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WHEELS INDIA LIMITED

Corporate Identity Number : L35921TN1960PLC004175

Registered Office :
21, Patullos Road, Chennai - 600 002.

Factory :
Padi, Chennai - 600 050.

August 14, 2023

To
National Stock Exchange of India Limited
The Manager, Listing Department,
"Exchange Plaza", C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

To
BSE Limited
The Corporate Relationship Department,
1st Floor New Trading Wing, Rotunda Building,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Symbol: WHEELS

Scrip Code: 590073

Dear Sir / Madam,

Subject: Intimation about receipt of Certified copy of Order from Hon'ble NCLT Chennai Bench sanctioning the Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective Shareholders

Reference: Sanction of Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited

This is in furtherance to our earlier letter dated **July 27, 2023** vide which we had informed the Stock Exchange about the pronouncement of the Scheme of Amalgamation of Sundaram Hydraulics Limited ("**Transferor Company**" or "**SHL**") with Wheels India Limited ("**Transferee Company**" or "**WIL**" or "**the Company**") and their respective Shareholders under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**") by Hon'ble National Company Law Tribunal, Chennai Bench ("**NCLT**") on **July 26, 2023**.

In this regard, we would like to inform that certified copy of Order of NCLT sanctioning the Scheme has since been received on **August 14, 2023**.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,

For **Wheels India Limited**

K V Lakshmi
Company Secretary

Encl: a/a

PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY

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

CP(CAA)/100(CHE)2022

In

CA(CAA)/33(CHE)2022

(filed under Sections 230 to 232 of the Companies Act, 2013)

In the matter of Scheme of Amalgamation
of

Sundaram Hydraulics Limited

... Transferor Company

With

CP(CAA)/95(CHE)2022

In

CA(CAA)/30(CHE)2022

(filed under Sections 230 to 232 of the Companies Act, 2013)

Wheels India Limited

... Transferee Company

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)
SAMEER KAKAR, MEMEBR (TECHNICAL)

CORRIGENDUM

In the order dated 26.07.2023, certain inadvertent typographical error had crept in and as such in exercise of powers conferred under Rule 154 of the National Company Law Tribunal Rules, 2016, the order dated

26.07.2023 is rectified as under

1. At Page 1 in the Case Number of the first part of the Cause title instead of CP(CAA)/95(CHE)/2022, it shall be read as CP(CAA)/100(CHE)/2022.
2. At Page 1 in the Case Number of the second part of the Cause title instead of CP(CAA)/100(CHE)/2022, it shall be read as CP(CAA)/95(CHE)/2022.
3. At Page 2, instead of the line "Heard through Video Conference" it shall be read as "Heard through Physical Hearing".



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4. At Page 10, Para 5.4, 2nd line from top instead of "12.02.2022" it shall be read as "10.02.2022"

5. In the above-mentioned order dated 26.07.2023 in the matter of Scheme of Amalgamation between Sundaram Hydraulics Limited & Wheels India Limited wherever the term "Appointed Date" & the "Effective Date" is mentioned as 01st April 2021 or 01st October 2021 respectively it shall be read as "01st October 2021."

— Sd —

SAMEER KAKAR
MEMBER (TECHNICAL)

— Sd —

SANJIVJAIN
MEMBER (JUDICIAL)

DATED AT CHENNAI ON THIS 01ST DAY OF AUGUST, 2023



Certified to be True Copy

14/8/23

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001



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

CP(CAA)/95(CHE)2022

In

CA(CAA)/33(CHE)2022

(filed under Sections 230 to 232 of the Companies Act, 2013)

In the matter of Scheme of Amalgamation
of

Sundaram Hydraulics Limited

CIN NO- U71290TN2007PLC065658

Reg Off:-

No. 21, Patullos Road,

Chennai – 600 002

TamilNadu

... Transferor Company

With

CP(CAA)/100(CHE)2022

In

CA(CAA)/30(CHE)2022

(filed under Sections 230 to 232 of the Companies Act, 2013)

Wheels India Limited

CIN No- L35921TN1960PLC004175

Reg Off:-

No. 21, Patullos Road,

Chennai – 600 002

TamilNadu

... Transferee Company

And

Their Respective Shareholders & Creditors

Order Pronounced on 26th July 2023

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMEBR (TECHNICAL)



For RD/RoC

For Official Liquidator

: Mr. PS Raman, Senior Advocate

For HSB Partners

: Mr. Avinash Krishnan Ravi, Advocate

: Mr. Palani, Estate Assistant



COMMON ORDER

Per: SAMEER KAKAR, MEMBER (TECHNICAL)

(Heard through Video Conference)

CP(CAA)/95(CHE)/2022 and CP(CAA)/100(CHE)/2022 are two individual Company Petitions filed by the Petitioner Companies viz., *Sundaram Hydraulics Limited* (for brevity "Transferor Company") and *Wheels 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 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Petitioner Companies with its Shareholders. The said Scheme is appended in both the Petitions.

2. The Scheme of Amalgamation as contemplated between the Petitioner Companies involves, "*Amalgamation of Transferor Company with the Transferee Company*".

The Scheme is divided into following parts:

- Part I – Deals with the definition of the terms used in this Scheme, details of Share Capital of the Parties and date of operation of the Scheme.
- Part II – Deals with the amalgamation of Transferor Company with the Transferee Company
- Part III – Deals with general clauses, terms and conditions applicable to the Scheme.



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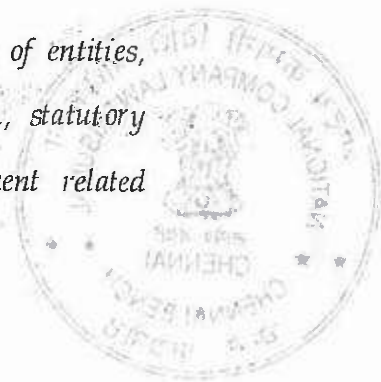
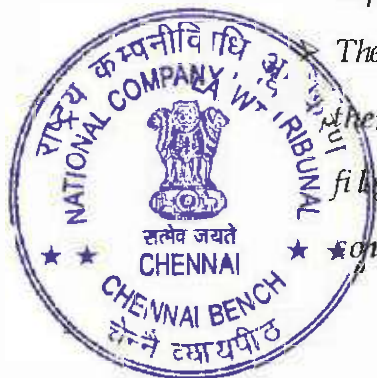


3. RATIONALE OF THE SCHEME

It is stated that the amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- The amalgamation will enable product diversification and growth to the Transferee company
- This will facilitate expansion of the business of Transferor company by using the customer base of the Transferee company.
- As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the transferor as well as the transferee company.
- Will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
- Improves organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.

The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law / establishment related compliances.



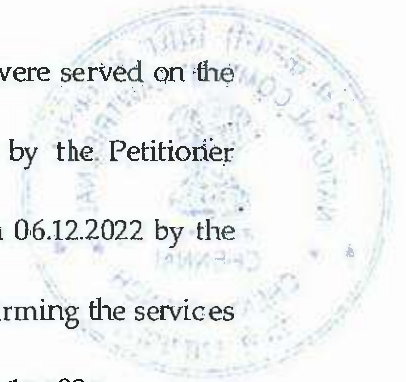
4. 1ST MOTION APPLICATION

4.1 The Petitioner Companies had filed two individual First Motion Applications vide CA(CAA)/33/CHE/2022 and CA(CAA)/30/CHE/2022. Based on such applications moved under Sections 230-232 of the Companies Act, 2013, directions were issued by this Tribunal, vide Common order dated 01.07.2022, for holding/dispensation of meeting as follows;

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
TRANSFEROR COMPANY	<i>Dispensed with</i>	<i>Dispensed with</i>	<i>Dispensed with</i>
TRANSFeree COMPANY	<i>To Convene Meeting</i>	<i>Dispensed with</i>	<i>To Convene Meeting</i>

4.2 Subsequent to the said order dated 01.07.2022, meetings were conducted. The chairperson appointed filed the reports of the said meetings before the registry and the same were taken on record. Subsequent to the said reports, the petitioner companies filed the two individual Company Petitions before this Tribunal. Thereafter, on 03.11.2022, this Tribunal passed an order directing issuance of notice to the Sectoral Regulators and Authorities concerned and for publication in 'Business Line' (English-All India Edition) and 'Makkal Kural' (Tamil-Tamil Nadu Edition).

4.3 Pursuant to the said directions, individual notices were served on the Sectoral Regulators and other Authorities on 19.11.2022 by the Petitioner Companies and the publications as directed were made on 06.12.2022 by the Petitioner Companies. Individual Affidavits of service confirming the services and publications are placed on record vide Dy. no. 6504/14.12.2022.





5. STATUTORY AUTHORITIES

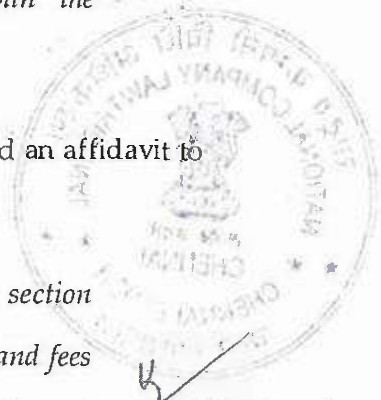
5.1. REGIONAL DIRECTOR

5.1.1 The Regional Director Southern Region, (*hereinafter referred to as 'RD'*) Chennai to whom the notice was issued, filed his Report dated 15.12.2022 before the Tribunal stating that they have *decided not to make any objection to the Scheme except for the observation at para 10 of the report, it was prayed that this National Company Law Tribunal Bench at Chennai may dispose of the matters on merits.* The extract of the observation as mentioned above is as hereunder,

"10) It is submitted that Clause 16 of Part II of the Scheme provides for clubbing of Authorised 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. Clause V of the MOA of the Transferee Company shall be altered as the Authorized Share Capital of the Company shall be Rs. 103,50,00,000 divided into 9,65,00,000 equity shares of Rs. 10 each and 7,00,000 preference shares of Rs. 100 each. It is prayed that the Hon'ble National Company Law Tribunal, Chennai may direct the Transferee Company to pay the difference in fee/stamp duty and also to file the amended MOA and AOA with Registrar of Companies in connection with the Proposed increase of Authorized Share Capital."

5.1.2 The Authorized signatory of the Transferee Company has filed an affidavit to that effect vide Dy. No. 204/12.01.2023 replying as follows,

"3. It is submitted that the requirements as set out under section 232(3)(i) of the Companies Act, 2013 will be complied with and fees



payable, if any, on the increase in the authorized share capital consequent to the Scheme of Amalgamation will be paid by the Transferee Company after setting off the fees already paid by the Transferor Company and the Transferee Company on their respective authorized share capitals.

4. The Transferee Company also undertakes to file the amended MOA and AOA with the Registrar of Companies for its records and for it to issue necessary certificate for change of objects."

5.1.3 It is seen from the report that, the Petitioner Companies have filed their statutory returns up to 31.03.2022 and reported that no prosecution/ Inspection or Investigation is pending against the Companies involved in the Scheme.

5.1.4 The affidavit filed by the Transferee Company is taken on record.


5.2 OFFICIAL LIQUIDATOR

5.2.1 The Official Liquidator, (hereinafter referred to as 'OL') Chennai to whom the notice was issued, filed his Report on 23.03.2023. The Official Liquidator has reported that M/s. R. Ravi & R. Vaidyanathan, Chartered Accountants have scrutinized the records of the Companies and has observed as follows,

"In brief the observations of the Official Liquidator report is summarised as below,

Starting from Related Party transaction to closing stock, deferred tax assets Work in progress stock level, Valuation of shares and valuation of inventory, the Chartered





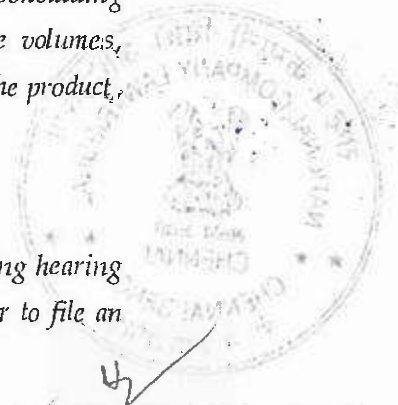
Accountant had commented of the Affairs of the Companies involved. The Companies concerned had submitted their reply to the pointwise observation made by the Chartered Accountant, the reply filed by the Companies are also annexed along with the report of the Official Liquidator.

5.2.2 The authorised representative of the Official Liquidator and the Learned Senior Counsel for the Petitioner made submissions on various points of objections raised in the Official Liquidator report during the course of hearing. Majority of the objections present in the report were answered by the Petitioners and the same was accepted by the representative of the Official Liquidator. However, one issue pertaining to the valuation of inventories were alone left to be answered, for which the Petitioners sought the leave of this Tribunal to file additional documents to clarify the same. Thus, this Tribunal issued a direction to the Petitioner Companies to file an Affidavit in relation to the valuation of inventories of the Companies. The Authorized signatory of the Transferor Company by way of affidavit replied as follows:-

"I submit that the Chartered Accountant has made an observation in relation to the closing stock of the company in his report, stating that closing stock was one of the major numbers in the financial statements of the company. The same was extracted and reproduced at para (ii) (e) of page 6 of the OL Report. In response to the same, the Petitioner, in its Reply at para 5.7.1 stated that the company was required to maintain additional safety stock levels to adhere to safety norms of the customers, as a result of which, there was a marginal increase in the work in progress stock. Further, in para 5.7.2, it has been stated that the basis for concluding on stock provisioning involves reviewing its usability, future volumes, discussion with users on liquidation plans for stock, nature of the product, its ability to be reworked for usage post storage, etc.

Provision for stock wherever required, has been maintained.

In relation to the above submissions made by the Petitioner during hearing dated 11/07/2023, this Hon'ble Tribunal directed the Petitioner to file an





a affidavit stating the valuation method adopted for valuing the inventories. Hence, the present affidavit is being filed.

I submit that the valuation of inventories is governed by relevant provisions of Ind AS 2 issued by the Institute of Chartered Accountants of India (ICAI), as notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') of the Companies Act, 2013.

The Petitioner, in the notes on accounts to the financial statements of the company for the financial year 2021-22 under the sub-heading 'Significant Accounting Policies' has stated the following in relation to the valuation of the inventories:

"d) Inventories:

The stock of raw materials, stores and loose tools are valued at cost (net of GST credits on weighted average basis). The finished goods and work-in-process are valued at cost (net of GST credits including appropriate overheads) or Net realizable value whichever is lower"

The above extract in relation to the valuation of inventories forms part of the audited balance sheet for the year ended 31/03/2023 and is placed at page 48 of the additional typed set of documents filed in support of the Reply (SR. No. 2263/ 07.06.23).

In relation to the extract above, I submit that the cost includes cost incurred in bringing each product to its present location, condition and are accounted for as follows:

- Raw materials, stores and loose tools: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis (net of GST credits).
- Finished goods, Work-in-Process: Cost includes cost of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis (net of GST credits).
- Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period. The average is calculated as each additional shipment is received.



The net realisable value as mentioned in the extract at para 6 above, is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

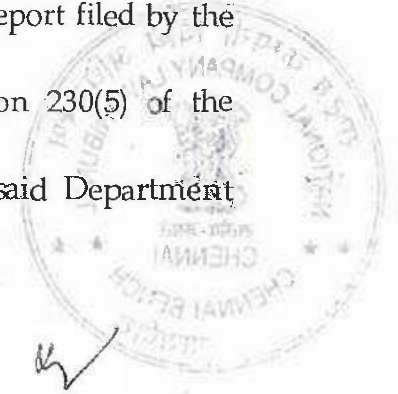
The carrying value of inventory is in line with relevant provisions of IND AS 2. The disclosures made in the financial statements of the company are also in accordance with the requirements prescribed under IND AS 2.”

5.2.3 Thus, upon receipt of the above clarification on the valuation of inventories, the objections raised by the Official Liquidator on the point of valuation of inventories is overruled by this Tribunal.

5.2.4 The report is taken on record. The reply filed by the Transferor Company is also taken on record. This Tribunal is satisfied so as to the explanation given by the Petitioner Companies. This Tribunal directs the Transferor Company to pay a sum of Rs. 50,000/- (Rupees fifty thousand only) + GST to the Official Liquidator for the payment of fees payable towards the Auditor who has investigated into the affairs of the Transferor Company.

5.3 INCOME TAX DEPARTMENT

5.3.1 In spite of notice having been served to the Income Tax Department, there is neither any representation nor any report filed by the said authorities. In the said circumstances as per section 230(5) of the Companies Act, 2013, this Tribunal presumes that the said Department does not have any objection to the sanction of the Scheme.



5.3.2 In Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi with a view to protect the interest of the revenue, 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 (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 statutorily 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."

5.4 NATIONAL STOCK EXCHANGE OF INDIA

In relation to the National Stock Exchange of India Limited (NSE), the authority concerned vide its Observation Letter dated 12.02.2022 had recorded 'no objection' in terms of Regulations 94 of SEBI (LODR) Regulations,

2015, so as to enable the Company to file the draft scheme with this Tribunal.

Further, NSE had reserved its right to raise objections at any stage if the information submitted to the exchange is found to be complete/incorrect/misleading/ false or for any guidelines/regulations'

issued by statutory authorities. The letter also records a period of six-month

validity for the company from 10.02.2022, before which the scheme shall be submitted to this Tribunal, which has been complied.

6. VALUATION & ACCOUNTING TREATMENT

6.1 In the valuation certificate given by Mr. Niranjana Kumar, IBBI Registered Valuer, the consideration for fair equity share exchange ratio for the proposed Amalgamation is recommended as, "151 (one hundred & fifty-one) equity shares of 'WIL' having face value of INR 10 each fully paid-up shall be issued for every 15,000 (fifteen thousand) equity share held in SHL having face value of INR 10 each fully paid-up."

6.2 The Learned Counsel for the Petitioner companies submits that the Statutory Auditor of the Petitioner companies has examined the Scheme and individually certified that the Petitioner companies have complied with proviso to Section 230- 232 and the Accounting Treatment contained in the proposed Scheme of Amalgamation is in compliance with the Applicable Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read with the rules made there under and other generally accepted accounting principles in India. The Certificates issued by the Statutory

Auditor certifying the Accounting Treatment of the Petitioner Companies placed along with the typed set of documents in the Company Petition.



7. APPOINTED DATE & EFFECTIVE DATE

7.1 The Petitioner Companies in the Proposed Scheme of Amalgamation has indicated 01st April 2021 as the "Appointed Date".

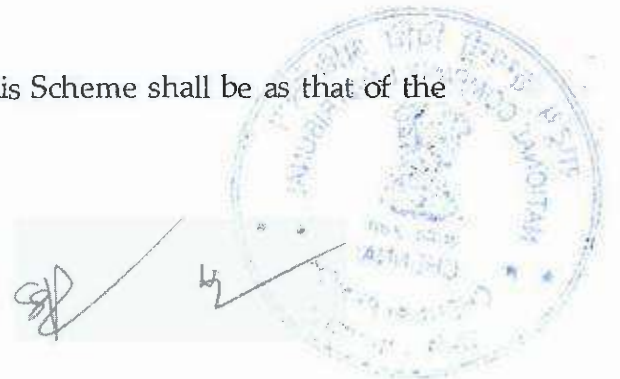
7.2 The Scheme defines effective date in Clause 1.3 of the Scheme as follows, "Effective Date" - means the 01st October 2021 or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or such other date as may be fixed or approved by the Appropriate Authority, being the date with effect from which this Scheme shall be deemed to be effective;

7.3 Section 232(6) reads as follows,

232(6) The Scheme under this Section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date.

7.4 By virtue of the above provision it is clear that the effective date of the Scheme cannot not be subsequent to the appointed date specified in the Scheme and shall be deemed to be effective from the appointed date.

7.5 Hence, the "Effective Date" to this Scheme shall be as that of the Appointed Date.





8. OBSERVATIONS OF THIS TRIBUNAL

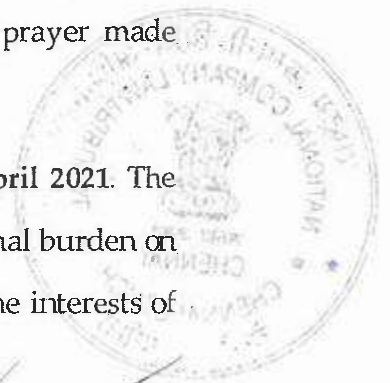
8.1. After analysing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the Petitioner Companies *prima facie* would not be in any way detrimental to the interest of the shareholders of the Companies.

8.2 From the report of the RD we understand that no investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the petitioner companies for oppression or mismanagement have been filed before this Tribunal or erstwhile Company Law Board.

8.3 Further, the Scheme does not require any modification as it appears to be fair and reasonable, not contrary to public policy and also not violative of any provisions of law. All the statutory compliances have been made under section 230-232 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Arrangement (Merger) between the Petitioner Companies was duly approved by the shareholders of the respective companies.

8.4 In the absence of any other objections other than the Official Liquidator, and since all the requisite statutory compliances have been fulfilled, this Tribunal *sanctions the Scheme of Amalgamation* appended with the Company Petition as well as the prayer made therein.

8.5 The Appointed date of the said Scheme is 1st April 2021. The said Scheme of Amalgamation will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditor/s in any manner.



Taking into consideration all the above, the Company Petition is allowed and the Scheme of Amalgamation (Merger) annexed with the petition is hereby sanctioned which shall be binding on all the members, creditors and shareholders.

8.6 While approving the scheme as above, we clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

8.7 The Companies to the said Scheme or other persons interested, shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme. The Petitioner Companies shall file with the Registrar of Companies, the certified copy of this Order, within 30 days of the receipt of the order.

8.8 The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14th December, 2016.

9. THIS TRIBUNAL DO FURTHER ORDER

(i) That all properties, rights and interests 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 in terms of the Scheme; and





(ii) That all the liabilities, powers, engagements, obligations and duties 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 in terms of the Scheme; and

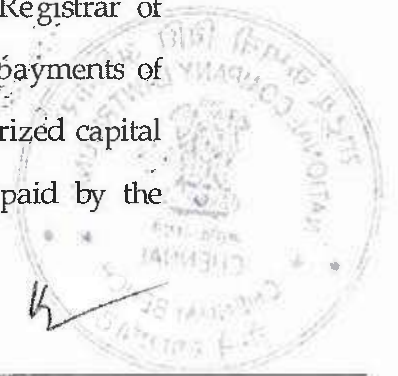
(iii) That all proceedings now pending by or against the Transferor Company shall be continued by or against the Transferee Company; and

(iv) That all the employees/workmen of the Transferor Company in service on the 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 with all the benefits, as existing on the date.

(v) The 'Effective date' shall be the same of the Appointed date i.e., 01st April, 2021.

(vi) That the Transferee Company do without further application allot to such members of the Transferor Company, as have not given such notice of dissent, as is required by Scheme of Arrangement (Merger) herein the shares in the Transferee Company to which they are entitled under the said Scheme in terms of Clause 12, Part II of the Scheme.

(vii) That the Transferee Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies concerned 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.





(viii) That the Petitioner Companies, 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 on the file kept by him in relation to the Transferee Company and the files relating to all the said companies shall be consolidated accordingly.

(ix) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

10. Accordingly, the Scheme annexed with the petition stand sanctioned and the Company Petition No. CP(CAA)/95(CHE)/2022 & CP(CAA)/100(CHE)/2022 stand allowed.

-Sd-

SAMEER KAKAR
MEMBER (TECHNICAL)

-Sd-

SANJIVJAIN
MEMBER (JUDICIAL)

Certified to be True Copy

Mohanapriya



K. N. S. J. 14/8/23
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001



FORM No. CAA.7

[Pursuant to section 232 and rule 20]

National Company Law Tribunal, Division Bench-2, Chennai

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation

Of

M/s. Sundaram Hydraulics Limited

with

M/s. Wheels India Limited

And

Their Respective Shareholders & Creditors

Order under section 230 to 232

The above named Petitioner Companies filed the Company Applications with this Tribunal which were numbered as CA(CAA)/33 & 30(CHE)/2022. Based on the orders passed in the said application, the applicants filed Company Petitions which were numbered as CP (CAA)/100 & 95 (CHE)/2022. All the statutory requirements under law have been fulfilled. The Petition came up for hearing before this Tribunal on 11.07.2023 for the purpose of considering and approving without modification, the Scheme of Amalgamation of the Transferor Company viz., M/s. Sundaram Hydraulics Limited by transferring and vesting operation with the Transferee company viz., M/s. Wheels India Limited.

Upon perusal and upon hearing Shri P.S.Raman, Counsel on behalf of HSB Partners, for Petitioners on 11.07.2023,

THIS TRIBUNAL DO ORDER

- 1) That the Scheme of Amalgamation (Merger) as annexed with the Petition alongwith Schedules is hereby sanctioned.
- 2) The appointed date of the scheme is 01.10.2021
- 3) That all the property, rights and powers of the transferor company specified in the schedule hereto and all other property, rights and powers of the Transferor company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vested in the Transferee company as a going concern from the Appointed date.
- 4) That all the liabilities and duties of the Transferor company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee company; and
- 5) The Transferor Company shall be dissolved without winding up from the date of filing the certified copy of the order with the Registrar of Companies.
- 6) The Petitioner Companies do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order; and
- 7) This Tribunal do further order that the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Tribunal for any directions that may be necessary with regard to the working of the said Scheme.

SCHEDULE

The Scheme of Merger as sanctioned by the Tribunal contains the details of the properties, stocks, shares, debentures and other charges in action of the transferor company.

Dated this 14th day of August, 2023, NCLT, DB-2, Chennai.



Deputy Registrar

**DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001**

SCHEME OF AMALGAMATION
OF
SUNDARAM HYDRAULICS LIMITED
("TRANSFEROR COMPANY" OR "SHL")
WITH
WHEELS INDIA LIMITED
("TRANSFeree COMPANY" OR "WIL")
AND
THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of Section 230 to 232 of the Companies Act, 2013)



I) PREAMBLE AND BACKGROUND

1. This Scheme of Amalgamation (hereinafter referred to as "the Scheme" or "this Scheme") is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (to the extent applicable) for the Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited. This Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.
2. The brief background of various entities is as follows:
 - A) Sundaram Hydraulics Limited, ("Transferor Company" or "SHL"), is a public limited company incorporated on 07th December 2007 under the Companies Act, 1956 having CIN:U71290TN2007PLC065658 and registered office at No. 21, Patullas Road, Chennai – 600 002, Tamil Nadu, India. The Transferor Company is engaged in the business of design, manufacture and distribution of hydraulic cylinders for the domestic and global MCE industry.
 - B) Wheels India Limited, ("Transferee Company" or "WIL"), is a public limited company incorporated on 13th June 1960 under the Companies Act, 1956 having CIN:L35921TN1960PLC004175 and Registered Office at No. 21, Patullas Road, Chennai – 600 002, Tamil Nadu, India. The Transferee Company is engaged in the business of manufacturing of automotive and Industrial Components. The equity shares of Transferee Company are listed on the National Stock Exchange of India Ltd., Mumbai (NSE). Further, the Transferee Company's equity shares have been permitted for dealings on Bombay Stock Exchange Limited, Mumbai (BSE) under "Permitted Securities" Category.

II) RATIONALE AND PURPOSE OF THE SCHEME

The Board of Directors of Transferor Company and Transferee Company believe that the proposed Scheme would, inter alia, have the following benefits:

1. The amalgamation will enable product diversification and growth to the Transferee company
2. This will facilitate expansion of the business of Transferor company by using the customer base of the Transferee company.
3. As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the transferor as well as the transferee company.
4. Will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
5. Improves organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
6. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
7. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law / establishment related compliances.

III) Further, under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Transferor Company and/or the Transferee Company. No compromise is offered under this Scheme to any of the creditors of the Transferor Company and/or the Transferee Company. The liability towards the creditors of the Transferor Company and/or the Transferee Company under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company in its ordinary course of business.



IV) PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part I – Deals with the definitions of the terms used in this scheme, details of share capital of the Parties, and Date of Operation of this Scheme
- Part II – Deals with the amalgamation of Transferor Company with the Transferee Company.
- Part III – Deals with general clauses, terms and conditions applicable to the Scheme.

PART - I

DEFINITIONS, SHARE CAPITAL AND DATE OF OPERATION OF SCHEME

1. DEFINITIONS

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

- 1.1. "Act" or "the Act" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, and the rules and regulations made thereunder;
- 1.2. "Applicable Law(s)" means any statute, notification, bye laws, rules, regulations, guidelines, Circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;
- 1.3. "Appointed Date" means the 01st October 2021 or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or such other date as may be fixed or approved by the Appropriate Authority, being the date with effect from which this Scheme shall be deemed to be effective;
- 1.4. "Appropriate Authority" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;
5. "Board of Directors" or "Board" shall mean the Board of Directors of Transferor Company or Transferee Company, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;

"Effective Date" means the date on which the authenticated copies or certified copies of the Order of NCLT under Sections 230-232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and Transferee Company. References in this Scheme to date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date;

"IT Act" means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;



- 1.8. "Governmental Authority" or "Government Body" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.9. "NCLT" or "the Tribunal" means the National Company Law Tribunal, Bench at Chennai in relation to the Transferor Company and Transferee Company.
- 1.10. "Parties" shall mean collectively the Transferor Company and the Transferee Company and "Party" shall mean each of them, individually;
- 1.11. "Record Date" means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company for the purpose of reckoning names of Equity Shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;
- 1.12. "Registrar of Companies" means the Registrar of Companies in Chennai or as the case may be;
- 1.13. "Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 19 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.14. "SEBI" means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.15. "SEBI Circulars" means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall *inter-alia* refer to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time.
- 1.16. "Stock Exchange" means National Stock Exchange of India Limited;
- 1.17. "Tax Laws" means IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company and/or Transferee Company operate, Central Sales Tax Act, 1956, any other State Sales Tax/ Value Added Tax laws, or Service Tax, Goods and Service Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
- 1.18. "Transferee Company" or "WIL" means Wheels India Limited having CIN L35921TN1960PLC004175 and Registered Office at 21, Patullios Road, Chennai – 600 002, Tamil Nadu, India.
- 1.19. "Transferor Company" or "SHL" means Sundaram Hydraulics Limited having CIN U71290TN2007PLC065658 and Registered Office at 21, Patullios Road, Chennai – 600 002, Tamil Nadu, India.
- 1.20. "Undertaking" means and includes all the assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Company of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation:

all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Company, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freehold, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks;



- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- iii. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- iv. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed if any, by the Transferor Company or in connection with or relating to the said Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company;
- v. all permissions, approvals, consents, subsidies, privileges, Income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities if any, of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- vi. all licenses if any (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Central Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;
- vii. all agreements, contracts, arrangements, understandings, engagements, if any [deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- viii. all application monies, advance monies, earnest monies and/ or security deposits if any, paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- ix. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Company;
- x. all Intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other



records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it; and

- xi. any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

2. In this Scheme, unless the context otherwise requires:

- a) Words denoting the singular shall include the plural and vice-versa;
- b) Headings and bold typefaces are only for convenience and shall be ignored for the purpose of Interpretation;
- c) Reference to the word "include" or "including" shall be construed without limitation;
- d) A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- e) Unless otherwise defined, the reference to the word "days" shall mean calendar days;
- f) Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) Word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) 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 and other Applicable Laws.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL OF PARTIES

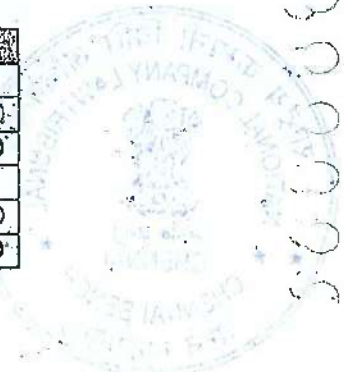
4.1. The share capital of Transferor Company as on 30th September 2021 is as follows:

Particulars	Amount (INR)
Authorized Capital	
4,65,00,000 Equity Shares of Rs. 10 each	46,50,00,000
7,00,000 Preference Shares of Rs. 100 each	7,00,00,000
Total	53,50,00,000
Issued, Subscribed and Paid-up Capital	
4,37,51,300 Equity Shares of Rs. 10 each fully paid-up	43,75,13,000
Total	43,75,13,000

Subsequent to 30th September 2021 there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company.

4.2. The share capital of Transferee Company, as on 30th September 2021 is as follows:

Particulars	Amount (INR)
Authorized Capital	
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up Capital	
2,40,64,558 Equity Shares of Rs. 10 each fully paid-up	24,06,45,580
Total	24,06,45,580



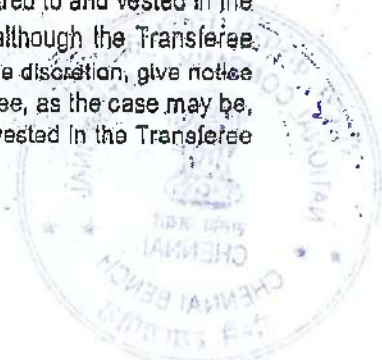
Subsequent to 30th September 2021, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company. The shares of the Transferee Company are listed on Stock Exchange.

PART - II

Amalgamation of Transferor Company with the Transferee Company

5. Transfer and Vesting of Undertaking

- 5.1. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the IT Act, without any further deed or act, subject to existing charges or *lis pendens*, if any thereon, in favour of banks/financial institutions.
- 5.2. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferee Company, and without any approval or acknowledgement of any third party. 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 and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.
- 5.3. All lease and licence agreements, if any, entered into by the Transferor Company with landlords, owners and lessors in connection with the use of the assets of the Undertaking, together with security deposit, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company.
- 5.4. Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 5.5. In respect of movables other than those dealt with in Clause 5.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee company).



- 5.6. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date all liabilities relating to and comprised in the undertaking of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 5.7. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company.
PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.
- 5.8. All staff, workmen and employees as detailed under Clause 1.19(xii) above in relation to the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.
- 5.9. Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 5.10. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 5.11. All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.
- 5.12. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 5.13. All the insurance policies registered in the name of the Transferor Company which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company so as to ensure that all the rights and privileges under all such policies, available to the Transferor Company and / or to any other person/director/employee of such Transferor Company, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if



instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereof. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

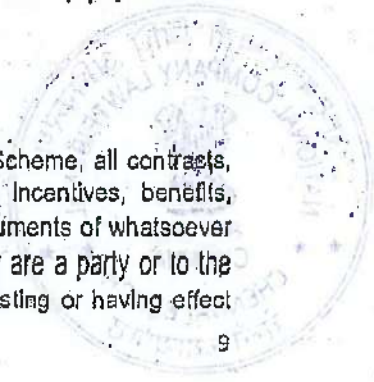
- 5.14. All the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.
- 5.15. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company.
- 5.16. The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company.
- 5.17. It is hereby clarified that all assets and liabilities appearing in the books of account of each of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of the Transferor Company as of the close of business hours on the Appointed Date shall be transferred to Transferee Company.
- 5.18. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

6. LEGAL, TAXATION AND OTHER PROCEEDINGS

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

CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect



- immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, 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 or beneficiary or obligee thereto.
- 7.2. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 7.3. On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangements.

8. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

- 8.1. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferee Company;
- Carry on the business, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;
 - All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
 - The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- 8.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- 8.3. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:
- 8.3.1. With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.
- 8.3.2. With effect from the Effective Date, the Transferee Company shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Company or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company is entitled to use under any statutes/ regulations, till such time as all of such stock expires without making any amendment on those goods or materials. With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company are transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of



Transferee Company, the Transferee Company shall carry on and be deemed to have been carrying on all the business and activities of Transferor Company in and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company. Further, during such period, Transferee Company can procure or use or manufacture, all material and product including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Transferor Company.

9. STAFF, WORKMEN AND EMPLOYEES

- 9.1. Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this scheme. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous. Further, the transfer of employees would be considered as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947.
- 9.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- 9.3. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 9.4. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking under clause 5 above, and the continuation of proceedings against the Transferee Company in clause 6 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.



11. INTER-SE TRANSACTIONS

- 11.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.
- 11.2. Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of Income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

12. CONSIDERATION

- 12.1. Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company in the Transferee Company pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Transferor Company, whose name is recorded in the register of members as member of the Transferor Company as on the Record Date, as follows:

"151 (One Hundred and Fifty One) equity shares in Transferee Company of the face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid-up for every 15,000 (Fifteen Thousand) Equity shares of Rs. 10/- (Rupees Ten only) fully paid-up held in Transferor Company."

- 12.2. The equity shares to be issued and allotted pursuant to amalgamation of the Transferor Company with the Transferee Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank pari-passu in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.
- 12.3. The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company.
- 12.4. Subject to applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of the shares in terms of this Scheme. The shareholders of the Transferor Company who holds shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Transferee Company, prior to the Record Date to enable it to issue the shares.

However, if no such details have been provided to the Transferee Company by the shareholders holding shares in physical share certificates on or before the Record Date, the Transferee Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialised form to a trustee nominated by the Board of Transferee Company ("Trustee of Transferee Company") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Transferee Company held by the Trustee of Transferee Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Transferee Company, along with such other documents as may be required.



- by the Trustee of Transferee Company. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Transferee Company. All costs and expenses incurred in this respect shall be borne by Transferee Company.
- 12.6. For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Transferee Company in that behalf) in dematerialised form, who shall within a period of 90 days from the date of allotment of shares sell the shares in the market and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. The Transferee Company would within a period of 7 days of compensating the eligible shareholders, submit to the Stock Exchange a report from the Audit Committee and the Independent Directors stating that the eligible shareholders have been compensated. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.
- 12.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.
- 12.8. The shares to be issued pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 12.9. The shares to be issued by the Transferee Company in lieu of the shares of the Transferor Company held in the respective unclaimed suspense account of the Transferor Company shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company.
- 12.10. In the event, any or both the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 12 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 12.11. If necessary, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 12.12. The Transferee Company shall apply for listing of the Transferee Company new equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Transferee Company new equity shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 12.13. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI Circular.

13. ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets and liabilities of the Transferor Company in its books of accounts as per "Acquisition Method" prescribed under the Indian Accounting Standard (Ind AS) 103 - "Business Combination", notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

All the assets (including intangible assets whether or not recorded in the books of Transferor Company) and all liabilities, including contingent liabilities of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Transferee Company at their fair value, as per Ind AS 103 and



- / or other applicable Ind AS;
- 13.2. The value of the investments in the shares of the Transferor Company held by the Transferee Company inter-se shall stand cancelled, without further act or deed;
- 13.3. The loans and advances inter-se between the Transferor Company and the Transferee Company appearing in the books of accounts of either the Transferor Company or the Transferee Company, if any, shall stand cancelled
- 13.4. The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company in terms of Clause 12 of this Scheme. The difference between the fair value and the face value of such equity shares issued will be credited to the securities premium account;
- 13.5. The difference between the fair value of the equity shares issued and the fair value of the net assets acquired and subject to adjustment as per clause 13.2 and 13.3 above will be treated as goodwill or capital reserve as per Ind AS 103;
- 13.6. The Transferee Company shall ensure compliance with the requirements of the "Acquisition Method" under Ind AS 103 for all other aspects of accounting for the amalgamation
- 13.7. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact, if any, will be quantified and adjusted in the "Other Equity" of the Transferee Company to ensure that financial statements reflect the financial position on the basis of consistent accounting policies.

14. COMPLIANCE WITH TAX LAWS

- 14.1. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act and other relevant provisions 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 a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act.
- 14.2. All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) 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 until the Effective Date as desired 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 it would or might have been continued and enforced by or against the Transferor Company.
- 14.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 14.4. Any tax liabilities including but not limited to liabilities under the IT Act, foreign tax credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 14.5. Any refund including but not limited to refund under the IT Act, foreign taxes, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company due to the Transferor Company consequent to the assessment made on 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.
6. On or after the Effective Date, the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), service tax law, VAT law, Goods and Service tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme



notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective. Nothing contained in this Scheme, shall restrict the Transferee Company to record assets and liabilities for income tax purpose in accordance with the principles enunciated under the IT Act.

- 14.7. All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company in respect of their operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction of tax at source, advance tax or otherwise howsoever, by the Transferor Company in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to the Transferee Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any goods and service tax paid by the Transferor Company / Transferee Company to the Transferee Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to have been paid by or on behalf of the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 14.8. After the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company including but not limited to obligation under the IT Act, customs law, goods and service tax law or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 14.9. Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, central credit, goods and service tax credit, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company will be entitled to avail Central Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company. Further, licenses issued to the Transferor Company by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company upon the Scheme becoming effective.

15. DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

Subject to an order being made by the court under Section 230 to 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provision of the Act and the Rules made hereunder.

16. COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Company shall stand transferred, re-organised, credited and merged with that of the Transferee Company without payment of additional fees and stamp duty as the said fees and stamp duty have already been paid by the Transferor Company and the Authorised Share Capital of the Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company shall without any further instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act as follows:

The Share Capital of the Company is Rs.103,50,00,000/- (Rupees One hundred three crore and fifty lakhs only) divided into 9,65,00,000 Equity Shares of Rs. 10/- each and Rs. 7,00,000 preference shares of Rs. 100 each. The Company has the power from time to time to increase or reduce its capital and to issue any shares in the original or new capital as equity or preference shares and to attach to any class or classes of such shares, any preference, rights, privileges or priorities in



payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations, or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of any share to apportion the right to participate in profits in any manner.

- 16.2. The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Section 13, 61 and other applicable provisions of the Companies Act, 2013, and any other approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their approval also to the alteration to the Memorandum of Association of the Transferee Company as may be required under the Act.

PART – III

GENERAL CLAUSES, TERMS AND CONDITIONS

17. DIVIDENDS

17.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and up to the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.

17.2. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Company and/or 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 Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

18. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

19. APPLICATIONS TO THE NCLT

All the Transferor Company and the Transferee Company, shall with all reasonable dispatch, make applications to the NCLT, Chennai Bench since the registered office of Transferor Company and Transferee Company is situated in Chennai. The jurisdiction of the Transferor Company and Transferee Company is NCLT, Chennai Bench, for sanctioning this Scheme under Sections 230-232 of the Act for orders thereof for carrying this Scheme into effect.

MODIFICATIONS/AMENDMENTS TO THE SCHEME

Subject to approval of NCLT, the Parties through their Board of Directors including any Committee of Directors or other persons, duly authorised by the Board of Directors in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations or orders, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect,



or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect. The shareholders approving the scheme shall be deemed to have given their consent to the proposed modification to the scheme without any further recourse to them.

- 20.2. If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and Transferee Company that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company and/or Transferee Company, in which case the Transferor Company and/or Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and/or Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part or provision.

21. SCHEME CONDITIONAL ON APPROVALS /SANCTIONS

21.1. The Scheme is conditional upon and subject to:

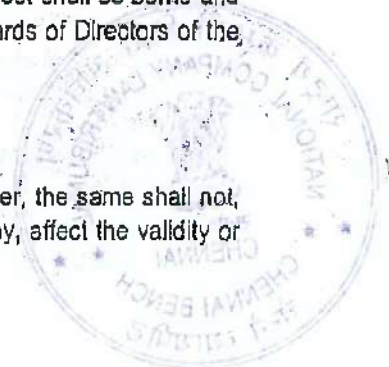
- i. the approval of the Scheme by the requisite majority of the respective members and such class of persons of Transferor Company and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;
- ii. the approval of the shareholders of transferor and transferee company through e-voting and / or other mode as may be required under any applicable law and the SEBI circular. The scheme is conditional upon scheme being approved by the public shareholders through e-voting in terms of Para 10(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- iii. sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee company;
- iv. the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;
- v. approval of Appropriate Authorities (including Securities and Exchange Board of India) and receipt of 'No-Objection letter' from Stock Exchange where such approval or consent is necessary; and
- vi. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

22. COSTS

All costs, charges, levies and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Company and Transferee Company, respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company, unless otherwise determined by the Boards of Directors of the Transferor Company and Transferee Company.

SEVERABILITY

- 23.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and/or Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.



23.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Transferor Company and Transferee Company and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

24. EFFECT OF NON-RECEIPT OF APPROVALS

24.1. In the event of any of the said sanctions and approvals referred to in Clause 20 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Upon the termination of this Scheme as set out in above clause, no rights and liabilities shall accrue to or be incurred by respective Parties or their shareholders or creditors or employees or any other person. In such case, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

24.2. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post the Amalgamation.

25. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company, Transferee Company, Governmental Authority and all concerned parties without any further act, deed, matter or thing.

26. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Undertaking of the Transferor Company are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Transferor Company will continue to hold the property and/ or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

27. REMOVAL OF DIFFICULTIES

27.1. The Transferor Company and the Transferee Company through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

