Fourteen Crores Thirty Lakh) equity shares of face value of INR 10 (Rupees Ten only) each, 2,00,00,000 (Two Crores) redeemable cumulative preference shares of face value of INR 10 (Rupees Ten only) each and 1,40,00,000 (One Crore Forty Lakh) non-cumulative convertible preference shares of face value of INR 10 (Rupees Ten only) each, without any further act, instrument or deed by the Transferee Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees have already been paid by the Transferor Company 1 and Transferor Company 2 on such authorized capital, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective on the Effective Date. Balance fees if any payable, after the aforesaid adjustment, by the Transferee Company shall be duly paid upon the sanctioning of the Scheme. Subsequent to the enhancement of the authorized share capital of the Transferee Company, as contemplated herein, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and read as follows:

"The Authorised Share Capital of the Company is INR 177,00,00,000 (Rupees One Hundred and Seventy Seven Crores Only) divided into 14,30,00,000 (Fourteen Crores Thirty Lakh) equity shares of face value of INR 10 (Rupees Ten only) each, 2,00,00,000 (Two Crores) redeemable cumulative preference shares of face value of INR 10 (Rupees Ten only) each and 1,40,00,000 (One Crore Forty Lakh) non-cumulative convertible preference shares of face value of INR 10 (Rupees Ten only)"

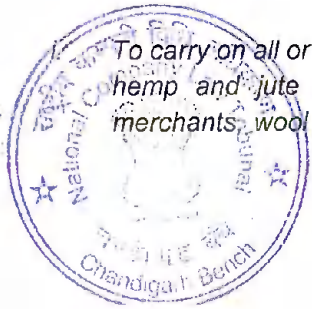
3.8.2 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferee Company and/ or the Transferor Companies, as the case may be, undergoes any change, prior to this Scheme becoming effective, then Clause 3.8 shall automatically stand modified/ adjusted accordingly to take into account the effect of such change.

3.8.3 It is hereby clarified that for the purposes of this Clause, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorised share capital of the Transferee Company, and no further act, instrument or deed by the Transferee Company or resolutions or actions under Sections 13, 61 and any other applicable provisions of the Act would be required to be separately passed or taken and pursuant to Section 232(3)(i) of the Act and the fee paid by the Transferor Companies on its authorized share capital shall be set off against any fee payable by the Transferee Company on its authorized share capital subsequent to the amalgamation. Balance fees if any payable, after the aforesaid adjustment, by the Transferee Company shall be duly paid upon the sanctioning of the Scheme. Upon this Scheme coming into effect, the Transferee Company shall, if required, file the necessary documents/ intimations as per the provisions of the Act with the RoC or any other applicable authority to record the aforesaid change in its authorised share capital.



3.9 AMENDMENT OF THE MEMORANDUM OF ASSOCIATION

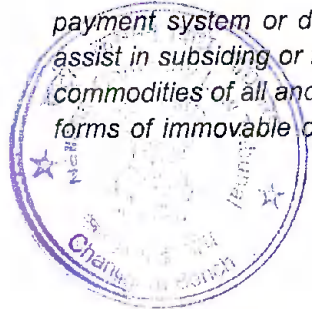
3.9.1 Upon the Scheme coming into effect, the main objects clause of the memorandum of association of the Transferee Company shall stand modified and read as follows:



To carry on all or any of the following business, namely cotton spinners and doublers, flax, hemp and jute spinners, linen and cloth manufacturers, flax, hemp jute and wool merchants, wool combers, worsted stuff manufacturers, bleachers and dyers, makers of

vitriol, bleaching and dyeing materials.

- ii. To purchase, comb, prepare, spin, dye and deal in cotton flax, hemp, jute, wool, silk, acrylic fibre and any fibrous substances.
- iii. To weave and otherwise manufacture, buy and sell and deal in linen, cloth and other goods and fabrics (including acrylic fibres), whether textile feeted, netted or looped.
- iv. To carry on the business of manufacturing woollen, felt, silken, cotton, hemp, acrylic and any other fibrous material and products whether allied to the aforesaid or not in India or elsewhere.
- v. To carry on the business of spinners, weavers, manufacturers, ginner, balers and pressers of cotton, kapas, yarn, cotton waste, yarn waste, hemp, jute, acrylic fibre and other fibrous material and the cultivation thereof.
- vi. To carry on the business of buyers, sellers, dealers, exporters and importers of woollen, silken, cotton, hemp, acrylic and other fibrous material or any goods or merchandise whatsoever and to transact all manufacturing or treating and processes and mercantile business and to purchase and vend raw materials and manufactured articles.
- vii. To carry on the business of Machine Combers and Re-combers of all types of fibres and materials, whether artificial or synthetic, to sort, blend, prepare wiley, scour, carb, scribble, comb, dye, bleach, carbonize, spin, twist, double, wind, warp, weave, mend, finish, make up, back, buy, sell, import, export and deal in fibres, whether natural artificial or synthetic, tops, yarn woven, fabrics and textile fabrics and materials of kinds and to carry on all or any of the trades or businesses of Combers, Re-combers, Top makers, Spinners, Weavers, Doublers, Manufacturers, Printers, Dyers and Finishers, Bleachers, Carbonizers, Waterproofers of textile materials and fabrics of all kinds of Mill Owners generally, merchants, agents, importers, exporters, factors, agents, sellers of and dealers, in wool, worsted, silk hair alpaca, mohair, cotton, flax, jute, hemp, acrylic, artificial and synthetic fibres and all or any fibrous substances, tops, noils, wasters paps and byproducts generally and all or any textile products, manufactured or unmanufactured.
- viii. To purchase or take on lease or otherwise acquire and work any spinning mills, weaving mills, ginning factories or presses for pressing merchandise into bales or any other similar concern and the property, business and goodwill appertaining thereto.
- ix. To buy, sell, import, export, exchange and deal in cloth yarn, cotton in process, raw cotton, jute, wool, silk, rayon, hemp, acrylic and other fibrous articles, also drugs, chemicals, dyes, metals, stores and other articles and things.
- x. To undertake dyeing, bleaching or printing of yarn cloth, cotton in process, raw cotton, silk, rayon, wool, jute, hemp, acrylic and other fibres for any person, firm, company or corporation or otherwise by the agents of the Company.
- xi. To carry on and undertake business of leasing and to finance leasing operations of all kinds, finance, trading, hire purchase, purchasing, selling, exporting, importing, hiring or letting on hire all kinds of plant, machinery and equipments whether electrical, electronic or mechanical including tractors, tuggers, shunters, transport/commercial vehicles of any kinds for use in land, water and air, motor cars, motorcycles, scooters, construction/industrial equipments, earthmoving machinery, cranes, excavators, loaders, implements, tools utensils, ships, dredgers, tugs, barges, aeroplanes, helicopters, wagons, coaches, tram-cars, telex, teleprinters, electronic private automatic branch exchanges, private automatic exchanges, public address systems, television receivers, industrial robots, furniture, domestic or business appliances, computers, tabulators, data processing machines, addressing machines and other sophisticated office machinery and appliances and to assist in financing of all and every kind and description of hire purchase or easy payment system or deferred payment or similar transactions and subsidies, finance or assist in subsidizing or financing the sale, purchase and maintenance of its goods, articles, commodities of all and every kind upon any terms and to purchase or otherwise deal in all forms of immovable or movable property including land and buildings and of consumer,



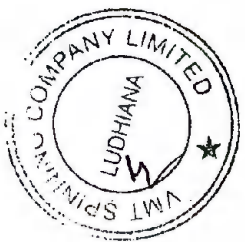
commercial and industrial items and to lease or otherwise deal with them in any manner including resale thereof regardless whether the property purchased and leased be new and/or used.

xii. To carry on the business of manufacturers, importers and exporters, buyers, sellers, traders, wholesalers, agents, distributors and dealers of all types of textile garments, knitted garments, hosiery goods, trousers, shirts, T-shirts, jackets and other ready-made garments, wearing apparels and clothing accessories of every kind, nature and description for men, women and children.

3.9.2 It is hereby clarified that for the purposes of this Clause 3.9. of the Scheme, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment, and no further act, instrument or deed by the Transferee Company or resolutions or actions under Section 13 of the Act and / or any other applicable provisions of the Act and rules and regulations framed thereunder, as may be applicable for the alteration of the memorandum of association of the Transferee Company, shall be required, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13 of the Act or any other applicable provisions of the Act, and rules and regulations framed thereunder, in relation to the same. Upon this Scheme coming into effect, the Transferee Company shall, if required, file the necessary documents/ intimations as per the provisions of Act with the RoC or any other applicable authority to record the aforesaid alteration of its memorandum of association in the manner set out in this Clause 3.9. of the Scheme.

3.10 DISSOLUTION OF THE TRANSFEROR COMPANIES

3.10.1 Upon this Scheme coming into effect, the Transferor Company 1 and Transferor Company 2 shall, without any further act, instrument or deed, stand dissolved without winding up.



PART – D

4. GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**4.1 CONDITIONALITY OF THE SCHEME**

4.1.1 This Scheme is and shall be conditional upon and subject to:

- (i) the Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and secured and unsecured creditors of each of the Transferor Companies and the Transferee Company, as may be directed by the Tribunal or any other competent authority, as may be applicable;
- (ii) the requisite consent, approval or permission of the Central Government, or any other statutory or regulatory authority, which by law may be necessary for the implementation of this scheme;
- (iii) the Scheme being sanctioned by the Tribunal under Sections 230-232 and any other applicable provision of the Act; and
- (iv) filling of the certified copies of the orders of the Tribunal sanctioning this Scheme, by the Transferor Companies and the Transferee Company, under the applicable provisions of the Act with the jurisdictional ROC.

4.2 APPLICATION TO THE TRIBUNAL

4.2.1 The Transferor Companies and the Transferee Company may, with all reasonable dispatch, make a joint application to the Tribunal under Sections 230-232 and other applicable provisions of the Act for the sanction of this Scheme and all matters ancillary or incidental thereto.

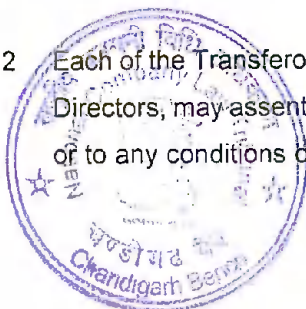
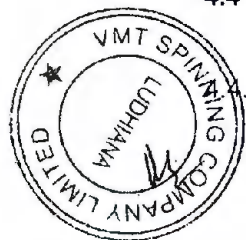
4.3 EFFECTIVENESS OF THE SCHEME

4.3.1 Upon the sanction of this Scheme and after the Scheme has become effective upon completion of the conditions listed in Clause 4.1 of this Part D, with effect from the Appointed Date, the amalgamation of the Transferor Company 1 and Transferor Company 2 with and into the Transferee Company shall be deemed to have occurred in accordance with Section 2 (1B) of the IT Act.

4.4 MODIFICATIONS/ AMENDMENTS TO THE SCHEME

4.4.1 Each of the Transferor Companies and the Transferee Company will be at liberty to apply to the Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act.

4.4.2 Each of the Transferor Companies and the Transferee Company, through their respective Board of Directors, may assent to any modifications/ amendments to the respective Part of this Scheme and/ or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or



impose or which may otherwise be considered necessary, desirable or appropriate by them. Each of the Transferor Companies and the Transferee Company, through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

- 4.4.3 The Board of Directors of the Transferor Company 1, the Transferor Company 2 and the Transferee Company, respectively shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and/ or to withdraw the Scheme or any part thereof and respective applications/ petitions filed with the Tribunal if such Boards are of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/ any of the companies or in case any condition or alteration imposed by the Tribunal or any other authority or entity is not on terms acceptable to them

4.5 EFFECT OF NON-RECEIPT OF APPROVALS

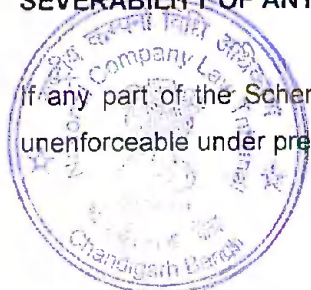
- 4.5.1 In the event this Scheme is not being sanctioned by (i) the Tribunal or such other competent authority before which this Scheme is presented for approval (ii) requisite majorities of members, creditors of the relevant Transferor Company or the Transferee Company, the part not sanctioned shall stand revoked, cancelled and be of no effect, save and except in respect of any further 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 for in the Scheme or as may otherwise arise in law.
- 4.5.2 If any provision of this Scheme is ruled invalid or illegal by the Tribunal, or unenforceable under present or future laws, then it is the intention of the parties to this Scheme that such portion shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such portion shall cause this Scheme to become materially adverse to any party, in which case the parties, through their respective Board of Directors may either decide to revoke the Scheme or may 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 portion.

4.6 COSTS, CHARGES AND EXPENSES

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

4.7 SEVERABILITY OF ANY PART OF THE SCHEME

- 4.7.1 If any part of the Scheme is ruled invalid or illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, or cannot be given effect to due to regulatory or other



reasons, then it is the intention of the parties that, at the discretion of the parties, 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 the Scheme to become materially adverse to any party, in which case each of the Transferor Companies and the Transferee Company, (acting through their respective Boards of Directors) shall attempt to bring about a modification in the Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

4.7.2 Notwithstanding the above, any revocation, cancellation or ineffectiveness of any part of the Scheme, either individually or collectively, shall not affect the effectiveness of the other part of the Scheme.

4.8 VALIDITY OF EXISTING RESOLUTIONS

4.8.1 Upon occurrence of the Effective Date, the resolutions, if any, of Transferor Companies, 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 if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable 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.

4.9 DIVIDENDS

4.9.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective date

4.9.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company, and if applicable as per the provisions of the Act, be subject to the approval of the shareholders of each of the Transferor Companies and the Transferee Company.



4.10 REPEAL AND SAVINGS

4.10.1 The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by any of the Transferor Companies or the Transferee Company on or before the Appointed Date and after the Appointed Date until the Effective Date.



4.11 RESIDUAL

4.11.1 Upon this Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, cash and deposits relating to the Transferor Companies, realize all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Companies in the name of the Transferor Companies to the extent necessary. Upon this Scheme



becoming effective, the Transferee Company shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, relating to the Transferor Companies in the name of the Transferor Companies to the extent necessary.

