

APL/SEC/51/2024-25/3

24th January 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Security Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) – Pronouncement of Order by the Hon’ble National Company Law Tribunal, Mumbai Bench, sanctioning the Scheme of Amalgamation

This is in continuation to our letter nos. APL/SEC/32/2023-24/91 dated 28th March 2024 and APL/SEC/41/2024-25/3 dated 31st May 2024 wherein it was, *inter alia*, informed of the Scheme of Amalgamation of Maxbhumi Developers Limited and Sleek International Private Limited (collectively referred as “Transferor Companies”), wholly owned subsidiaries of Asian Paints Limited (“Transferee Company or the Company”) with the Company (“Scheme of Amalgamation”).

In this regard, we wish to inform you that the Hon’ble National Company Law Tribunal (“NCLT”), Mumbai Bench, vide its Order dated 24th January 2025 (“Order”), has sanctioned the Scheme of Amalgamation. A copy of the Order, as available on the website of the NCLT, is enclosed herewith along with the certified true copy of the Scheme of Amalgamation.

The Appointed Date of the Scheme of Amalgamation is 1st April 2024, and it would be effective from the date of filing of the certified copy of the Order by the Transferor Companies and Transferee Company with the Registrar of Companies, Maharashtra at Mumbai.

There is no material impact of the Scheme of Amalgamation on the financials of the Company.

The Company will make necessary disclosures on any material developments in this regard from time to time.

You are requested to take the above information on record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

C.P(C.A.A.) 203/MB/2024

CONNECTED WITH

C.A.(C.A.A.) /107/MB/2024

IN THE MATTER OF THE COMPANIES ACT, 2013;

AND

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013;

AND

In the matter of Scheme of Amalgamation (Merger by absorption) between Maxbhumi Developers Limited (“Transferor Company 1/ First Petitioner Company”); Sleek International Private Limited (“Transferor Company 2/ Second Petitioner Company”) with Asian Paints Limited (“Transferee Company/ Third Petitioner Company”) and their respective Shareholders (“Scheme”)

Maxbhumi Developers Limited)

A company incorporated under Companies)
Act, 1956 having its registered office at Plot)
No. 5, Gaiwadi Industrial Estate, S.V. Road,)
Goregaon (West), Mumbai 400 062.)

CIN: U45400MH2007PLC175925)

)

)

... Transferor Company 1/ First
Petitioner Company

Sleek International Private Limited)

A company incorporated under Companies)
Act, 1956 having its registered office at)
301/302, G Wing, 3rd Floor, Lotus Corporate)
Park Graham Firth Compound, Western)
Express Highway, Goregaon (East), Bandra)
Suburban, Mumbai 400 063.)

CIN: U31300MH1993PTC070859)

)

)



... Transferor Company 2/ Second
Petitioner Company

Asian Paints Limited)

A company incorporated under Companies)
Act, 1913 having its registered office at 6A)
& 6B, Shantinagar, Santacruz East, Mumbai)
– 400 055.)

CIN: L24220MH1945PLC004598)

... Transferee Company / Third
Petitioner Company

The First Petitioner Company, Second Petitioner Company and Third Petitioner Company shall be hereinafter collectively referred to as “Petitioner Companies”

Order dated:24.01.2025

CORAM:

HON’BLE SMT. REETA KOHLI, HON’BLE MEMBER (Judicial)

HON’BLE SMT. MADHU SINHA, HON’BLE MEMBER (Technical)

APPEARANCES:

For the Petitioners : Mr. Hemant Sethi, Ms. Devanshi Sethi, Ms.
Tanaya Sethi, Advocate

For the Regional Director : Rujuta Bankar

ORDER

1. Heard the learned Counsel for the Petitioners and the representative of the Regional Director Western Region, Ministry of Corporate Affairs, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
2. The sanction of the Tribunal is sought under Sections 230 to 232 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013, to the Scheme of Amalgamation between Maxbhumi Developers Limited (“Transferor Company 1/ First Petitioner Company”);



Sleek International Private Limited (“Transferor Company 2/ Second Petitioner Company”) with Asian Paints Limited (“Transferee Company/ Third Petitioner Company”) and their respective Shareholders.

3. The Counsel for the Petitioner Companies further submits that, the First Petitioner Company is engaged in the business of development of real estate and infrastructural facilities, the Second Petitioner Company is engaged in the business of manufacture, selling and distribution of modular kitchens and wardrobes, kitchen and wardrobe components, kitchen and wardrobe accessories, civil kitchens and providing related services of designing and installing kitchens and wardrobes and the Third Petitioner Company is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings and providing related services.
4. The proposed Scheme of Amalgamation was approved unanimously by the Board of Directors of the First and Second Petitioner Companies on 27th March, 2024 and by the Board of Directors of the Third Petitioner Company on 28th March, 2024. A certified true copy of Board Resolution of respective Petitioner Companies approving the Scheme are annexed with Company Scheme Petition as ‘**Annexure G1 to G3**’ (Pg.648-655). The Board of Directors of the respective Petitioner Companies believe that the Scheme is in the best interests of the respective entities and their stakeholders.
5. The Appointed Date for the Scheme of Amalgamation is 1st day of April 2024.
6. The registered offices of the Petitioner Companies are situated in Mumbai, Maharashtra and hence the subject matter of the Petition is within the jurisdiction of this Bench.
7. The Learned Counsel appearing on behalf of the Petitioner Companies states that the joint Company Scheme Petition have been filed in consonance with the order dated 3rd July, 2024 passed by this Tribunal in the connected Company Scheme Application bearing C.A.(CAA)/107(MB)/2024.
8. The Learned Counsel appearing on behalf of the Petitioner Companies states that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary Affidavits of compliance on 6th August 2024 and 29th November 2024 with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted by the Petitioner Companies.
9. The Learned Counsel for the Petitioner Companies states that, by sanction of this Scheme



of Merger by Absorption the Petitioner Companies will be able to achieve the following:

- i. Rationale for amalgamation of Transferor Company 1 with Transferee:
 - a) The Transferor Company 1 was set up with the objective of purchasing a land parcel in Pune for setting up the Transferee Company's paint manufacturing plant in the state of Maharashtra. On account of certain unforeseeable circumstances, the proposal of setting up of paint manufacturing facility by the Transferee Company at the land held by Transferor Company 1 was annulled. The land parcel held by the Transferor Company 1 was sold during the FY 2022-23. It is now proposed to merge the Transferor Company 1 with the Transferee Company.;
 - b) The amalgamation of the Transferor Company 1 with the Transferee Company will maximise shareholder value of the Transferee Company;
 - c) The amalgamation of the Transferor Company 1 with the Transferee Company shall facilitate consolidation to enable effective management;
 - d) Upon completion of the Amalgamation, Transferor Company 1 will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, tax filings, company law compliances, etc. and therefore reduction in administrative costs.
- ii. Rationale for amalgamation of Transferor Company 2 with Transferee:
 - a) The Transferor Company 2 is engaged in the design, development, manufacturing and selling of Modular Kitchens, Wardrobes & Fitted furniture and in the sales & distribution through channel and OEMs for Components including hardware and accessories, also providing related services of training, design, and installation.
 - b) The Transferee Company has forayed into home décor products and services propelling its transition from '**share of surface**' to '**share of space**'. Home décor has strong synergy with the Transferee Company's core business and is an essential part of the Transferee Company's strategy. The products and services offered by Transferor Company 2 are an integral part of the home décor and hence are intrinsically linked with the products and services being offered by the Transferee Company.



- c) Transferor Company 2 has a strong presence in the organized kitchens and wardrobe market and has a good production line, it manufactures good quality products and has a skilled, competent, and experienced labour force which is required for manufacturing such products. Transferee Company will reap long-term benefits by absorbing such production lines and skilled labour force including safeguarding the intellectual property and designs of certain products which are proposed to be launched in markets with its unique fit, finish and features, which can distinguish its products from competitors.
- d) The amalgamation of the Transferor Company 2 with the Transferee Company shall facilitate the provision of integrated offerings to the customers of the Transferee Company, considering the interlinked nature of products and services offered and the type of customers served by both Companies.
10. The First and Second Petitioner Companies are a wholly owned subsidiary of the Third Petitioner Company. Upon this Scheme becoming effective, Transferee Company would not be required to issue and allot any shares to the shareholders of Transferor Companies. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the wholly owned subsidiary companies of the Transferee Company in the Transferor Companies and the stated capital/issued and paid-up capital of the Transferor Companies shall stand cancelled on the Effective Date. The said cancellation of the existing share capital of the Transferor Companies shall be effected as an integral part of this Scheme. It is hereby clarified that no consideration shall be discharged by the Transferee Company pursuant to amalgamation with Transferor Companies.
11. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai has filed its Report dated 10th December 2024 *inter alia* stating that, save and except the observations as stated in paragraph 2 of the report, this Tribunal may pass such order(s) as deemed fit and proper in the facts and merits of the case. The Petitioner Companies have filed an Affidavit in rejoinder dated 10th December 2024 to the report filed by the Regional Director with this Tribunal providing clarification/undertakings to the observations made by the Regional Director. The clarifications and undertakings given by the Petitioner Companies are accepted.
12. The observations made by the Regional Director and the clarifications/undertakings given



by the Petitioner Companies are summarized in the table below:

Par a (2)	RD Report/Observations dated 10th December 2024	Response of the Petitioner Companies dated 10th December, 2024.
(a) (i)	<p><i>That on examination of the report the Registrar of Companies, Mumbai dated 05.12.2024 for Petitioner Companies (Annexed as Annexure-A1) that the Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is stated that no complaint and/or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the Petitioner companies have filed Financial Statements up to 31.03.2024.</i></p> <p><i>The ROC, Mumbai has further submitted that in his report dated 05.12.2024 which are as under ;-</i></p> <p><i>i. That the ROC Mumbai in his report dated 05.12.2024 also stated that No inquiry, inspection, investigations, prosecutions, Technical Scrutiny and Complaint under CA, 2013 have been pending against the Petitioner Companies</i></p>	<p>As regards the observation made in Paragraph 2 (a)(i) of the said Report is concerned, it is submitted that the observation made by the ROC is merely factual in nature and hence merits no reply.</p>



<p>(a) (ii)a)</p>	<p><i>ii. Further ROC has mentioned as follows: -</i></p> <p><i>a) As per the provisions of Section 230(3)(i) of the Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor Company on its authorized capital shall be set-off against any fees payable by the Transferee Company on its authorized share capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting-off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to the amalgamation.</i></p>	<p>As regards the observation made in Paragraph 2 (c) of the said Report is concerned, the Petitioner companies submits that the setting off of fees paid by the Transferor Company on its Authorised Share Capital shall be in accordance with provisions of section 232(3)(i) of the Companies Act, 2013. Further, the Transferee Company undertake to comply with the provisions of Section 232(3)(i) of the Companies Act 2013 in respect of fees as may be applicable for increase of share capital on account of amalgamation of transferor companies. However, the Transferee Company will not be increasing its authorised capital by virtue of the amalgamation under the said Scheme.</p>
<p>b)</p>	<p><i>Interest of creditors should be protected.</i></p>	<p>As regards the observation made in Paragraph 2 (b) of the said Report is concerned, the Petitioner Companies undertake to protect the interest of its creditors.</p>
<p>(c)</p>	<p><i>Transferee Company should undertake to comply with the provisions of of the Companies Act, 2013 through appropriate affirmation in respect of fees</i></p>	<p>As regards the observation made in Paragraph 2 (c) of the said Report is concerned, the Petitioner companies submits that the setting off of fees paid by the Transferor Company on its Authorised Share</p>



	<p><i>payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i></p>	<p>Capital shall be in accordance with provisions of section 232(3)(i) of the Companies Act, 2013. Further, the Transferee Company undertake to comply with the provisions of Section 232(3)(i) of the Companies Act 2013 in respect of fees as may be applicable for increase of share capital on account of amalgamation of transferor companies. However, the Transferee Company will not be increasing its authorised capital by virtue of the amalgamation under the said Scheme.</p>
(d)	<p><i>In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the resultant company shall pass on such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND AS-8 etc.</i></p>	<p>So far as the observation in Paragraph 2 (d) of the Report of the Regional Director is concerned, the Petitioner Companies submit that in addition to compliance with IND AS-103, in connection with the Scheme, the Petitioner Companies shall pass such accounting entries which are necessary to comply with all other applicable Accounting Standards such as IND AS-8 etc, to the extent applicable.</p>
(e)	<p><i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i></p>	<p>In so far as the observation in paragraph 2(e) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Scheme enclosed to the Company Application and the Company Petition are one and same and there is no discrepancy, and no change is made.</p>



(f)	<p><i>The Petitioner Companies under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the Scheme by the Hon'ble Tribunal may not deter such authorities from dealing with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>So far as the observation in paragraph 2(f) of the Report of the Regional Director is concerned, the Petitioner Companies confirm that notices have been served to all concerned regulatory authorities i.e. (i) Concerned Income Tax Authorities within whose jurisdiction the Applicant Company's assessments are made (ii) Concerned Nodal Officer (iii) the Central Government through the offices of Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, Maharashtra (iv) Registrar of Companies, Mumbai, Maharashtra (v) Respective Goods and Service Tax Department, (vi) Official Liquidator, Bombay High Court for Transferor Company 1 and Transferor Company 2, (vii) BSE Limited and National Stock Exchange of India Limited in so far as the Transferee Company under the provisions of section 230(5) of the Companies Act, 2013. Proof of service of notice served is annexed to the Affidavits of Service dated 5th August, 2024 and 28th November, 2024 filed with the Hon'ble Tribunal.</p>
(g)	<p><i>As per Definition of the Scheme, "Appointed Date" for the purposes of this scheme and income tax act 1961 means 1st April, 2024, as the date with effect from which the scheme shall be</i></p>	<p>So far as the observation in paragraph 2(g) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Appointed Date is 1st April 2024 as per the Scheme. The Petitioner Companies further submit that the Company Scheme</p>



	<p><i>applicable or such other date as may be approved by the Hon'ble National Company Law Tribunal or any other competent authority.</i></p> <p><i>“Effective Date” means the last of the following dates namely that on which the last of the aforesaid consent, approvals, permissions, resolutions and orders are mentioned in clause 12 shall be obtained or pass that on which all necessary certified copies of the order under the applicable sections of the act shall be duly filed with the concern Registrar of Companies, Maharashtra at Mumbai.</i></p> <p><i>It is submitted that the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p>Application was filed on 5th June, 2024 and hence the Petitioner Companies are in compliance with the requirements as to Appointed Date and Effective Date, as clarified vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>
(h)	<p><i>Both Applicant Companies shall undertake to comply with the directions of Income tax department and the GST Authorities, if any.</i></p>	<p>So far as the observation in paragraph 2(h) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with directions of Income Tax Department and GST Authorities, if any.</p>



(i)	<i>Petitioner Companies shall undertake to comply with the directions of the concerned sectoral Regulator, if any.</i>	So far as the observation in paragraph 2(i) of the Report of the Regional Director is concerned, the Petitioner Companies submits that there is no sectoral Regulatory Authority concerned. Hence, the said observation is not applicable.
(j)	<i>Petitioner Companies has foreign shareholder hence petitioner companies shall undertake to comply with Regulations and guidelines of RBI, FEMA and FERA, if applicable.</i>	So far as the observation in paragraph 2(j) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with Regulation/Guidelines of RBI, FEMA and FERA, to the extent applicable.
(k)	<i>Petitioner transferee company is a Public Listed Company. Hence the Petitioner Transferee Company shall undertake to comply with the observations of BSE and NSE, if any under SEBI (LODR) Regulations and place the copy of intimation given by the listed Transferee Company.</i>	So far as the observation in paragraph 2(k) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with the observations of BSE and NSE, if any under SEBI (LODR) Regulations. The Petitioner companies further submit that the copy of letters of intimation to BSE and NSE dated 31 st May, 2024 is annexed as Annexure L to the Company Scheme Petition, it is further submitted that the listed transferee company has also served notices to BSE and NSE under the provisions of section 230(5) of the companies Act, 2013 and proof of service of the same are annexed to the Affidavits.



(1)	<p><i>As per shareholding pattern as on 31.03.2024 submitted by the Petitioner Company, details of shareholding is as follows:-</i></p>				<p>So far as the observation in paragraph 2(1) of the Report of the Regional Director is concerned, the Transferor Company 1 and Transferor Company 2 have duly filed Form BEN-2 under the provisions of Section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019, copy of the Form BEN-2 along with acknowledgements is annexed as <u>Annexure- 'A'</u> to the Affidavit in Rejoinder.</p>
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No form BEN-2 has been filed by any of the Petitioner Companies as per records available at MCA 21 Portal, hence, Petitioner Companies shall undertake to comply with the provisions of Section 90 of the Companies Act 2013 r/w. Companies (Significant Beneficial Owners) Amendment.

Further even though the shareholders of Petitioner Companies is holding company but as per Rule 8B of the Companies (Significant Beneficial Owners) Rules, Amendment, 2019, the reporting Petitioner Company shall file Form BEN-2 for declaring the name of its beneficial shareholder i.e., Holding Company in the Form BEN-2 under the first radio button at sr. no. 3 of E-Form BEN-2.



13. The Official Liquidator has filed his report on 19th November, 2024, *inter alia* stating their observations. The Transferor Companies have filed an Affidavit in rejoinder to the report filed by the Official Liquidator with this Tribunal on 3rd December, 2024 providing clarification/undertakings to the observations made by the Official Liquidator. The clarifications and undertakings given by the Transferor Companies are accepted.
14. The observations made by the Official Liquidator and the clarifications/undertakings given by the Transferor Companies are summarized in the table below:

Par a	OL Report/Observations dated,19th November 2024	Responses of the Transferor Companies dated 2nd December, 2024
6.	<i>It has been noticed from the Financial Statements as at 31.03.2023 of Sleek International Private Limited (Second Transferor Company) that the company owes Rs.166.94 Lakhs and 31.03.2023 is Rs.437.98 Lakhs to MSME In this respect it is stated that under MSMED Act, 2006 the buyer is to make payment within 45 days of it becoming due. In case of failure to pay to the MSME supplier, the company is liable to pay compound interest rate. Hon'ble Tribunal may be require the Transferor Company to clarify whether they have paid the said amount to the MSME creditor or whether there is any dispute with respect to payment of such amount. In case of dispute with</i>	<p>In so far as the observation made by the Official Liquidator in Paragraph 6 of the report, the Petitioner Companies confirm that the amount outstanding for payment to micro and small enterprise vendors of the Petitioner Company 2 for the financial year ended 31st March, 2023 (Rs. 166.94 lakhs) and 31st March, 2022 (Rs.437.98 lakhs) is correct. A copy of the Financial statements for year ended 31st March 2022 and 2023 is enclosed as Annexure B1 to B2 of the Affidavit in Reply.</p> <p>It is further submitted that the total liability of Rs.166.94 Lakhs outstanding as on 31st March 2023 and Rs.437.98 Lakhs outstanding as on 31st March, 2022 to micro and small enterprise vendors of the Petitioner</p>



	<p><i>regard to amount due whether the reference has been made to the MSME facilitation council constituted by the respective Government or not. Company may also be required to produce form MSME-1 filed with ROC for the above said dues.</i></p>	<p>Company 2 have been discharged and paid off.</p> <p>It is further submitted that there is no dispute or litigation on the payments of the outstanding amount as mentioned above, accordingly, the question whether the reference has been made to MSME facilitation council constituted by the respective Government does not arise.</p> <p>It is further submitted that the Petitioner Company 2 has reported outstanding liability of more than 45 days, if any, to micro and small enterprise vendors in Form MSME-1 filed with the ROC from time to time.</p> <p>Further, the Petitioner companies undertake to protect the interest of micro and small enterprise vendors.</p>
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15. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy.
16. Since all the requisite statutory compliances have been fulfilled, Company Petition bearing C.P.(CAA)/203(MB)/2024 filed by the Petitioner Companies are made absolute in terms of prayers clause of the said Company Scheme Petition.
17. The Scheme of Amalgamation is hereby sanctioned, and the appointed date of the Scheme is fixed as 1st day of April 2024.
18. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-Form INC-28, within 30 days from the date of receipt of order, duly certified by the designated Registrar of this Tribunal.



19. The Petitioner Companies to lodge a certified copy of this order and the Scheme duly authenticated by the designated Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the certified copy of order.
20. All concerned regulatory authorities to act on a copy of this Order duly certified by the Registry of this Tribunal, along with a copy of the Scheme.

Sd/-

Madhu Sinha
Member (Technical)

Sd/-

Reeta Kohli
Member (Judicial)

SCHEME OF AMALGAMATION

BETWEEN

MAXBHUMI DEVELOPERS LIMITED

(Transferor Company 1)

AND

SLEEK INTERNATIONAL PRIVATE LIMITED

(Transferor Company 2)

WITH

ASIAN PAINTS LIMITED

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER

1) Preamble

This Scheme of Amalgamation ("Scheme") pursuant to Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modification(s) and/or re-enactment(s) or amendment(s) thereof for the time being in force) provides for the amalgamation of Maxbhumi Developers Limited and Sleek International Private Limited with Asian Paints Limited and their respective shareholders.

2) Description of the Companies

- A. Maxbhumi Developers Limited [CIN: U45400MH2007PLC175925], is an unlisted public limited company incorporated on 15th November 2007 under the Companies Act, 1956, currently having its registered office at Plot No. 5, Gawadi Industrial Estate, S.V. Road, Goregaon (West), Mumbai 400 062 ("**Transferor Company 1**" or "**Maxbhumi**"), in the state of Maharashtra under the jurisdiction of Registrar of Companies, Maharashtra at Mumbai. Maxbhumi was converted from private limited company to public limited company under the

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provisions of the Companies Act, 1956 and a fresh certificate of incorporation consequent upon conversion from private limited company to public limited company was issued by the Registrar of Companies, Maharashtra at Mumbai dated 7th March 2008. The Transferor Company 1 previously had land parcels in Pune, Maharashtra and was primarily engaged in development of real estate and infrastructural facilities.

Transferor Company 1 is a wholly owned subsidiary of Transferee Company (as defined hereinafter).

- B. Sleek International Private Limited [CIN: U31300MH1993PTC070859], a private limited company incorporated on 18th February 1993 under the Companies Act, 1956, under the name and style of Silverline Wire Products Private Limited, currently having its registered office at 301/302, G Wing, 3rd Floor, Lotus Corporate Park Graham Firth Compound, Western Express Highway, Goregaon (East), Bandra Suburban, Mumbai 400 063 ("**Transferor Company 2**" or "**Sleek**"), in the state of Maharashtra under the jurisdiction of Registrar of Companies, Maharashtra at Mumbai. Subsequently name was changed from Silverline Wire Products Private Limited to Sleek International Private Limited and a fresh Certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Maharashtra at Mumbai vide its certificate of change of name dated 7th May 2013. The Transferor Company 2 is engaged in the manufacture, selling and distribution of modular kitchens and wardrobes, kitchen and wardrobe components, kitchen and wardrobe accessories, civil kitchens and providing related services of designing and installing kitchens and wardrobes.

Transferor Company 2 is a wholly owned subsidiary of Transferee Company (as defined hereinafter).

- C. Asian Paints Limited [CIN: L2422MH1945PLC01498], is a public limited company incorporated on 24th October 1945 under the Companies Act, 1913 under the name and style of Asian Oil & Paint Company (India) Private Limited, currently having its registered office at 6A, Shantinagar, Santacruz East, Mumbai – 400 055 ("**Transferee Company**" or "**Asian Paints**") in the state of Maharashtra under the jurisdiction of Registrar of Companies, Maharashtra at Mumbai. The shares of the Transferee Company are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The name of the Company was changed from Asian Oil & Paint Company (India) Private Limited to Asian Paints (India) Private Limited and a fresh Certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Maharashtra at Mumbai vide its certificate of change of name dated 9th August 1965. Asian Paints (India) Private Limited was converted from private limited company to public limited company under the name and style of Asian Paints (India) Limited under the provisions of the Companies Act, 1956 and a fresh certificate of incorporation consequent upon conversion from private limited company to public limited company was issued by the Registrar of Companies, Maharashtra at Mumbai dated 17th December 1973. Thereafter, name was changed from Asian Paints (India) Limited to Asian Paints Limited and a fresh Certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Maharashtra, Mumbai vide its certificate of change of name dated 12th July 2005. The Transferee Company is, *inter alia*, engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor.

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bath fittings and providing related services.

3) Rationale of the Scheme:

Rationale for amalgamation of Transferor Company 1 with Transferee:

- A. The Transferor Company 1 was set up with the objective of purchasing a land parcel in Pune for setting up the Transferee Company's paint manufacturing plant in the state of Maharashtra. On account of certain unforeseeable circumstances, the proposal of setting up of paint manufacturing facility by the Transferee Company at the land held by Transferor Company 1 was annulled. The land parcel held by the Transferor Company 1 was sold during the FY 2022-23. It is now proposed to merge the Transferor Company 1 with the Transferee Company.
- B. The amalgamation of the Transferor Company 1 with the Transferee Company will maximise shareholder value of the Transferee Company.
- C. The amalgamation of the Transferor Company 1 with the Transferee Company shall facilitate consolidation to enable effective management.
- D. Upon completion of the Amalgamation, Transferor Company 1 will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, tax filings, company law compliances, etc. and therefore reduction in administrative costs.

Rationale for amalgamation of Transferor Company 2 with Transferee:

- A. The Transferor Company 2 is engaged in the design, development, manufacturing and selling of Modular Kitchens, Wardrobes & Fitted furniture and in the sales & distribution through channel and OEMs for Components including hardware and accessories, also providing related services of training, design, and installation.
- B. The Transferee Company has forayed into home décor products and services propelling its transition from 'share of surface' to 'share of space'. Home décor has strong synergy with the Transferee Company's core business and is an essential part of the Transferee Company's strategy. The products and services offered by Transferor Company 2 are an integral part of the home décor and hence are intrinsically linked with the products and services being offered by the Transferee Company.
- C. Transferor Company 2 has a strong presence in the organized kitchens and wardrobe market and has a good production line, it manufactures good quality products and has a skilled, competent, and experienced labour force which is required for manufacturing such products. Transferee Company will reap long-term benefits by absorbing such production lines and skilled labour force including safeguarding the intellectual property and designs of certain products which are proposed to be launched in markets with its unique fit, finish and features, which can distinguish its products from competitors.



D. The amalgamation of the Transferor Company 2 with the Transferee Company shall facilitate the provision of integrated offerings to the customers of the Transferee Company, considering the interlinked nature of products and services offered and the type of customers served by both Companies.

E. The other benefits of the proposed amalgamation include:

- i. Enabling in creating revenue synergies through sharing of consumer understanding, market insights, and channel models to ensure faster go-to-market strategy and achieve faster growth with fewer resources;
- ii. Driving synergy benefits around back-end such as procurement, logistics, supply chain, technology operations and shared services; driving optimal utilization of resources and building centres of excellence;
- iii. Strengthening of organizational capabilities around operational and financial areas, driving scale benefits through leveraging resources;
- iv. Enabling coverage of complementary markets and consumer segments in line with a focused strategy of building a comprehensive home décor portfolio entering newer markets and driving penetration;
- v. Enhancing organizational capabilities arising from the pooling of talent and human capital with diverse skill sets and experience in areas such as design, sourcing and consumer insights, providing strength to operate strongly in a highly fragmented market;
- vi. Enabling more coordinated and comprehensive business management with a clear focus on driving common goals around building best quality products, wide distribution, efficient operations, and brand building, allowing for more efficient allocation of capital and resources for growth;
- vii. It will maximise shareholder value of the Transferee Company;
- viii. Upon completion of the Amalgamation, Transferor Company 2 will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, tax filings, company law compliances, etc. and therefore reduction in administrative costs.

This Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferor Company 1 and Transferor Company 2 and the Transferee Company. The shareholding and the rights of the members remain unaffected as no new shares are proposed to be issued by the Transferee Company and there is no change in the capital structure of the Transferee Company. There is no compromise or arrangement with any of



the creditors of the Transferor Company 1, Transferor Company 2 and the Transferee Company and the rights of the creditors are not affected, all the Secured and Unsecured Creditors, as applicable would be paid off in the ordinary course of business. Also, the net worth of the Transferee Company is and will remain highly positive post the amalgamation. Further, the Scheme will be beneficial and in the best interests of the stakeholders of all the Companies involved.

It is also the intention of the Transferee Company management to rationalize the group holding structure by way of reduction in the number of entities and streamline the structure of Transferee Company.

This Scheme is presented under Sections 230 to 232 of the Companies Act 2013 read with the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, and other applicable provisions of the Companies Act, 2013, if any, for amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company, and

Accordingly, this Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company.

4) Parts of the Scheme:

The Scheme of Amalgamation is divided into the following three parts

- (i) **Part I** – Deals with the definitions, interpretations, and share capital;
- (ii) **Part II** – Deals with Amalgamation of Transferor Company 1 and Transferor Company 2 with Transferee Company, and
- (iii) **Part III** – Deals with the other terms and Conditions applicable to the Scheme.

Part I – Definitions, Interpretation, and Share Capital

1. Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1. **'Act' or 'the Act'** means the Companies Act, 2013 of India and Rules, circulars, notifications or guidelines issued thereunder, including any statutory modification(s), re – enactment(s) or amendments, thereof, for the time being in force.
- 1.2. **'Applicable Law(s)'** means any statute, notification, bye-laws, rules, regulations, guidelines, rule or common law, policy, code, directive, ordinance, scheme, notice, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **'Appointed Date'** for the purpose of this Scheme and the Income Tax Act, 1961, means 1st April 2024, as the date with effect from which the scheme shall be applicable.



or such other date as may be approved by the Hon'ble National Company Law Tribunal or any other Competent Authority.

- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental, or public body or authority of India including the Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidator, and the Hon'ble National Company Law Tribunal.
- 1.5. **'Board of Directors' or 'Board'** in relation to the Transferor Company 1, Transferor Company 2 and the Transferee Company, as the case may be, means the Board of Directors of such company, and shall include a committee duly constituted and authorised or individuals authorized for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;
- 1.6. **'Effective Date'** means the last of the following dates, namely:
- That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 12 shall be obtained or passed; or
 - That on which all necessary certified copies of orders under the applicable section(s) of the Act shall be duly filed with the concerned Registrar of Companies, Maharashtra at Mumbai.
- 1.7. **'Employee'** means all employees, if any, on the payroll of Transferor Company 2, as of the Effective Date excluding any employee who is on deputation from the Transferee Company;
- 1.8. **'Governmental Authority'** means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however, constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 1.9. **'Registrar of Companies'** means the Registrar of Companies, Maharashtra at Mumbai.
- 1.10. **'Scheme' or 'the Scheme' or 'this Scheme'** means this Scheme of Amalgamation in its present form as submitted to the Tribunal or any other appropriate authority in relevant jurisdictions with any modification(s) thereof as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 1.11. **'SEBI'** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.12. **'Stock Exchanges'** means the recognised stock exchanges where the equity shares of the Transferee Company are listed i.e., BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE');

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1.13. 'Tribunal' means the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 240 of the Companies Act, 2013, if applicable.

1.14. "Transferor Companies" means "Maxbhumi Developers Limited" and "Sleek International Private Limited" collectively;

1.15. 'Undertaking' means all the undertakings and entire business, activities, and operations of the Transferor Companies, in India and abroad, if any, as a going concern, including without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Companies, if any, whether situated in India or abroad, including, without limitation, all land whether freehold or leasehold or otherwise, all buildings and structures, offices, branches, residential and other premises, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investments in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Companies, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad;
- (ii) all permits, quotas, rights, entitlements, industrial and other licenses, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, if any, other benefits (including tax benefits), incentives, deductions, exemptions, rebates, allowances, amortization, credits (including tax credits received by the Transferor Companies), Minimum Alternate Tax Credit ('MAT Credit'), foreign tax credit, dividend distribution tax, tax deducted at source, tax collected at source and advance income tax payment, entitlement if any, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Companies for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, deferred tax assets, all other rights including sales tax deferrals

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and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax ('SGST'), Integrated Goods and Services Tax ('IGST') and Central Goods and Service Tax ('CGST') credits) under the Goods and Service Tax ('GST') laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and Import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Companies, whether or not so recorded in the books of accounts of the Transferor Companies;

- (iii) all debts, borrowings including debentures, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Companies;
- (iv) all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Companies,
- (v) All Employees and other obligations of whatsoever kind, including liabilities of the Transferor Company 1 and Transferor Company 2 with regard to its employees, if any, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise; and
- (vi) any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Companies required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Companies, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Companies, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company;
- (vii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service



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agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Companies or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Appointed Date;

- (viii) all records, books of accounts, registers, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Companies.

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

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

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

Unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders.
- ii. references to a person include any individual, firm, body corporate, government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).
- iii. any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such document or agreement.
- iv. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.
- v. the term "Clause" or "Sub-Clause" refers to the specified clause of this Scheme, as the case may be.
- vi. the words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same.
- vii. word(s) and expression(s) in the singular shall include the plural and vice versa enacted, or to any law, provision, rule or regulation that replaces it.
- viii. the headings herein shall not affect the construction of this Scheme.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority or



made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

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

3. SHARE CAPITAL

3.1. The share capital of Transferor Companies as on the 31st December 2023 are as under:

a) **Maxbhumi Developers Limited ('Transferor Company 1')**

Particulars	Amount (₹)
Authorised Share Capital	
4,50,000 Equity shares of ₹ 10 each	45,00,000
Total	45,00,000
Issued, Subscribed, and Paid-up Share Capital	
4,19,000 Equity Shares of ₹ 10 each fully paid up	41,90,000
Total	41,90,000

b) **Sleek International Private Limited ('Transferor Company 2')**

Particulars	Amount (₹)
Authorised Share Capital	
16,50,000 Equity shares of ₹ 10 each	1,65,00,000
Total	1,65,00,000
Issued, Subscribed, and Paid-up Share Capital	
2,90,100 Equity Shares of ₹ 10 each fully paid up	29,01,000
Total	29,01,000

The equity shares of the Transferor Companies are not listed on any Stock Exchanges.

Subsequent to 31st December 2023 and up to the date of approval of this Scheme by the respective Boards of the Transferor Companies, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Companies. The entire share capital of the Transferor Companies is held by the Transferee Company including shares jointly held with its nominee shareholders. The Transferor Companies are wholly owned subsidiary companies of the Transferee Company.

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



3.2. The share capital of Transferee Company as of 31st December 2023 is as under

Particulars	Amount (₹)
Authorised Share Capital	
99,50,00,000 Equity shares of Re. 1 each	99,50,00,000
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	50,00,000
Total	100,00,00,000
Issued, Subscribed, and Paid up Share Capital	
95,91,97,790 Equity Shares of ₹ 1 each fully paid up	95,91,97,790
Total	95,91,97,790

The equity shares of the Transferee Company are listed on the Stock Exchanges. Subsequent to 31st December 2023 and up to the date of approval of this Scheme by the Board of Directors of the Transferee Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

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

Part II – Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company

Section 1 – Transfer and vesting

4. Transfer and vesting of the entire business and whole of the Undertakings of the Transferor Companies

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

4.2 Transfer and Vesting of Assets

a) Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest, and authorities including accretions and appurtenances comprised in the Undertaking, if any, of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be



transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- b) All immovable properties of Transferor Companies, if any, including and together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Companies and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made, and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof.
- c) Without prejudice to the provisions of Clauses 4.2(a) and 4.2(b) above, in respect of such of the assets and properties of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Companies upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d) In respect of such of the assets and properties belonging to the Transferor Companies [other than those referred to in Clause 4.2(c) above] including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- e) All assets, rights, title, interest, investments and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable

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provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

- f) Upon coming into effect of the Scheme, and with effect from the Appointed Date, all the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, MAT credit received by the Transferor Companies, or any costs, charges, expenditure accruing to the Transferor Companies in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, income, costs, charges, expenditure or losses of Transferee Company, as the case may be.
- g) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, 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.

In so far as the various incentives, entertainment tax exemption and benefits, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions.

4.3 Contracts, Deeds, etc.

- a) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance letters of intent, undertakings, policies and other instruments of whatsoever nature, to which the Transferor Companies are the parties or to the benefit of which Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Companies and may be enforced as fully and effectually as if, instead of the Transferor Companies concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

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- b) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all warranties and guarantees, if any, issued by the Transferor Companies to its customers on the sale of products and rendering of services, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and be recognised and discharged by the Transferee Company fully and effectually as if, instead of the Transferor Companies concerned, the Transferee Company had been a party or obligee thereto or thereunder.
- c) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the assets occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Companies are the party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- d) Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- e) The Transferee Company will be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.

4.4 Transfer and Vesting of Liabilities

- a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Companies including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Companies of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and

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vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of the Clause 4.4.

- b) Where any such debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date have been discharged by such Transferor Companies on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Companies and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.5 Employees of Transferor Companies

- a) There are no employees on the payroll of Transferor Company 1.
- b) Upon the coming into effect of this Scheme, all Employees of the Transferor Company 2 shall be deemed to have become the employees of the Transferee Company, on the same terms and conditions and shall not be less favourable than those on which they are engaged by the Transferor Company 2 and without any interruption or break in service as a result of the amalgamation of the Transferor Company 2 with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company 2 and such benefits to which the Employees are entitled in the Transferor

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Company 2 shall also be taken into account and paid (as and when payable) by the Transferee Company.

- c) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company 2 with any of its Employees .
- d) In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company 2 for its Employees or to which the Transferor Company 2 is contributing for the benefit of its Employees (including government provident fund or other employee benefit fund), herein collectively referred to as the "Funds" are concerned, the Funds shall be transferred to the respective trusts/funds of the Transferee Company, set up in accordance with Applicable Law and, including the obligation to make contributions to the said trusts/funds in accordance with the provisions of such trusts/funds, by-laws, etc. In respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company 2 as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

4.6 Transfer of Legal and other Proceedings

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

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party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

- d) Without prejudice to other clauses within this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered intra-party transactions for all purposes from the Appointed Date.

4.7 Taxation related provisions:

- a) The Scheme has been drawn up to comply with and fall within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and other applicable provisions of the Income Tax Act, 1961 ("IT Act"), as amended. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified/amended/alterd to the extent determined necessary to comply with and fall within definition and conditions relating to "Amalgamation" as specified in the IT Act. In such an event, the inconsistent Clauses shall be read down or if the need arises, be deemed to be deleted and such modification / reading down or deemed deletion shall however not affect the other parts of the Scheme.
- b) All the expenses incurred by the Transferor Companies and Transferee Company in relation to the amalgamation of the Undertaking with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as a deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.
- c) Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company are expressly permitted to revise, its financial statements and returns (including tax deducted at source ("TDS") or tax collected at source ("TCS") returns) along with prescribed forms, filings and annexures (including but not limited to TDS certificates) under the IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), central sales tax, applicable state value added tax, entry tax, octroi, local tax laws, service tax laws, excise and central value added tax ("CENVAT") duty laws, customs duty laws, if required, to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired. The Transferee Company is also expressly permitted to claim refunds/credits in respect of any transaction by and between the Transferor Companies, and the Transferee Company. With respect to the TDS certificates issued in the name of Transferor Companies after the Appointed Date, the same will be deemed to be issued in the name of the Transferee Company for the income tax purposes.
- d) Upon the Scheme becoming effective, the Transferee Company shall be entitled to (i) claim deductions with respect to provisions, expenses, etc., disallowed in earlier



years in the hands of the Transferor Companies, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date; and (ii) exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferor Companies prior to the Appointed Date.

- e) With effect from the Appointed Date, the Transferee Company is expressly permitted to claim any deduction (including deferred revenue expenditure, whether or not recorded for tax purposes) otherwise admissible such as under Sections 40, 40A, 43B, etc. of the IT Act/ exemption/entitlements, refunds and/or input tax credit/ CENVAT, credit for taxes paid (including MAT, TDS/TCS, income tax including advance tax, self-assessment tax, dividend distribution tax, carry forward of accumulated losses, unabsorbed depreciation, foreign tax credit, etc.) and for matters incidental thereto under IT Act, central sales tax, applicable state value added tax, service tax laws, local body tax, entry tax, excise duty, and CENVAT duty laws, custom duty laws, and other applicable tax laws which are otherwise available to the Transferor Companies as a result of its affairs or from the conduct of others which have amalgamated with it.
- f) All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date by the Transferor Companies. In the event of the Transferor Companies failing to continue or enforce any proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.
- g) Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Undertaking with the Transferee Company or anything contained in the Scheme.
- h) Any tax liabilities under the IT Act, service tax laws, excise duty laws, central sales tax, custom duty laws, local body tax, entry tax, wealth tax, GST Act, applicable state value added tax laws or other Applicable Laws dealing with taxes/duties or levies of the Transferor Companies 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 or stand transferred to the Transferee Company. Any surplus in the provision for taxation/duties or levies account including advance tax, foreign tax credit, MAT credit and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- i) Any refund (including interest, if any) under the IT Act, service tax laws, excise duty laws, central sales tax, customs duty, goods and services tax laws, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies due to the Transferor Companies consequent to the assessment made on Transferor Companies and for which no credit is taken in the accounts as on the

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date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

- j) The tax payments (including, without limitation income tax, including advance tax, self-assessment tax, dividend distribution tax, MAT, service tax, excise duty, central sales tax, customs duty, local body tax, entry tax, wealth tax, goods and services tax, applicable state value added tax, etc.) whether by way of TDS/TCS, foreign tax credit, advance tax, all earnest monies, security deposits, provisional payments, payment under protest, or otherwise howsoever, by the Transferor Companies after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for taxes paid are in the name of the Transferor Companies and not in the name of the Transferee Company.
- k) Further, any TDS by the Transferor Company 1/Transferor Company 2/ Transferee Company on transactions with the Transferee Company / Transferor Company 1/ Transferor Company 2, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly
- l) Obligation for TDS on any payment made by or to be made by the Transferor Companies under the IT Act, service tax laws, excise duty laws, central sales tax, customs duty, goods and service tax laws, applicable state value added tax laws or other applicable laws dealing with taxes/ duties or levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- m) Without prejudice to the generality of the above, all benefits, entitlements, incentives, accumulated losses, and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of accounts, credits, registrations (including, without limitation income tax, minimum alternate tax, TDS/TCS, taxes withheld/paid in a foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty, goods and services tax, CENVAT, registrations, etc.) to which the Transferor Companies are entitled to in terms of Applicable laws, shall be available to and vest in the Transferee Company upon this Scheme coming into effect
- n) Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Companies on or after Appointed Date shall be deemed to be made by the Transferee Company
- o) All deductions otherwise admissible to the Transferor Companies including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B etc. of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Companies.

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- p) The accumulated losses and the allowance for unabsorbed depreciation of the Transferor Companies shall be deemed to be loss and the allowance for unabsorbed depreciation of the Transferee Company in accordance with Section 72A of the IT Act.
- q) Further, the losses and unabsorbed depreciation as per books of account of the Transferor Companies as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax payable by the Transferee Company.
- r) Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, taxes withheld/ paid in a foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax, etc.) to which the Transferor Companies are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.
- s) The Transferor Company 1, Transferor Company 2 and Transferee Company shall be entitled to file/revise its respective income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, dividend distribution tax credits, credit of foreign taxes paid/ withheld, excise, service tax credits, set off, balance of input tax credit under goods and services tax(as on effective date), etc., if any, as may be required consequent to implementation of this Scheme.

Section 2 – Conduct of Business

5. Conduct of Business till effective date

5.1. From the date on which the Boards of Directors of the Transferor Companies and the Transferee Company approve this Scheme until the Effective Date:

- a. The Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- b. The Transferor Companies shall carry on their business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of

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its assets nor incur or accept or acknowledge any debt, make borrowings, obligation or liability except as is necessary in the ordinary course of business.

- c. All profits and income accruing or arising to the Transferor Companies, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company.
- d. All debts, liabilities, duties and obligations of the Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in its books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.
- e. Any of the rights, powers, authorities or privileges exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- f. All taxes (including, without limitation, income tax, minimum alternate tax, sales tax, service tax, VAT, excise and custom duties, foreign taxes, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the Transferor Companies before the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, sales tax, service tax, VAT, excise and custom duties, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the Transferor Companies with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

5.2. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Companies.

6. Consideration and Cancellation of share capital of Transferor Companies

6.1. As the Transferor Companies are wholly owned subsidiary companies of the Transferee Company, the entire issued, subscribed and paid up share capital of Transferor Companies are held by the Transferee Company. Upon this Scheme becoming effective, Transferee Company would not be required to issue and allot any shares to the shareholders of Transferor Companies.



6.2. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the wholly owned subsidiary companies of the Transferee Company in the Transferor Companies and the stated capital/issued and paid-up capital of the Transferor Companies shall stand cancelled on the Effective Date. The said cancellation of the existing share capital of the Transferor Companies shall be effected as an integral part of this Scheme. It is hereby clarified that no consideration shall be discharged by the Transferee Company pursuant to amalgamation with Transferor Companies.

6.3. Pending sanction of the Scheme, the Transferor Companies shall not, except by way of issue of shares / convertible debentures to the Transferee Company, increase their capital (by fresh issue of shares, convertible debentures or otherwise).

7. Dividends

- a) The Transferor Companies and Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.
- b) On and from the Effective Date the profits, if any of the Transferor Companies, for the period beginning from the Appointed Date, shall belong to and be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.
- c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Transferor Companies and Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Board of Directors of Transferor Companies and Transferee Company, subject to such approval of the shareholders, as may be required.

Part III – Other terms and Conditions applicable to the Scheme

This Scheme is in compliance with the provisions/requirements of Sections 230 to 232 of the Act, for the purpose of Amalgamation of the Transferor Companies into the Transferee Company and other related arrangements and compromise, including reorganization of shareholding, etc., amongst the Transferor Companies with the Transferee Company and/or their respective shareholders and creditors.

8. Accounting and Tax Treatment

8.1. Tax Treatment

- a) The Scheme has been drawn up to comply with and fall within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and other applicable provision of the IT Act, as amended. If any terms or provisions of the

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Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified/amended/alterd to the extent determined necessary to comply with and fall within definition and conditions relating to "Amalgamation" as specified in IT Act. In such an event, the Clauses which are inconsistent shall be read down or if the need arises, be deemed to be deleted and such modification / reading down or deemed deletion shall however not affect the other parts of the Scheme.

8.2 Accounting Treatment

Notwithstanding anything to the contrary in the other parts of the scheme, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as applicable on the Appointed Date.

- a) The Transferor Companies and Transferee Company, all being the entities under common control, shall account for the amalgamation in its financial statements in accordance with the "Pooling of Interest Method" laid down by Appendix C of Ind AS 103 - Business combinations prescribed under Section 133 of the Act and other generally accepted accounting principles read with relevant clarifications issued by Institute of Chartered Accountants of India (ICAI).
- b) The Transferee Company, shall upon the Scheme coming into effect, record all the assets (including goodwill), liabilities and reserves of the Transferor Companies vested in it pursuant to this Scheme, at their existing carrying amounts and in the same form as appearing in the consolidated financial statements of the Transferee Company.
- c) On this Scheme becoming effective, the financial information in the financial statements of the transferee company in respect of prior periods will be restated as if Amalgamation had occurred from (a) the beginning of the preceding period in the financial statements or (b) the date when control was acquired, whichever is later.

In respect of accounting for subsequent events, if any, the Transferee Company shall follow the requirements of Ind AS 10 - 'Events after the Reporting Period' in order to give effect to the Scheme. Accordingly, if the approval of the Tribunal for the Scheme is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 - 'Events after the Reporting Period'.

9. Resolutions

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to



the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

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

10. Savings of concluded transactions

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

11. Dissolution of the Transferor Companies

- a) Upon the coming into effect of this Scheme, the Transferor Companies shall stand dissolved without winding up without any further act or deed.
- b) Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor in so far as may be necessary until the transfer and vesting of rights and obligations of the Transferor Companies to the Transferee Company under this scheme is formally effected by the parties concerned.

12. Conditionality

The effectiveness of the Scheme is conditional upon and subject to:

- (i) the requisite sanction or approval of the Appropriate Authorities of India being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required.
- (ii) this Scheme being approved by the respective requisite majorities of shareholders of the Transferor Companies and the Transferee Company (as may be required and/or to the extent not dispensed with by the Appropriate Authorities) and the requisite orders of the Tribunal being obtained;
- (iii) the certified copy of the order of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Companies and the Transferee Company;

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(iv) such other approvals and sanctions as may be required by Applicable Law in respect of this Scheme being obtained.

13. Effect of Non-Receipt of Approvals/Sanctions

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

The Board of Directors of the Transferor Companies and Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

The Board of Directors of the Transferor Companies 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-amalgamation.

14. Applications/Petitions to Tribunal

The Transferor Companies and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the Tribunal under Section 230 to 232 and other applicable provisions, of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of its respective members and/or creditors and for sanctioning of this Scheme by the Tribunal.

15. Modifications or amendments to the Scheme

- 15.1. Subject to the approval of the Tribunal, the Transferor Companies and the Transferee Company, through their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or subcommittee thereof, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Companies and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect.



- 15.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Companies or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.
- 15.3. The Transferor Companies and the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Tribunal, or any other authority is not on terms acceptable to them.
- 15.4. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or its shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.
- 15.5. If any provision of this Scheme becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Scheme, and the Transferor Companies and the Transferee Company will negotiate in good faith to agree to replace such illegal, void, or unenforceable provision of this Scheme with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision or act in accordance with a judgment, order, decree, or declaration made by a court of competent jurisdiction. The balance of this Scheme shall be enforceable in accordance with its terms.

16. Listing Regulations

Pursuant to the SEBI Master Circular, the present Scheme being a Scheme of Arrangement for the amalgamation of wholly owned subsidiaries with the Holding Company, provisions of the said SEBI Master Circular will not be applicable. However, the draft Scheme shall be filed with the Stock Exchanges for the purpose of disclosure for dissemination purposes.

17. Sequencing of Events

Upon the sanction of this Scheme, and upon the Scheme becoming effective, the following shall be deemed to have occurred/shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder

- (i) Amalgamation of Transferor Companies into and with Transferee Company in accordance with the Scheme.
- (ii) Dissolution of Transferor Companies without winding up in accordance with Clause 11 of this Scheme.

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18. Costs, Charges and Expenses

All costs, charges, fees, taxes including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms & conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company. All such costs, charges, fees, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of the Transferee Company.

CERTIFIED TO BE TRUE COPY

For Sleek International P Ltd.



[Signature]
Authorized Signatory

CERTIFIED TO BE TRUE COPY

For MAXBHUMI DEVELOPERS LIMITED

[Signature]
Director

CERTIFIED TO BE TRUE COPY

For ASIAN PAINTS LIMITED

[Signature]
R J JEYAMURUGAN
CFO & COMPANY SECRETARY