



**3M India Limited**

WeWork Prestige Central  
3<sup>rd</sup> Floor, 36 Infantry Road  
Bengaluru 560001, India  
Tel: +91 80 22231414  
www.3M.com/in

September 12, 2023

Corporate Relationship Department  
BSE Limited  
1st Floor, New Trading Ring, Rotunda Building  
P.J. Towers, Dalal Street, Fort  
Mumbai - 400 001

Scrip Code - 523395

The Secretary  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra – Kurla Complex  
Bandra (E), Mumbai – 400 051

Scrip Code – 3MINDIA

Dear Sir,

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We refer to our letter dated September 17, 2021, intimating you about the approval by the Board of Directors of the Company for a scheme of amalgamation (“**Scheme**”) pursuant to Sections 230-232 and other relevant provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiary, 3M Electro & Communication India Private Limited (“**Transferor Company**”), into its holding company 3M India Limited (“**Transferee Company**”).

We wish to further inform you that the Hon’ble National Company Law Tribunal, Chennai Bench, vide its order dated August 25, 2023, has sanctioned the aforesaid scheme. A certified copy of the aforesaid Order along with the sanctioned Scheme, as received on September 11, 2023, from the Hon’ble National Company Law Tribunal, Chennai Bench, is enclosed for your records.

Kindly note the scheme is subject to necessary approvals by the Hon’ble National Company Law Tribunal, Bengaluru Bench.

Thanking you

Yours faithfully

**For 3M India Limited**

**Pratap Rudra Bhuvanagiri**  
**Company Secretary &**  
**Compliance Officer**



IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH - I, CHENNAI

CP(CAA)/64(CHE)2022 in CA (CAA)/9(CHE) 2022

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of *Scheme of Amalgamation*  
Of

**3M ELECTRO & COMMUNICATION INDIA PRIVATE LIMITED**

No 95, (Plot Nos. 95-97), Sanniyasikuppam

Udhaya Nagar, Thirubhuvanai Main Roda,

Thirubhuvanai Post,

Puducherry- 605 107.

... *Applicant Company/ Transferor Company*

And

**3M INDIA LIMITED**

Plot No. 48-51

Electronics City,

Hosur Road,

Bengaluru- 560 100.

... *Transferee Company*

And

Their Respective Shareholders and Creditors

Along with

IA/58/CHE/2023 in CP/CAA/64/CHE/2022

Filed under Sections 230 to 232 of the Companies Act, 2013 .

**3M ELECTRO & COMMUNICATION PRIVATE LIMITED,**

Having its Registered Office at No. 95, (Plot Nos 95-97),

Sanniyasikuppam, Udhaya- Nagar,

Thirubhuvanai Main Road,

Thirubhuvanai Post,

Pondicherry- 605 107.

...Applicant



CP/CAA/64/2022 in CA(CAA)/9(CHE)2022 along with IA/58/CHE/2023  
In the matter of 3M Electro & Communication India Private Limited

1/9/21



CORAM  
JUSTICE RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT  
SAMEER KAKAR, MEMBER (TECHNICAL)

*For Applicant(s): Arvind Pandian, Senior Counsel  
For Pawan Jhabakh, Advocate.*

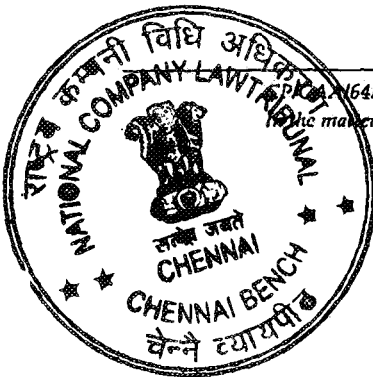
*Order pronounced on 25<sup>th</sup> August 2023*

ORDER

**Per: JUSTICE RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT**

This Company Petition has been heard through Video conferencing mode.

2. The present Company Petition has been filed by the Petitioner Companies above named for the purpose of the approval of the Scheme of Amalgamation of 3M ELECTRO & COMMUNICATION INDIA PRIVATE LIMITED (for brevity "Transferor Company/ Applicant Company") with 3M INDIA LIMITED (for brevity "Transferee Company") under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'the Rules') (hereinafter referred to as the 'SCHEME') pursuant to the Scheme proposed by the Petitioner Companies and the said Scheme is also annexed at "Annexure G" to the typed set filed along with the Petition.



164/2022 in CA(CAA)/9/ CHE)2022 along with IA/58/CHE/2023  
the matter of 3M Electro & Communication India Private Limited



3. 1<sup>ST</sup> MOTION APPLICATION – IN BRIEF

3.1. The Transferor Company and Transferee Company have filed the First Motion Application vide CA(CAA)/9/(CHE)/2022 seeking directions for dispensation of meeting of Equity Shareholders, Unsecured Creditors of the Transferor Company. Based on such application moved under Sections 230-232 of the Companies Act, 2013, directions were issued by this Tribunal, vide order dated 25.05.2022 in which the meetings of the Equity Shareholders and Unsecured Creditors were dispensed with. Further it is represented that the Transferor Company has 'NIL' Secured Creditors; hence the necessity of convening a meeting did not arise. Subsequently, the second motion petition was filed before this Tribunal by the Applicant Company on 09.06.2022 for sanction of the Scheme of Amalgamation by this Tribunal.

4. RATIONALE OF THE SCHEME

4.1. The rationale and benefits of the Scheme as submitted by the Learned Counsel for the Applicant Companies would *inter alia* result in the following benefits as mentioned in Part-II of the scheme,

"4.1 With effect from the Appointed Date and on the Scheme becoming effective, the whole Undertaking of the Transferor Company shall, pursuant to the sanction



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of the Scheme by the NCLT, without any further act or deed, shall stand transferred to and vested in the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act in accordance with and subject to the modalities for transfer and vesting stipulated therein.

4.2 In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any further act, instrument or deed for the same and shall become the property of the Transferee Company.

4.3 In respect of such of the assets belonging to the Transferor Company other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of the Act without any further act, instrument or deed.

4.4 Upon coming into effect of the Scheme and with effect from the Appointed Date, all liabilities, debts, duties and obligations of the Transferor Company, as on or after the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but

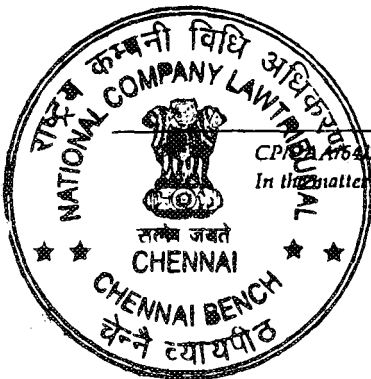


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which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Scheme, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the liabilities, debts duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. It is 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.

4.5 The transfer and vesting of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security



*[Signature]*  
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shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over its assets of Transferor Company acquired by it under the Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of the Transferor Company shall not extend or be deemed to extend or apply to the assets so acquired by the Transferee Company.

4.6 All loans granted by the Transferor Company shall be deemed to be loans granted by the Transferee Company with effect from the Appointed Date and shall continue to be operative in relation to the Transferee Company.

4.7 Subject to the other provisions of the Scheme, all licenses, permissions, approvals, notifications, consents, registrations and no-objection certificates obtained by the Transferor Company for the business of the Transferor Company and/or to which the Transferor Company is entitled to in terms of the various Statutes and/or Schemes of Union and State Governments which are valid and subsisting and which have not yet been cancelled as on the Appointed Date shall be available to and vest in the Transferee Company without any further act or deed and shall be appropriately mutated by the



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statutory authorities concerned therewith in favour of the Transferee Company.

4.8 All benefits, including, under Income Tax, Advance Tax, Excise, Foreign Trade Policy, Customs (including benefits under Export Promotion Guarantee Scheme), VAT, Sales Tax, Service Tax, Goods & Services Tax, Incentive Schemes, Direct and Indirect Tax Credits etc. if any, to which the Transferor Company was entitled to in relation to its business in terms of the various Statutes and/or Schemes of Union and State Governments as on the Appointed Date shall be available to and vest in the Transferee Company upon the Scheme becoming effective.

4.9 With effect from the Appointed Date, all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

4.10 Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the resolutions passed by the Transferor Company and other actions undertaken by the Transferor Company based on approvals obtained by the Transferor Company, which are valid and subsisting as on the Effective Date, shall continue to be valid and subsisting and shall be deemed and considered as resolutions passed by the Transferee Company and other actions undertaken by the



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Transferee Company based on approvals obtained by the Transferee Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other applicable laws, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company."

5. In the second motion application filed by the Applicant Companies, this Tribunal vide order dated 20.07.2022 directed the Applicant Companies to issue notice to the Statutory / Regulatory Authorities viz. (i) Central Government through Regional Director (Southern Region), Chennai (ii) ROC, Coimbatore (iii) Official Liquidator (iv) the Jurisdictional Income Tax Office, and other sectoral regulators, who may govern the working of the respective companies, as well as for paper publication to be made in "Business Standard", English (All India Edition) and "Makkal Kural" Tamil (Tamil Nadu Edition).

6. In compliance to the said directions issued by this Tribunal, the Applicant Companies have filed an affidavit of service before the Registry of this Tribunal on 18.10.2022 and a perusal of the same discloses that the Applicant Company have effected paper publications as directed by the Tribunal in "Business Standard" (All India Edition) in English and "Makkal Kural"



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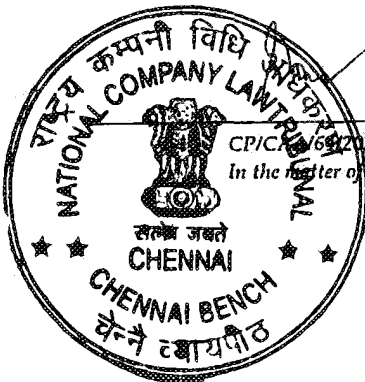
(Tamil Nadu Edition) in Tamil on 31.08.2022. It is also seen that notices have been also served to (i) Regional Director, Southern Region, Chennai on 09.09.2022, (ii) Registrar of Companies, Chennai on 07.09.2022, (iii) Official Liquidator on 09.09.2022 (iv) Income Tax Department on 07.09.2022, and the proof of the same by way of affidavits have been enclosed with the typed set. Pursuant to the service of notice of the petition the following statutory authorities have responded as follows:

6. STATUTORY AUTHORITIES

6.1. REGIONAL DIRECTOR

6.1.1 The Regional Director, (*hereinafter referred to as 'RD'*) Southern Region, Chennai to whom the notice was issued, has filed his reply in the form of a Report before this Tribunal on 06.02.2023 vide SR.No.566 and has stated in Para 7 of the RD Report as per *Clause 9 of Part II* of the Scheme provides for the protection of employees and all staff of the Transferor Company. All staff and employees of the Transferor Company, in service on the Effective Date, shall be deemed to have become staff and employees of the Transferee Company, with effect from the Appointed Date or date of joining whichever is later, without any break in their service and other benefits.

6.1.2. It is further averred in para 8 of the RD Report that as per *Clause 6 of Part II* of the Scheme, the Transferor Company being the



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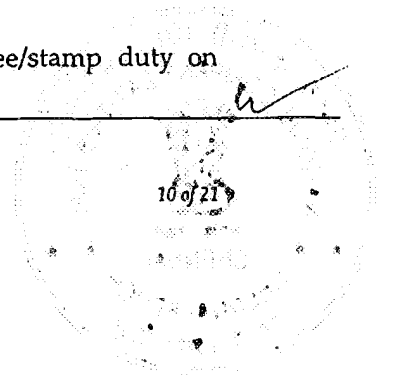
wholly owned subsidiary of the Transferee Company and the entire paid up share capital of the Transferor Company is held by the Transferee Company and its nominees. Hence, no shares shall be issued to the Transferor Company as consideration and the shares of the Transferor Company shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter, or thing.

6.1.3 It is further averred in para 10 that *Clause 5 & 6 of Part II* of the Scheme provides for clubbing of Authorized Share Capital of the Companies, as such the Authorized Share Capital of the Transferor Company shall stand altered and merged with the Authorized Share Capital of the Transferee Company. The existing authorized share capital of the Transferee Company is Rs. 11,26,50,700/- and that of the Transferor Company is Rs. 50,00,000/-. Hence, upon merger of capital, the authorized share capital shall stand increased to Rs. 11,76,50,700/-, whereas it is stated in the Scheme that the Authorized Share Capital of the Transferee Company post amalgamation shall be Rs. 11,26,50,700 comprising of 1,12,65,070 equity shares of Rs. 10 each, without giving effect to the merger. It is prayed that this Tribunal may direct the Companies involved in the Scheme to alter Clause 5 of the Scheme

accordingly and also to pay the difference in fee/stamp duty on



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proposed increase of Authorized Share Capital and to file the amended MOA and AOA with the ROC.

6.1.4. It is further averred in para 11 of the RD Report that *Clause 18.5 of Part III* of the Scheme provides for dissolution of the Transferor company, without being wound up.

6.1.5. It is further observed that as per para 13 of the RD report wherein it has been stated that as per the Report of the RoC, Puducherry, the Transferor Company have filed their statutory returns up to 31.03.2022 and has reported that there are no prosecution / complaint/inspection or Investigation is pending against the Transferor Company.

6.1.6. Thus, after examining the Scheme, except the observations made in para 10 of the RD Report, the Regional Director in their Report has stated that they have decided not to make any objection to the Scheme.

IA/58/CHE/2023

6.1.7. In response to the RD Objections raised in para 10 of the ROC Report, the Applicant has filed IA/58/CHE/2023 seeking to rectify the error in the scheme of Amalgamation and permission to file the



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revised scheme before this Tribunal in the present company petition viz., CP/CAA/64/CHE/2022.

➤ It is submitted that the combined authorized share capital of the Transferor Company and Transferee Company in the said Scheme amounts to Rs. 11,76,50,700/- (Rupees Eleven Crores Seventy-Six Lakhs Fifty Thousand and Seven Hundred only).

➤ Further, it is submitted that the Scheme attached to the CP(CAA)/64/CHE/2022 filed by the Applicant Company, inadvertently and erroneously mentioned the combined authorized share capital of the Transferor Company and Transferee Company as Rs.11,26,50,700/- (Rupees Eleven Crores Twenty-Six Lakhs Fifty Thousand and Seven Hundred only).

6.1.8 Heard the submissions made by the Ld. Counsel for the Applicant, the reasons for the error is mentioned in para 4 of the Application. It is stated that the error was neither wilful nor wanton and the error happened due to administrative oversight.

6.1.9 In light of the powers vested with this Tribunal under Section 230-232 of the Companies Act, 2013, this Application IA/58/CHE/2023 stands allowed. The error free scheme appended as *Annexure-A1* of IA/58/CHE/2023 is taken on record.



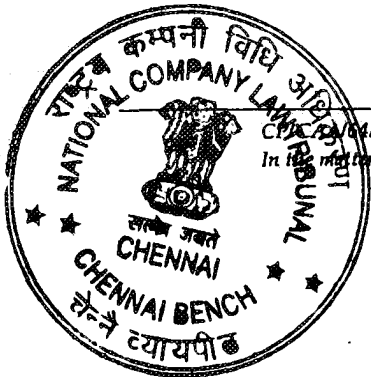
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## 6.2. OFFICIAL LIQUIDATOR

In relation to the Official Liquidator, (*hereinafter referred to as 'OL'*) to whom the notice was issued has filed the Report before this Tribunal on 3.2.2023 has stated that they have appointed M/s. Shiv Ram & Raj Chartered Accountants from the panel maintained by their office to verify into the affairs of the Transferor Company. The Chartered Accountants in their report submitted before the Official Liquidator have observed as follows;

"a. The Transferor Company is maintaining proper books of accounts as per the requirements of the companies Act, 1956/2013 and has prepared them in accordance with the normally accepted accounting principles.

b. As per the information available, M/s. 3M Electro & Communication India Private Limited the Transferor company has filed various returns with Registrar of Companies and no case was seems to be pending against the company or any of its Directors/Officers and no prosecution has been launched under any of the Section of the Companies Act against the company or any of its Directors. As per the records verified there are



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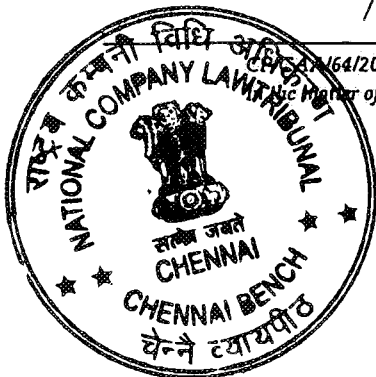


no complaints of any nature against the company or its Directors.

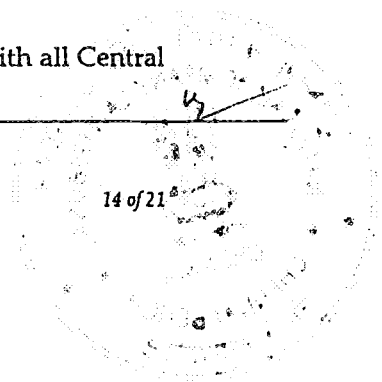
c. The Transferor Company M/s. 3M Electro & Communication India Private Limited has non-current liabilities to the extent of Rs.503 lakhs as on 31.3.2022 (previous year 395.20) and current liabilities to the extent of Rs.5,168.34 lakhs as on 31.3.2022 (previous year Rs.4,349.49 lakhs) and total liability as on 31.3.2022 Rs.5,671.34 lakhs (previous year 4,744.69 lakhs) as per audited accounts.

d. As per the scheme, all liabilities of Transferor Company will be taken over by the Transferee Company and as per information provided to them, the Transferee company will be able to handle the liabilities of creditors of Transferor Company.

h. As per the information available, the Transferor Company is regular in filing Income Tax returns and no case was pending against the company. The company is also regular in filing its statutory returns with all Central



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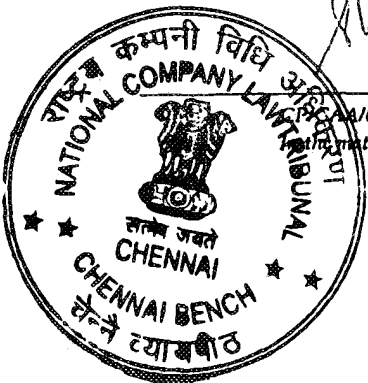




and State Government authorities and it seems to no case is pending against the company.”

6.2.1 Further in Para 4 of the OL report it was further submitted that On scrutiny of the records of the Transferor Company viz. M/s. 3M Electro & Communication India Private Limited, the Chartered Accountants have not come across any instance of act of misfeasance, diversion of funds etc. by the directors which would attract the provisions of Sections 339/340 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Chartered Accountants are also of the opinion that it seems the affairs of Transferor Company have not been conducted in a manner prejudicial to the interest of stake holders or to public. Since the Transferor Company is the subsidiary of the Transferee Company and the entire share capital is held by the holding company, the question of share exchange/share valuation does not arise.

6.2.2 From the above observations made by the Chartered Accountant, the Official Liquidator sought to take on record and consider the report of the Chartered Accountant and has also sought to fix the remuneration payable to the Auditor who has investigated into the affairs of Transferor Company. In this regard, this Tribunal



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hereby directs the Transferor Company to pay a sum of Rs 50,000+ GST (Rupees Fifty Thousand Plus GST) to the Official Liquidator for the payment of fees payable towards the Auditor who has investigated into the affairs of the Transferor Company.

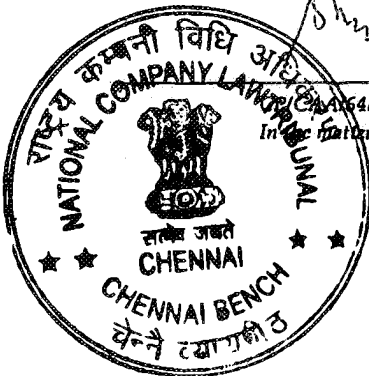
### 6.3 OTHER STATUTORY AUTHORITIES

6.3.1 On notice having been served on 07.09.2022 to the Department of Income Tax, reply has been filed by the Deputy Commissioner of Income Tax, Circle-1, Puducherry vide memo dated 27.03.2023 before this Tribunal in SR. No 1353 and have stated that the following demands are pending against the Applicant Company

S.No	A.Y.	Demand U/s	Amount
1.	2009-10	220 (2)	Rs. 5,73,144/-
2.	2010-11	220 (2)	Rs.60,48,380/-
3.	2014-15	220 (2)	Rs.7,50,760/-
4.	2017-18	220 (2)	Rs.4,61,808/-

6.3.2 In Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the IT Department in the Scheme of Amalgamation,

*"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in RE: Vodafone Essar Gujarat Limited v. Department of Income Tax*



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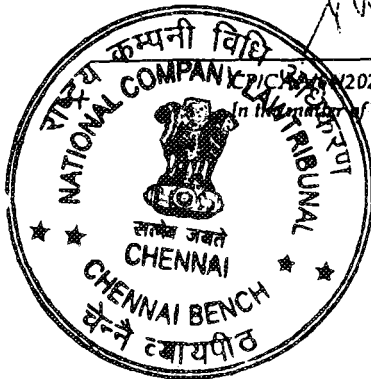
(2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned."

## 7. VALUATION REPORT

7.1. The Learned Counsel for the Applicant submitted that, Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares shall be issued to the Transferor Company as Consideration and the shares of the Transferor Company shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter or thing.

## 8. ACCOUNTING TREATMENT

8.1. The Learned Counsel for the Petitioner Companies have stated that the Statutory Auditors of the Petitioner Companies have examined the Scheme and has certified that the Petitioner Companies have complied with proviso to Section 230 (7) / Section 232 (3) and the Accounting Treatment contained in the proposed Scheme of



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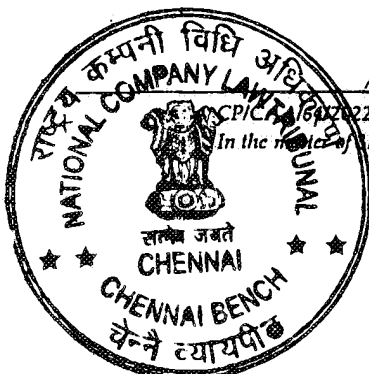


Arrangement is in compliance with the Applicable Indian Accounting Standards. The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of the Petitioner Companies are placed at Annexure L of the typed set filed along with the Application.

9. OBSERVATIONS OF THIS TRIBUNAL

9.1. After analyzing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* beneficial to the Company and will not be in any way detrimental to the interest of the shareholders of the Company. In view of the absence of any other objections having been placed on record before this Tribunal and since all the requisite statutory compliances having been fulfilled, this Tribunal sanctions the Scheme of Amalgamation appended at "Annexure G" with the Company Petition as well as the prayer made therein.

9.2. The Learned Counsel for the Petitioner companies submitted that no investigation proceedings are pending against the Transferor or Transferee Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the



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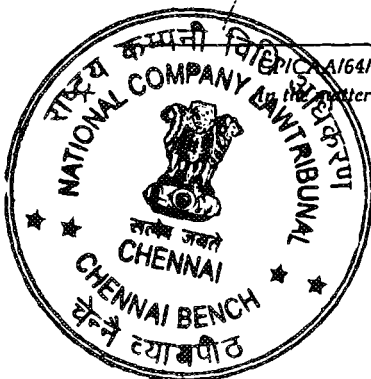
petitioner companies for oppression or mismanagement have been filed before this Tribunal or erstwhile Company Law Board.

9.3. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

9.4. While approving the Scheme as above, it is clarified 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.

10. THIS TRIBUNAL DO FURTHER ORDER:

- (i) That all properties, right and interest of the Transferor Company shall, pursuant to section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company.
- (ii) That all the liabilities, powers, engagements, obligations and duties of the Transferor Company shall pursuant to Section



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232(3) of the Companies Act, 2013 without further act or deed be transferred to the Transferee Company and accordingly the same become the liabilities and duties of the Transferee Company.

- (iii) That the Appointed date for the Scheme shall be 1st April 2021 as mentioned in clause 1.1.2 of Part-I of the SCHEME itself.
- (iv) The 'Effective date' shall be the last of the dates on which the certified copies of this order of sanctioning the scheme is filled with the concerned ROC as mentioned in clause 1.1.4 of Part-I of the SCHEME itself.
- (v) That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company.
- (vi) That all the employees of the Transferor Company in service on date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the Transferee Company without any break or interruption in their service.
- (vii) That the Transferee Company shall file the revised Memorandum and Articles of Association with the concerned Registrar of Companies 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 Company.




CA/64/2022 in CA(CAA)/9(CHE)2022 along with IA/58/CHE/2023  
matter of 3M Electro & Communication India Private Limited



- (viii) That the Transferor Company and the Transferee Company, shall within thirty days of 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 Company shall be dissolved without winding up and the Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said company shall be consolidated accordingly.
- (xi) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

11. Accordingly, the Company Petition stands allowed on the aforementioned terms.

  
SAMEER KAKAR  
MEMBER (TECHNICAL)

  
JUSTICE RAMALINGAM SUDHAKAR  
PRESIDENT



Vardhini

Certified to be True Copy

  
DEPUTY REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR,  
29, RAJAJI SALAI, CHENNAI-600081

CPICAA/64/2022 in CA(CAA)/9(CHE)2022 along with IA/58/CHE/2023  
In the matter of 3M Electro & Communication India Private Limited

SCHEME OF ARRANGEMENT

BETWEEN

3M ELECTRO & COMMUNICATION INDIA PRIVATE LIMITED (TRANSFEROR COMPANY)

AND

3M INDIA LIMITED (TRANSFEEE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

FOR MERGER OF THE TRANSFEROR COMPANY WITH THE TRANSFEEE COMPANY

UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

PREAMBLE (Introduction; Objects and Reasons)

- A. The Scheme of Arrangement is presented under Section 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and provides for the merger of 3M Electro & Communication India Private Limited (the *Transferor Company*) with its 100% holding company 3M India Limited (the *Transferee Company*).
- B. The Transferor Company is a wholly owned subsidiary of the Transferee Company. As on 31st March 2021, the entire issued, subscribed, paid up share capital of the Transferor Company is held by the Transferee Company.
- C. The Transferee Company is a listed public limited company.
- D. The Board of Directors of the Transferor Company and the Transferee Company at their meeting held on 17 September 2021 and 17 September 2021 respectively decided to merge the Transferor Company with its holding company i.e., the Transferee Company for the following reasons:
- Greater integration, consolidation of business operations / brand and improved financial strength & flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;
  - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, greater synergy between the products and services of the two companies and the elimination of duplication, and rationalization of administrative expenses;
  - Improved efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
  - Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;

For 3M Electro & Communication India Private Limited

Director

For 3M India Limited 1

Pratap Rudra Bhuvanagiri  
Company Secretary



- (e) Greater access by the Transferee Company to different market segments in the conduct of its business;
- E. Therefore, the merger of the Transferor Company with the Transferee Company will result in saving in administrative and overhead expenditure, optimal utilisation of assets and resources of the Transferor Company by the Transferee Company and organizational efficiency.
- F. The creditors of the Transferor Company are not adversely affected by the proposed arrangement as their loans and dues will be maintained and the liabilities will be transferred to the Transferee Company. The increased assets of the Transferee Company will have better financial viability which would be in the interest of all the creditors, including the creditors of the Transferor Company, if any.
- G. In view of the above, it is desirable to merge the Transferor Company with the Transferee Company by effecting an arrangement under Section 230 to 232 of the Companies Act, 2013 with effect from the Appointed Date.
- H. The Scheme is divided into the following parts: (a) Part I, which deals with the definitions, share capital and date of taking effect; (b) Part II, which deals with the scheme of arrangement; and (c) Part III, which deals with the general provisions that would be applicable to Part II of the Scheme.

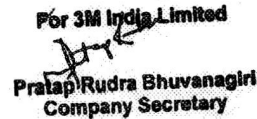
**PART – I (Definitions, Share Capital, Date of Taking Effect)**

**1. DEFINITIONS**

- 1.1. In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
- 1.1.1. **Act** means the Companies Act, 2013 and the rules and regulations framed thereunder or any statutory modification or re-enactment thereof and the rules and regulations framed thereunder as in force at present.
- 1.1.2. **Appointed Date** means April 1, 2021.
- 1.1.3. **Board** or **Board of Directors** in relation to the Transferor Company and the Transferee Company means the board of directors of such company including any committee of directors constituted or appointed and authorised to take any decision for implementation of this Scheme on behalf of the Board of Directors.
- 1.1.4. **Effective Date** means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning the Scheme under Section 230 to 232 of the Act is filed with the Registrar of Companies by the Transferor and the Transferee Company. References in this Scheme to the date of ‘upon the Scheme becoming effective’ or ‘upon the Scheme taking effect’ and similar expressions shall mean the Effective Date.
- 1.1.5. **Listing Regulations** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments or modifications thereof or any other re-enactment thereof as in force at present.

For 3M Electro & Communication India Private Limited

  
Director

For 3M India Limited  
  
Pratap Rudra Bhuvanagiri  
Company Secretary

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- 1.1.6. **Tribunal** means the National Company Law Tribunal, Chennai Bench having jurisdiction in respect of the Transferor Company and, if applicable, the National Company Law Tribunal, Bengaluru Bench having jurisdiction in respect of the Transferee Company or such other authority having jurisdiction under the Act to inter alia sanction, to make observations on sanction of the Scheme;
- 1.1.7. **Official Liquidator** means the Office of the Official Liquidator, High Court, Karnataka who has jurisdiction over the Transferee Company and the Office of the Official Liquidator, High Court, Madras who has jurisdiction over the Transferor Company.
- 1.1.8. **Regional Director** means the Regional Director (Southern Region), Ministry of Corporate Affairs, Government of India who has jurisdiction over the Transferor Company and Regional Director (South East Region), Ministry of Corporate Affairs, Government of India who has jurisdiction over the Transferee Company for the purposes of Section 230 to 232 of the Act.
- 1.1.9. **Registrar of Companies** means the Registrar of Companies, Bangalore, Karnataka who has jurisdiction over the Transferee Company and Registrar of Companies, Puducherry who has jurisdiction over the Transferor Company.
- 1.1.10. **SEBI** means the Securities and Exchange Board of India.
- 1.1.11. **Scheme** means this Scheme of Arrangement under Sections 230 to 232 of the Act in the present form or with such modifications as sanctioned by the NCLT.
- 1.1.12. **Stock Exchange** means BSE Limited and National Stock Exchange of India Limited whereat the Transferee Company is listed.
- 1.1.13. **Transferor Company** means 3M Electro & Communication India Private Limited, a Company incorporated under the provisions of the Companies Act, 1956 and an existing Company within the meaning of the Act, having its registered office at No. 95, (Plot Nos. 95-97), Sanniyasikuppam, Udhaya Nagar, Thirubhuvanai Main Road, Thirubhuvanai Post, Puducherry – 605 107.
- 1.1.14. **Transferee Company** means 3M India Limited, a Company incorporated under the provisions of the Companies Act, 1956 and an existing company within the meaning of the Act, having its registered office at Plot Nos. 48-51, Electronics City, Hosur Road, Bengaluru- 560 100.
- 1.1.15. **Undertaking** means and includes the entirety of the assets and liabilities of the Transferor Company including all its rights, interests, privileges, licences, powers, permits, approvals, contracts, liabilities, duties, obligations, debts, outstanding and includes without limitation, the following:
- 1.1.15.1. all properties (whether movable or immovable), assets (tangible or intangible) and liabilities (whether past, present or contingent) of the Transferor Company immediately before the merger, a list whereof is set out in the Schedule hereunder including land, furniture, fixture, appliances, equipments, installations, utility connections, stationery, building, structures, work in progress, spares, sundry debtors, interiors, vehicles, equipments, accessories, investments, cash balances, deposits, advances, book debts, funds, provisions, receivables, refunds, reserves, actionable claims, tax credits, carry forward accumulated losses, unabsorbed depreciation, refunds of all direct and indirect taxes, fees and cess, earnest moneys, leases, licences, contracts, agreements, municipal licences, permits and consents to establish or operate, tenancies, computer hardware and software, domain names, websites, trade names, trademarks, patents, copyrights or other intellectual property rights, goodwill,

For 3M Electro & Communication India Private Limited

*A. Appiah*  
Director

For 3M India Limited

*Pratap Kudra Bhuvanagiri*  
Company Secretary

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- 1.1.15.2. powers, interests, charges, privileges, benefits, entitlement, industrial and other licenses, registrations, quotas, liberties, easements and advantages of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefits under any arrangement or agreement or contract or easements and all respective books, papers, documents and records of the Transferor Company;
- 1.1.15.3. debts, liabilities, duties and obligations of the Transferor Company of whatsoever kind including secured loans, unsecured loans, sundry creditors and taxation and contingent liabilities; and
- 1.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 1.3. References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.
- 1.4. References to any of the terms 'taxes', 'duty', 'levy', 'cess' in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 1.5. Any reference to any statute or statutory provision shall include (a) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and (b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.
- 1.6. Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 1.7. The words "include" and "including" are to be construed without limitation.
- 1.8. The terms "hereof", "herein", "hereunder", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.
- 1.9. Any reference to the Preamble, Recital, Clause or Schedule shall be a reference to the preamble, or recital, clause or schedule of this Scheme.
- 1.10. The Schedules hereto shall form an integral part of this Scheme.

For 3M Electro & Communication India Private Limited

  
Director

For 3M India Limited

  
Pratap Ramesh Bhuvanagiri  
Company Secretary

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## 2. SHARE CAPITAL

- 2.1. The Equity Share Capital of the Transferor Company i.e. the wholly-owned subsidiary company as on April 1, 2021 was as under:  
Authorised Equity Share Capital: 5,00,000 equity shares of Rs. 10 each  
Amount: Rs. 50,00,000  
Issued, Subscribed and Paid Up Equity Share Capital: 5,00,000 equity shares of 10 each fully paid up  
Amount: Rs. 50,00,000
- 2.2. The Equity Share Capital of the Transferee Company i.e., the holding company as on the April 1, 2021 was as under:  
Authorised Equity Share Capital: 1,12,65,070 equity shares of Rs. 10 each  
Amount: Rs. 11,26,50,700  
Issued, Subscribed and Paid Up Equity Share Capital: 1,12,65,070 equity shares of Rs. 10 each fully paid up  
Amount: Rs. 11,26,50,700

[Neither the Transferor Company i.e., the wholly owned subsidiary company nor the Transferee Company i.e., the holding company has issued any preference shares.]

## 3. DATE OF TAKING EFFECT

- 3.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Board of Directors of Transferee Company and the Transferor Company, or by the members or creditors of the Transferor Company and the Transferee Company, if required, by the NCLT, Regional Director, Registrar of Companies or by the Official Liquidator or by any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

## PART – II (The Scheme of Arrangement)

## 4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1. With effect from the Appointed Date and on the Scheme becoming effective, the whole Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT, without any further act or deed, shall stand transferred to and vested in the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act in accordance with and subject to the modalities for transfer and vesting stipulated therein.
- 4.2. In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any further act, instrument or deed for the same and shall become the property of the Transferee Company.
- 4.3. In respect of such of the assets belonging to the Transferor Company other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of the Act without any further act, instrument or deed.

For 3M Electro & Communication India Private Limited

*K. Agnih*  
Director

For 3M India Limited

*Pratap*  
Pratap Pradip Bhuvanagiri  
Company Secretary

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- 4.4. Upon coming into effect of the Scheme and with effect from the Appointed Date, all liabilities, debts, duties and obligations of the Transferor Company, as on or after the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Scheme, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the liabilities, debts duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. It is 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.
- 4.5. The transfer and vesting of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over its assets of Transferor Company acquired by it under the Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of the Transferor Company shall not extend or be deemed to extend or apply to the assets so acquired by the Transferee Company.
- 4.6. All loans granted by the Transferor Company shall be deemed to be loans granted by the Transferee Company with effect from the Appointed Date and shall continue to be operative in relation to the Transferee Company.
- 4.7. Subject to the other provisions of the Scheme, all licenses, permissions, approvals, notifications, consents, registrations and no-objection certificates obtained by the Transferor Company for the business of the Transferor Company and/or to which the Transferor Company is entitled to in terms of the various Statutes and / or Schemes of Union and State Governments which are valid and subsisting and which have not yet been cancelled as on the Appointed Date shall be available to and vest in the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company.
- 4.8. All benefits, including, under Income Tax, Advance Tax, Excise, Foreign Trade Policy, Customs (including benefits under Export Promotion Guarantee Scheme), VAT, Sales Tax, Service Tax, Goods & Services Tax, Incentive Schemes, Direct and Indirect Tax Credits etc. if any, to which the Transferor Company was entitled to in relation to its business in terms of the various Statutes and/ or Schemes of Union and State Governments as on the Appointed Date shall be available to and vest in the Transferee Company upon the Scheme becoming effective.
- 4.9. With effect from the Appointed Date, all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra- party transactions for all purposes.
- 4.10. Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the resolutions passed by the Transferor Company and other actions undertaken by the Transferor Company based on approvals obtained by the Transferor Company, which are valid and subsisting

For 3M Electro & Communication India Private Limited

*A. Appiah*  
Director

For 3M India Limited

*Pratap Kumar Bhuvanagiri*  
Company Secretary

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as on the Effective Date, shall continue to be valid and subsisting and shall be deemed and considered as resolutions passed by the Transferee Company and other actions undertaken by the Transferee Company based on approvals obtained by the Transferee Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other applicable laws, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

**5. AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY**

5.1. The Transferee Company shall not issue and allot shares to the shareholders of the Transferor Company, as one hundred percent (100%) shares of the Transferor Company are held by the Transferee Company and hence, the same shall stand cancelled upon coming into effect of the Scheme. To further clarify, it is hereby expressly clarified that the entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company [along with its nominee(s)]. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the paid up share capital of the Transferor Company shall stand cancelled.

5.2. It is further expressly clarified that the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended by the clause as set out below, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 61, 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed.

*"The authorised share capital of the Company is Rs. 11,76,50,700 comprising of 1,17,65,070 equity shares of Rs. 10 each (Rupees Ten only)."*

**6. CONSIDERATION / ISSUANCE OF SHARES**

6.1. The entire equity share capital of the Transferor Company is held by the Transferee Company. In other words, the Transferor Company is a wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall be combined with the authorised share capital of the Transferee Company and shall be reclassified.

6.2. The filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be deemed to have been paid by the Transferee Company on the combined share capital and the Transferee Company shall not be required to pay any fee or stamp duty for such increased authorised share capital.

6.3. The share certificates held by the Transferee Company and the investments in the shares of the Transferor Company as appearing in the books of accounts of the Transferee Company, shall stand cancelled without any further act or deed required for that purpose.

6.4. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, there are no dissenting shareholders in terms of Section 235 of the Act.

For 3M Electro & Communication India Private Limited

*[Signature]*  
Director

For 3M India Limited

*[Signature]*  
Pratap Rudra Bhuvanagiri  
Company Secretary

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**7. LEGAL PROCEEDINGS, PROCEEDINGS BEFORE JUDICIAL, QUASI-JUDICIAL, REGULATORY AND TAX AUTHORITIES**

- 7.1. Any legal, Judicial or quasi-judicial, Regulatory and Tax proceedings by or against the Transferor Company pending as on the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reasons of the arrangement and shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would have been continued or enforced by or against the Transferor Company had the Scheme not been made.
- 7.2. All proceedings by or against the Transferor Company will be prosecuted or defended at the costs of the Transferee Company at its own liability.

**8. CONTRACTS AND DEEDS**

- 8.1. Subject to the other provisions contained in the Scheme, any agreements, contracts, deeds, work orders, job orders, bonds, insurance, letters of intent, guarantees, undertakings, memoranda, arrangements, policies agreements and other instruments of whatsoever nature relating to the Transferor Company to which the Transferor Company is a party and is subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been a party thereto.
- 8.2. Similarly, any rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements if any outstanding as on the Effective Date shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and instead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.
- 8.3. The Transferee Company may enter into and/or issue and/or execute deeds or confirmations or enter into any arrangement or novation in order to give effect to the provisions of the Scheme if it becomes necessary. The Transferee Company shall be authorised to execute any such deeds or confirmations on behalf of the Transferor Company and to implement and carry out all the formalities required for implementing the Scheme.

**9. EMPLOYEES**

- 9.1. The employees of the Transferor Company shall stand assigned to the Transferee Company on the same terms and conditions of their service on which they were engaged with the Transferor Company and shall become employees of the Transferee Company without any interruption of service.
- 9.2. The terms and conditions of service applicable to the employees of the Transferor Company shall be the same on which they are engaged by the Transferor Company or at least shall not be less favourable than those applicable to them as on the Effective Date.

For 3M Electro & Communication India Private Limited

*[Signature]*  
Director

For 3M India Limited  
*[Signature]*  
Pratap Rudra Bhuvanagiri  
Company Secretary



- 9.3. The services of all the employees of the Transferor Company shall be taken into account from their date of appointment with the Transferor Company for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- 9.4. The Transferee Company shall abide by any agreement or settlement as entered into by the Transferor Company with any of its employees which is in force as on the Effective Date.
- 9.5. The accumulated balances, if any, standing to the credit of the employees of the Transferor Company in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by the Transferee Company and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by the Transferee Company. Pending the transfer as aforesaid, the dues of the employees of the Transferor Company relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

#### 10. PAYMENT OF TAX

- 10.1. All tax liabilities or taxes paid or payable by the Transferor Company in respect of its operations and/or profits before the Effective Date shall be on account of the Transferee Company and in so far as it relates to the tax payment, whether by deduction at source or advance tax or any other indirect taxes otherwise, by the Transferor Company in respect of profits made after the Appointed Date, the same shall be deemed to be the tax payable by the Transferee Company and shall be dealt accordingly. Any surplus in the provision for taxation / duties or levies account including advance tax, foreign tax credit and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 10.2. This Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of the Income Tax Act, 1961 or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 10.3. All the expenses incurred by the Transferor Companies and the Transferee Company in relation to the merger of the Transferor Company with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income Tax Act, 1961 over a period of 5 years beginning with the previous year in which the Scheme becomes effective.
- 10.4. Upon the Scheme becoming effective, the Transferor Company (if required) and the Transferee Company are expressly permitted to revise, its financial statements and returns (including Tax Deducted at Source returns) along with prescribed forms, filings and annexure (including but not limited to Tax deducted at source certificates) under the direct and indirect tax laws and any other laws prevalent in India, if required to give effect to the provisions of the Scheme. Such returns may

For 3M Electro & Communication India Private Limited

*K. A. Agriah*  
Director

For 3M India Limited  
*Pratap Rudra Bhuvanagiri*  
Company Secretary

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be revised and filed notwithstanding that the statutory period for such revision and filing may have expired. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Company and the Transferee Company. With respect to the tax deducted at source certificates issued in the name of Transferor Company after the Appointed Date, the same will be deemed to be issued in the name of the Transferee Company for the tax purposes.

- 10.5. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to claim any deduction/ exemption, refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, advance tax, carry forward of accumulated losses, unabsorbed depreciation, foreign tax credit etc.) and for matters incidental thereto under the direct and indirect tax laws and any other laws prevalent in India. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 10.6. Any refund under the direct and indirect tax laws and any other laws prevalent in India dealing with taxes/ duties or levies due to Transferor Company consequent to the assessment made of the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 10.7. The tax payments whether by way of tax deducted at source, foreign tax credit, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Credit for such taxes shall be allowed to the Transferee Company notwithstanding that the certificates or challans for taxes paid are in the name of the Transferor Company and not in the name of the Transferee Company.
- 10.8. Further, any tax deducted at source by the Transferor Company / Transferee Company on transactions with the Transferee Company/ Transferor Company, if any shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 10.9. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company. 10.10. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits, registrations (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, value added tax, customs duty, goods and services tax, registrations, etc.) to which the Transferor Company is entitled to under the direct and indirect tax laws and any other laws prevalent in India, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 10.10. Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

For 3M Electro & Communication India Private Limited

*[Handwritten Signature]*

For 3M India Limited  
*[Handwritten Signature]*  
Pratap Rüdra Bhuvanagiri  
Company Secretary

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## 11. ACCOUNTING

- 11.1. The assets and liabilities of the Transferor Company shall be transferred to the Transferee Company and incorporated in the books of account of the Transferee Company at their values as appearing in the books of account of the Transferor Company.
- 11.2. The Transferee Company shall follow the Accounting Standard Ind AS 103 and it shall make adjustments in its books of accounts as per such Accounting Standards or other Accounting Standards as applicable and notified by the Ministry of Corporate Affairs of the Government of India from time to time.

## PART – III (General Provisions)

### 12. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 12.1. The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company. All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company 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 Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 12.2. With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date, the Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances: (i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or (ii) if the same is permitted by this Scheme; or (iii) if consent of the Board of Directors of the Transferee Company has been obtained.
- 12.3. The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations (ii) any agreement or transaction; and (iii) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances: i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or ii) if the same is permitted by this Scheme; or iii) if consent of the Board of Directors of the Transferee Company has been obtained. d) Without prejudice to the generality of Clause (c) above, the Transferor Company shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner except under any of the following circumstances: i) by

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*K. A. Anand*  
Director

For 3M India Limited  
*Pratap Rudra Bhuvanagiri*  
Company Secretary

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mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company; or ii) as may be permitted under this Scheme.

- 12.4. All profits accruing to the Transferor Company or losses arising or incurred by it for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits or losses, as the case may be of the Transferee Company.
- 12.5. The Transferor Company shall be deemed to have held and stood possessed of the properties to be transferred to the Transferee Company for and on account of and in trust for the Transferee Company and, accordingly, the Transferor Company shall not (without the prior written consent of the Transferee Company) transfer, alienate, charge or otherwise deal with or dispose of or any part of the Undertaking.
- 12.6. All further investments made and loans and advances given by the Transferor Company and/or other assets acquired by the Transferor Company prior to the Effective Date shall be deemed to have been acquired on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company at their book values, upon the coming into effect of the Scheme.
- 12.7. Where any of the liabilities and obligations of the Transferor Company deemed to be transferred to the Transferee Company in terms of the Scheme have been discharged by the Transferor Company prior to the Effective date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Transferor Company prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company.
- 12.8. The Transferor Company shall not utilise its income to declare or pay dividends, whether interim or final, to its shareholder without the written consent of the Transferee Company.
- 12.9. The board of directors of the Transferor and the Transferee Companies may agree to enter into such arrangements as they may deem fit, for carrying on the business of the Transferor Company by the Transferee Company, between the Appointed Date and the Effective Date.

### 13. SAVING OF CONCLUDED TRANSACTIONS

- 13.1. The transfer and vesting of the Undertaking of the Transferor Company and the continuance of the proceedings by or against the Transferee Company as per the provisions hereof shall not affect any transaction or proceeding relating to the business of the Transferor Company already completed and concluded by the Transferor Company on or before the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as if the acts, deeds and things have been done and executed by and on behalf of the Transferee Company.

### 14. APPLICATIONS

- 14.1. The Transferor Company and the Transferee Company shall make necessary applications to the NCLT or any other competent authority for sanction and carrying out of the Scheme of Arrangement for transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company under Sections 230 to 232 of the Act and for dissolution of the Transferor Company without being wound up and all matters ancillary or incidental thereto. The Transferor

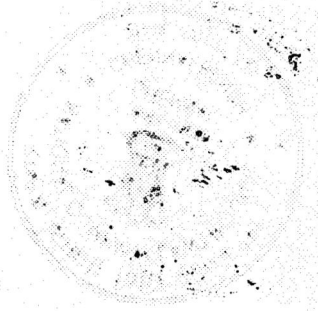
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Director

For 3M India Limited  
Pratap Rudra Bhuvanagiri  
Company Secretary

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Company and the Transferee Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of the Scheme.

#### 15. LISTING AGREEMENT AND SEBI COMPLIANCES

- 15.1. Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of SEBI insofar as they relate to sanction and implementation of the Scheme.
- 15.2. SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection from the Stock Exchange and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.

#### 16. SCHEME CONDITIONAL UPON

- 16.1. The Scheme is conditional upon and subject to:
- 16.1.1. Approval of the Scheme by the requisite majority of the shareholders of both the Transferor Company and the Transferee Company and their respective creditors;
- 16.1.2. Sanction of the Scheme by the NCLT under Section 230 to 232 and other applicable provisions of the Act;
- 16.1.3. Sanctions and approvals of all authorities concerned including the Regional Director, Registrar of Companies, the Official Liquidator in respect of any matter relating to or arising out of the Scheme for which such sanction or approval is required under Section 230 to 232 of the Act;
- 16.1.4. All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

#### 17. MODIFICATION AND IMPLEMENTATION

- 17.1. The Transferor Company and the Transferee Company (by their Board of Directors) are empowered and authorised:
- 17.1.1. to assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the NCLT and / or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and
- 17.1.2. to settle all doubts or difficulties that may arise in carrying out the Scheme whether by reason of any order (s) of the NCLT or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith;
- 17.1.3. to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.
- 17.2. Without prejudice to the generality of the foregoing the Transferor Company and the Transferee Company (by their respective Board of Directors) shall each be at liberty to withdraw from the

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Director

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Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

- 17.3. In the event of any of the said sanctions/approvals/conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.

#### 18. RESIDUAL PROVISIONS

- 18.1. On the approval of the Scheme by the members of the Transferor Company and the Transferee Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the said members have also accorded all relevant consents under the Act or any other provisions of the Act to the extent the same may be considered applicable.
- 18.2. The approval of the Scheme by the shareholders of the Transferee Company under Sections 230 to 232 of the Act, whether at a meeting or otherwise howsoever, shall be deemed to have the approval under all other applicable provisions of the Act.
- 18.3. If any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of the Transferor Company and the Transferee Company, affect the adoption or validity or interpretation of the other parts and/or provisions of the Scheme. The Boards of Directors of the Transferor Company and the Transferee Company may in their absolute discretion, adopt any part of the Scheme or withdraw the entire Scheme and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person in respect of the whole or part of Scheme so withdrawn or not adopted, as the case may be.
- 18.4. If any part of the Scheme hereof is ruled invalid or illegal or unenforceable by any court of competent jurisdiction, then such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected by such severability unless deletion of the part shall render the Scheme ineffective or materially adverse to either party, in which case the parties shall cooperate to bring about such modification to the Scheme so as to preserve the nature and essence and benefits of the Scheme.
- 18.5. Upon approval of the Scheme by the NCLT, the Transferor Company shall be dissolved without winding up as per the provisions of the Act. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies. The Transferee Company shall make all necessary filings in this regard. Any obligations/steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

#### 19. COSTS

- 19.1. All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses in connection with the Scheme shall be borne

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Director

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Pratap Rudra Bhuvanagiri  
Company Secretary



and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.

**20. NO CAUSE OF ACTION**

20.1. No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their Board of Directors or officers or key managerial personnel, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

**SCHEDULE OF ASSETS OF THE TRANSFEROR COMPANY**

(Rs in Lakhs)	As at April 01, 2021
<b>I. Assets</b>	
<b>(1) Non-current assets</b>	
(a) Property, plant and equipment	1,774.56
(b) Capital work-in-progress	2.23
(c) Right - of - use assets	26.07
(d) Intangible assets	-
(e) Financial assets	
(i) Loans receivable	29.83
(f) Deferred tax assets (net)	518.67
(g) Income tax assets (net)	1,229.44
(h) Other non-current assets	671.20
<b>Total non-current assets</b>	<b>4,252.00</b>
<b>(2) Current assets</b>	
(a) Inventories	2,627.72
(b) Financial assets	
(i) Trade receivables	2,938.35
(ii) Cash and cash equivalents	12,526.90
(iii) Loans receivable	4.72
(iv) Other financial assets	854.62
(c) Other current assets	902.55
<b>Total current assets</b>	<b>19,854.86</b>
<b>Total assets</b>	<b>24,106.86</b>

For 3M Electro & Communication India Private Limited

*K. Appiah*  
Director

For 3M India Limited

*Pratibha Bhuvanagiri*  
Company Secretary

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(Rs in Lakhs)	Gross Block Value	Accumulated Depreciation	Net Book Value
Freehold land	760.77	-	760.77
Building	448.39	221.92	226.47
Plant and machinery	1,447.12	711.27	735.85
Electrical installations	9.97	9.57	0.40
Office equipment	23.88	18.98	4.90
Furnitures & fixtures	93.05	46.88	46.17
Data processing equipment	0.01	0.01	-
<b>Total</b>	<b>2,783.19</b>	<b>1,008.63</b>	<b>1,774.56</b>

For 3M Electro & Communication India Private Limited

*[Signature]*  
Director

For 3M India Limited  
*[Signature]*  
Pratap Rudra Bhuvanagiri  
Company Secretary

