



January 11, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Fort
Mumbai 400 001

National Stock Exchange of India Limited
“Exchange Plaza”
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Scrip Code No. 506076 (BSE)

Symbol: GRINDWELL

Dear Sirs/Madam,

Sub: Disclosure under Regulation 30 of SEBI (LODR) Regulations 2015 on the status of the Scheme of Amalgamation of PRS Permacel Private Limited, Wholly Owned Subsidiary with Grindwell Norton Limited, its Listed Parent and their respective shareholders

Further to our letter dated July 29, 2022, we would like to inform you that NCLT Mumbai bench vide its Orders released on its website on January 10, 2023, has dispensed with the meeting of shareholders and creditors and directed to serve notices to applicable regulatory authorities as a part of the NCLT process.

In this regard, we enclose herewith the NCLT Orders and further to this we once again enclose the copy of the scheme.

The copy of the scheme along with the NCLT Orders are also uploaded on the website of the Company at www.grindwellnorton.co.in.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Grindwell Norton Limited**

K. Visweswaran
Company Secretary
Membership No. A16123

Encl: As above.

NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

(SPECIAL BENCH)

COURT III

5. C.A. 639/2022

IN

C.A.(CAA)/212/MB/2022

CORAM: SH. KULDIP KUMAR KAREER, MEMBER (J)

SH. SATYA RANJAN PRASAD, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON **09.12.2022**

NAME OF THE PARTIES: GRINDWELL NORTON LIMITED.

SECTION 230(I) OF COMPANIES ACT, 2013

ORDER

Mr. Hemant Sethi, counsel for the Applicant is present through virtual hearing.

C.A. 639/2022

Ld. Counsel Mr. Hemant Sethi, appearing for the Applicant and submits that the above application is filed for rectification of typographical error in the order dated 06.10.2022 passed by this Bench wherein, the 5th line of Paragraph 8 of the order, the word “unsecured creditors” shall stand replaced by “Secured Creditors”.

After hearing the submission, the above application is allowed and stand disposed of.

Sd/-
SATYA RANJAN PRASAD
Member (Technical)
//SGP//

Sd/-
KULDIP KUMAR KAREER
Member (Judicial)

NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

COURT III

33. C.A.(CAA)/212/MB/2022

CORAM: SHRI H. V. SUBBA RAO, MEMBER (J)
SMT ANURADHA SANJAY BHATIA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **06.10.2022**

NAME OF THE PARTIES: GRINDWELL NORTON LIMITED

SECTION 230(I) OF COMPANIES ACT, 2013

ORDER

Mr. Hemant Sethi, counsel for the Petitioner is present through virtual hearing.

C.A. (CAA)/212/MB/2022

Heard the counsel appearing for the Petitioner and the above Application is allowed. Detail order would follow:

Sd/-
ANURADHA SANJAY BHATIA
Member (Technical)
//SGP//

Sd/-
H. V. SUBBA RAO
Member (Judicial)

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT III**

C.A.(CAA)/212/(MB)/2022

In the matter of the Companies Act, 2013 (18 of
2013)

AND

In the matter of Sections 230 to 232 other
applicable provisions of the Companies Act,
2013 and Rules framed there under as in force
from time to time;

AND

In the matter of Scheme of Amalgamation (by
way of merger by Absorption) of PRS
PERMACEL PRIVATE LIMITED, the
Transferor Company with GRINDWELL
NORTON LIMITED, the Transferee Company.

PRS PERMACEL PRIVATE LIMITED,)
CIN: U74999MH1999PTC120475,)
a company incorporated under the Companies Act,)
1956, having its registered office at: 5th Level,)
Leela Business Park, Marol Andheri-Kurla Road,) First Applicant Company /
Andheri (East), Mumbai 400 059.)Transferor Company

GRINDWELL NORTON LIMITED,)
CIN: L26593MH1950PLC008163,)
a company incorporated under the Companies Act,)
1913, having its registered office at: 5th Level,)
Leela Business Park, Andheri-Kurla Road, Andheri) Second Applicant Company /
(East), Mumbai 400 059.)Transferee Company

(First Applicant Company and Second Applicant Company are together referred to as “Applicant Companies”)

Order pronounced on: 06.10.2022

Coram:

Hon’ble Shri H.V. Subba Rao, Member (Judicial)

Hon’ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

Appearances (via videoconferencing):

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

ORDER

1. The Court convened by videoconference today.
2. The Learned Counsel for the Applicant Companies states that the present Scheme of Merger by Absorption is amalgamation of a wholly owned subsidiary namely, PRS PERMACEL PRIVATE LIMITED (Transferor Company) with its holding company namely Grindwell Norton Limited (‘the Transferee Company’) and their respective Shareholders (‘the Scheme’ or ‘this Scheme’), under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.
3. The Learned Counsel for the Applicant Companies states that the resolutions passed by the Board of Directors of the respective Transferor Company and

Transferee Company in their meeting held on July 29, 2022 approved the Scheme. The Appointed Date fixed under the Scheme is 27th May, 2022.

4. The Learned Counsel for the Applicant Companies further submit that the Transferor Company is a wholly owned subsidiary of the Transferee Company / Second Applicant Company and entire share capital of the Transferor Company is held by the Transferee Company alongwith its nominees. Upon the Scheme being effective the Transferee Company / Second Applicant Company would not be required to issue and allot any shares to the shareholders of the Transferor Company.
5. The Learned Counsel for the Applicant Companies further submits the introduction and rationale for the Scheme:-

The Transferor Company

The Transferor Company is authorized to carry on, inter alia, the business of manufacturing and trading of self-adhesive tapes and labels. The Transferor Company is a wholly owned subsidiary of the Transferee Company / Second Applicant Company.

The Transferee Company

The Transferee Company is a listed company having its shares listed on BSE Limited and National Stock Exchange of India Limited and it is currently engaged in the business of manufacturing of grinding wheels in India as well as business of abrasives, ceramic materials businesses (silicon carbide and performance ceramics and refractories) and performance plastics.

Rationale of the Scheme:

The objects/ rationale of the proposed Scheme is as under:

- With the ultimate objective of acquiring the ongoing business carried on by the Transferor Company and thereby broadening the product portfolio and alignment with global business interests, the Transferee Company entered into a Share Purchase Agreement dated 12th May, 2022 with the erstwhile shareholders of Transferor Company to acquire 100% of the equity shares

of the Transferor Company. This acquisition was completed on 27th May 2022 as a stepping-stone towards acquisition of the business undertaken by the Transferor Company.

- Pursuant to the above referred acquisition, the main objective of Transferor Company is similar to one of the main objectives of Transferee Company and they form part of the same management. Thus, with a view to achieve the main objective of consolidation of business carried on by the Transferor Company and in order to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to amalgamate Transferor Company into the Transferee Company.
 - The amalgamation of Transferor Company into the Transferee Company shall enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.
 - The Scheme will neither impose any additional burden on the shareholders of the Transferor Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Company and Transferee Company. Further, the Scheme is only for merger by absorption of the Transferor Company with the Transferee Company and is not an arrangement with the creditors of any of the entities involved.
6. The Learned Counsel for the Applicant Companies submits that there are 7 (seven) Equity Shareholders (including 6 nominee shareholders) in the First Applicant Company and that the First Applicant Company has procured the consent affidavits from all the Equity Shareholders of the First Applicant Company which have been filed with the Company Application and are annexed to the Joint Company Scheme Application.
7. In view of the fact that all the Equity Shareholders of the Transferor Company have given their consent affidavits, the meetings of the Equity Shareholders of the Transferor Company is hereby dispensed with.

8. The Learned Counsel for the Applicant Companies submits that as on June 30, 2022 there are 2 (two) Secured Creditors of value Rs 12,98,04,638/- in the First Applicant Company. As per Section 230(9) of the Companies Act, 2013, we hereby direct the Applicant Companies to obtain consent of at least ninety percent (90%) of the value of unsecured creditors before the final hearing of the Application or is directed to hold meeting as per Section 230(3) of the Companies Act, 2013.
9. The Learned Counsel for the Applicant Companies submits that as on June 30, 2022 there are 1 (one) Secured Creditor of value Rs 90,33,561/- in the Second Applicant Company/Transferee Company and that the Second Applicant Company has procured their consent affidavit from such Sole Secured creditor which has been filed before this Tribunal *vide* Additional Affidavit dated 26 August 2022.
10. The Learned Counsel for the Applicant Companies submits that as on June 30, 2022 there are 230 (Two Hundred and Thirty) Unsecured Creditors having aggregate value of Rs. 21,61,39,112/- of the First Applicant Company / Transferor Company and there are 1,845 (One Thousand Eight Hundred and Forty-Five) Unsecured Creditors of the value of Rs. 2,49,31,46,256/- of the Second Applicant Company / Transferee Company as on 30 June 2022. The Learned Counsel for the Applicant Companies further submits that the present Scheme is an arrangement between Applicant Companies and their respective shareholders as contemplated under section 230(1)(b) of the Companies Act, 2013 as there is no compromise or arrangement with any of the creditors and the rights of creditors are not affected, all the unsecured creditors would be paid off in the ordinary course of business. Therefore, no meeting of unsecured creditors of the Transferor Company is required to be convened. The Transferor Company undertakes to intimate all its unsecured creditors as on 30, June by sending notices through R.P.A.D or by Email or by Speed Post or Registered Post or by Courier or Hand Delivery of the proposed scheme with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such intimation to the Tribunal with copy of such representations shall simultaneously be served upon the

respective Applicant Company, failing which, it shall be presumed that they have no representations to make on the proposed Scheme.

11. The Learned Counsel for the Transferee Company / Second Applicant Company respectfully further submits that:
 - a. The entire share capital of the Transferor Company is directly held by the Transferee Company / Second Applicant Company along with its nominees. Thus, the entire economic interest of the Transferor Company is held by the Transferee Company / Second Applicant Company;
 - b. In case of Transferor Company; being a merger of wholly owned subsidiary company into its holding company, no shares would be issued or allotted pursuant to the Scheme;
 - c. The rights of the creditors of the Transferee Company / Second Applicant Company are not affected since there will be no reduction in their claims and the assets of the Transferee Company / Second Applicant Company, post-merger, will be more than sufficient to discharge their claims;
 - d. The net worth of the Transferee Company / Second Applicant Company is and will continue to remain highly positive. Further, the net worth of the Transferee Company / Second Applicant Company is highly positive in comparison to the net worth of the Transferor Company;
 - e. Further, under the Scheme there is no compromise or arrangement with the shareholders or the creditors of the Transferee Company / Second Applicant Company. Therefore, the proposed Scheme is not prejudicial to the interest of the shareholders or the creditors of the Transferee Company / Second Applicant Company.

12. The Learned Counsel for the Applicant Companies respectfully submits that in view of the above, no reconstruction or arrangement is proposed by the Transferee Company / Second Applicant Company either with its shareholders or with its creditors, and thus, it does not require to hold either shareholders meeting or creditors meeting for approval of the proposed Scheme. It is respectfully submitted that the Hon'ble High Court of Judicature at Bombay in the case of Mahaamba Investments Limited V/s. IDI Limited (2001) 105 Company Cases page 16 to 18 inter alia observed and held that if the Scheme

of Amalgamation provides for no issue of equity shares to the members of the transferor company, being a wholly owned subsidiary of the transferee company and the creditors of the transferee company, are not likely to be affected by the scheme, a separate Petition by the transferee company was not necessary. The Hon'ble National Company Law Appellate Tribunal in the case of DLF Phase-IV Commercial Developers Limited & Ors, In Company Appeal (AT) No. 180 of 2019, Ambuja Cements Limited, In Company Appeal (AT) No. 19 of 2022, and Patel Engineering Limited, In Company Appeal (AT) No. 137 of 2022, Eurokids India Private Limited in CSA No. 911 of 2014 passed by SJ Kathawalla, J of Bombay High Court in the similar facts have taken similar view. The facts in the present case are similar to the facts of the above cases.

13. Based on the above, this Bench is of the view that the meeting of the Shareholders and Creditors of the Transferee Company / Second Applicant Company are hereby dispensed with since the Transferor Company are wholly-owned subsidiaries of the Transferee Company / Second Applicant Company. The Learned Counsel for the Transferee Company / Second Applicant Company further clarifies that the Transferee Company / Second Applicant Company will file petition and comply with the provisions of service of notices upon all the concerned Regulatory Authorities by sending notices through R.P.A.D or by Email or by Speed Post or Registered Post or by Courier or Hand Delivery of the proposed scheme with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such intimation to the Tribunal with copy of such representations shall simultaneously be served upon the respective Applicant Company, failing which, it shall be presumed that they have no representations to make on the proposed Scheme .
14. The Applicant Companies are accordingly directed to serve notices along with copy of scheme upon:-
 - i. Concerned Income Tax Authorities within whose jurisdiction the Applicant Company's assessments are made i.e. for the Transferor Company at AO Circle1(2)(1), Range 412 AAYKAR BHAWAN, New

Marine Lines, Mumbai 400 020, Mumbai, having PAN No. AABCP4401A, for the Transferee Company, at Dy. Commissioner of Income Tax Circle (1)(3)(1) 5th floor Aayakar Bhawan New Marine Lines Mumbai 400020, having PAN No. 020AAACG8725B,

- ii. The Central Government through the office of Regional Director, Western Region, Mumbai,
- iii. Registrar of Companies, Mumbai
- iv. Securities and Exchange Board of India (SEBI) (only in case of the Transferee Company / Second Applicant Company),
- v. BSE Limited (only in case of the Transferee Company / Second Applicant Company) and
- vi. National Stock Exchange of India Limited (NSE) (only in case of the Transferee Company / Second Applicant Company),

pursuant to sub-section (5) of Section 230 of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, through R.P.A.D or by Email or by Speed Post or Registered Post or by Courier or Hand Delivery with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the respective Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposed Scheme.

15. The Transferor Company is also directed to serve notice upon Official Liquidator, High Court, Bombay, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 through R.P.A.D or by Email or by Speed Post or Registered Post or by Courier or Hand Delivery. The Tribunal is appointing the Chartered Accountant Mr. Subhodh Bhandari; having address at B-106, Nittal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400 021; having Mobile No. (+91) 9820830065 and Email: subodhis@gmail.com to assist the Official Liquidator to scrutinize the books of accounts of the said Transferor Company for the last three years and submit its report to the Tribunal. The Transferor Company to pay fees of Rs. 2,00,000/- for this

purpose. If no representation/response is received by the Tribunal from Official Liquidator, High Court, Bombay within a period of 30 (thirty) days from the date of receipt of such notice, it will be presumed that he has no representation / objection to the proposed Scheme as per rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

16. The Applicant Companies to file affidavit of service in the Registry proving dispatch of notices to the Regulatory Authorities and dispatch of notices to creditors of the Transferor Company and to report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

Anuradha Sanjay Bhatia
Member (Technical)

Sd/-

H.V. Subba Rao
Member (Judicial)

SCHEME OF MERGER BY ABSORPTION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013
OF
PRS PERMACEL PRIVATE LIMITED
(TRANSFEROR COMPANY)
WITH
GRINDWELL NORTON LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

This Scheme of Merger by Absorption (herein after referred to as “*the Scheme*”) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for Merger by absorption of PRS Permacel Private Limited (**Transferor Company**) with Grindwell Norton Limited (**Transferee Company**). The Scheme of Merger by Absorption has been formulated and presented under Sections 230 to 232 and other applicable sections of the Companies Act, 2013.

1. **Background of companies**

1.1 **Transferor Company**

PRS Permacel Private Limited (hereinafter referred to as “**PRS**” or the “**Transferor Company**”) is a private limited company bearing CIN - U74999MH1999PTC120475, a company incorporated under the Companies Act, 1956 on the 22nd June, 1999. The Registered Office of the company is situated at Level 5, Leela Business Park, Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400 059, Maharashtra, India. It is primarily engaged in the business of manufacturing and trading of self-adhesive tapes and labels.

1.2 **Transferee Company**

Grindwell Norton Limited (hereinafter referred to as “**Grindwell**” or the “**Transferee Company**”) is a public limited company bearing CIN - L26593MH1950PLC008163, a company incorporated under the Companies Act, 1913 on 31st July, 1950. The Registered Office of the company is situated at 5th Level, Leela Business Park, Andheri-Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra, India. The Company is listed on BSE Limited and National Stock



Exchange of India Limited. The Transferee Company is engaged in the business of manufacturing of grinding wheels in India as well as business of abrasives, ceramic materials businesses (silicon carbide and performance ceramics and refractories) and performance plastics.

2. **Rationale and purpose of the Scheme**

- 2.1. With the ultimate objective of acquiring the ongoing business carried on by the Transferor Company and thereby broadening the product portfolio and alignment with global business interests, the Transferee Company entered into a Share Purchase Agreement dated 12th May, 2022 with the erstwhile shareholders of Transferor Company to acquire 100% of the equity shares of the Transferor Company. This acquisition was completed on 27th May 2022 as a stepping-stone towards acquisition of the business undertaken by the Transferor Company.
- 2.2. Pursuant to the above referred acquisition, the main objective of Transferor Company is similar to one of the main objectives of Transferee Company and they form part of the same management. Thus, with a view to achieve the main objective of consolidation of business carried on by the Transferor Company and in order to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to amalgamate Transferor Company into the Transferee Company.
- 2.3. The amalgamation of Transferor Company into the Transferee Company shall enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.
- 2.4. The amalgamation of the Transferor Company into the Transferee Company with effect from the Appointed Date (as hereinafter defined) is in the interest of the shareholders, creditors, employees and other stakeholders of the Transferor Company and the Transferee Company. Further, there is no likelihood that any creditor of the Transferor Company or the Transferee Company will be prejudiced as a result of the Scheme.
- 2.5. The Scheme will neither impose any additional burden on the shareholders of the Transferor Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Company and Transferee Company. Further, the Scheme is only for merger by absorption of the Transferor Company with the Transferee Company and is not an arrangement with the creditors of any of the entities involved.
- 2.6. The Scheme is divided into the following sections:



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Part A	Dealing with Definitions, Date of taking effect and Share Capital;
Part B	Dealing with the Transfer & Vesting of Transferor Company into Transferee Company, Consideration and cancellation of share capital of PRS, Accounting Treatment, and Books & Records of Transferee Company;
Part C	Dealing with General Terms and Conditions of the Scheme.

PART A
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 **'Act'** or **'the Act'** means the Companies Act, 2013 and rules framed thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force as the case may be.
- 1.2 **'Appointed Date'** means 27th May, 2022 for merger of PRS into Grindwell.
- 1.3 **'Board of Directors'** means and includes the respective Board of Directors of PRS and Grindwell as the case may be, or any committee constituted by the Board of Directors of any of the respective Companies for the purpose of this Scheme.
- 1.4 **'Effective Date'** means the date or last of the dates on which the certified / authenticated copy of the order of the National Company Law Tribunal, Mumbai (**"NCLT"**) sanctioning this Scheme is filed with the Registrar of Companies, in Mumbai by the Transferor Company and the Transferee Company.
- 1.5 **'Government'** means any applicable Central, State Government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.
- 1.6 **'NCLT'** means the National Company Law Tribunal, Mumbai Bench having jurisdiction over PRS and Grindwell for the purpose of approving any Scheme of compromises, arrangement and merger of companies under Sections 230 to 232 and other applicable sections of the Companies Act, 2013.
- 1.7 **'Registrar of Companies'** means Registrar of Companies in Mumbai for Transferor Company and Transferee Company.



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- 1.8 **'Scheme of Merger by absorption'** or **'Scheme'** or **'the Scheme'** or **'this Scheme'** or **'Scheme of Amalgamation'** means this Scheme of Merger by absorption in its present form with any modification(s) made under Clause 19 of Part C of this Scheme as approved or directed by the NCLT for the amalgamation of Transferor Company into the Transferee Company.
- 1.9 **'Transferor Company'** means PRS Permacel Private Limited and shall have the meaning assigned in Clause 1 of the Preamble of this Scheme and shall include but not be limited to:
- a. All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (freehold or leasehold), all plant and machinery, fixed assets, work in progress, current assets, provisions, funds, owned, leased, licenses, registrations, certificates, permissions, consents, approvals from the Government, state, central, municipal or any other authority for the time being in force, concessions, remissions, remedies, subsidies, guarantees, bonds, rights and licenses, tenancy rights, premises, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, technology / technical agreements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, any commercial intangibles whether recorded in the books of Transferor Company or not, non- compete fee, benefit and advantage, deposits including security deposits, preliminary expenses, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax and other credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, tax deducted at source, tax collected at source, value added tax, central sales tax, sales tax, CENVAT, excise duty, service tax, goods and service tax etc.), all losses (including but not limited to brought forward tax losses, tax unabsorbed depreciation, brought forward book losses, unabsorbed depreciation as per books), tax benefits and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date;
- b. All intangible assets in the nature of intellectual property rights including patents, designs, copyrights, trademarks, brands (whether registered or otherwise), records, files, papers, computer programs, manuals, data, catalogues, sales material, lists, customers and suppliers, other customer information and all other records and documents relating to the Transferor Company business activities and operations;



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- c. Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Government, and in respect of set-off, carry forward of unabsorbed losses and/ or unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said statute(s) or under and in accordance with any law or statute, whether in India or anywhere outside India;
- d. All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining those Transferor Company only as are vested in Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the merger and Transferee Company shall not be obliged to create any further or additional security thereof after the merger has become effective;
- e. All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment; and
- f. All employees, as on the Effective Date, engaged by the Transferor Company at various locations.

It is intended that the definition of "Transferor Company" under this clause will enable the transfer of all undertaking, property, assets, rights, duties, obligations, licenses, approvals, entitlements, benefits, employees and liabilities of Transferor Company into Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Companies Act 2013, the Income-Tax Act, 1961, or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved



K. [Signature]

or imposed or directed by the NCLT, unless otherwise specified in the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the merger would have been deemed to be effective from the Appointed Date of this Scheme.

3. SHARE CAPITAL

- 3.1. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31st March, 2022 is as under:

Particulars	Amount (in Rs)
Authorised Share Capital	
80,00,000 Equity shares of Rs.10/- each	8,00,00,000
20,00,000 Preference shares of Rs. 10/- each	2,00,00,000
TOTAL	10,00,00,000
Issued, Subscribed and Paid-up Share Capital	
49,99,000 Equity shares of Rs. 10/- each	4,99,90,000
TOTAL	4,99,90,000

- 3.2 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31st March, 2022 is as under:

Particulars	Amount (in Rs)
Authorised Share Capital	
11,20,00,000 Equity shares of Rs.5/- each	56,00,00,000
TOTAL	56,00,00,000
Issued, Subscribed and Paid-up Share Capital	
11,07,20,000 Equity shares of Rs. 5/- each	55,36,00,000
TOTAL	55,36,00,000

PART B

MERGER BY ABSORPTION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

- 4.1. Subject to the provisions of this Scheme in relation to modalities of Merger by Absorption, upon this Scheme being sanctioned by the NCLT along with the NCLT order thereof being filed with the respective Registrar of Companies by the Transferor Company and the Transferee Company, the Transferor Company, altogether with all its present and future properties, assets, investments, rights, obligations, liabilities, benefits and interest therein, whether known or unknown, shall amalgamate into and with Transferee Company, and all the present and



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future properties, assets, liabilities, investments, rights, obligations, liabilities, benefits and interest of the Transferor Company shall become the property of, and integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by Transferor Company on their properties and assets in favour of lenders, as going concern, by operation of law pursuant to the vesting order of National Company Law Tribunal sanctioning this Scheme, without any further act or deed required by either of the above, in particular, the Transferor Company shall stand amalgamated into and with the Transferee Company, in the manner described in sub-paragraph (a) to (o):

- a. Upon this Scheme coming into effect from the Appointed Date, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 to Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub-clauses (b),(c), (d) and (e) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the respective property or business/undertaking of Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations therein;
- b. Provided that for the purpose of giving effect to the vesting order passed under Section 232 in respect of this Scheme, the Transferee Company shall be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties in accordance with the provisions of the Act, at the office of the respective concerned authority, where any such property is situated;
- c. The mutation of the ownership or title, or interest in the immovable properties if any in favor of the Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof;
- d. All the movable assets including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 232 of the Act (as an integral part of the Transferor Company). The plant and machinery, which are fastened to land and / or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.
- e. In respect of all movables, other than those specified in sub-clause (c) and (d)



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above, including trade receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of the Act.

- f. In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement.
- g. All debts, liabilities (including deferred tax liability), duties, guarantees, indemnities and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet shall also, under the provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company on the same terms and conditions, as applicable, so as to become as from the Appointed Date the debts, liabilities, duties, guarantees, indemnities and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- h. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the creditors, or lenders, as the case may be, or in favor of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.
- i. The transfer and vesting of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.
- j. Provided however, that any reference in any security documents or arrangements (to which Transferor Company is a party) pertaining to the assets



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of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to the Transferor Company as is vested in the Transferee Company by virtue of the aforesaid clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company. Further, the filing of the certified copy of the order of the NCLT sanctioning this Scheme with the respective Registrar of Companies by the Transferor Company and the Transferee Company, shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

- k. All existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses, refunds available and other statutory benefits, including in respect of income tax (including tax deducted at source and advance tax), excise (including MODVAT/ CENVAT), customs, VAT, sales tax, service tax (including input credit), goods and service tax etc. which Transferor Company is entitled to shall be available to and vest in Transferee Company.
- l. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), granted by any Government body, local authority or by any statutory authority or any other person and availed of by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions as presently available to the Transferor Company.
- m. Upon coming into effect of this Scheme and till such time that the names of the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank account of the Transferor Company, in their names, in so far as may be necessary.
- n. With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copyrights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favor of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- o. With effect from the Appointed Date, any statutory licenses, permissions,



approvals and/ or consents held by the Transferor Company as required to carry on its 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 or any other person concerned therewith in favor of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company upon the Scheme coming into effect.

4.2. All registrations, benefits, incentives, exemptions etc. which the Transferor Company is eligible for and / or which are actually availed by the Transferor Company will be transferred to the Transferee Company upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and / or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc. as were availed by the Transferor Company.

4.3. The Transferee Company, under the provisions of this Scheme, is hereby authorized or be deemed to be authorized to execute all and any writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances in relation to the above mentioned clause(s), if required.

5. CONSIDERATION

5.1. Upon the Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the Undertaking of Transferor Company including all assets and liabilities of the Transferor Company in the Transferee Company in terms of this Scheme; the entire paid up share capital in the Transferor Company fully held by the Transferee Company (either held directly or through and/or its /nominee(s)) on the Effective Date shall be extinguished or shall be deemed to be extinguished and all such shares of the Transferor Company held by the Transferee Company (either in its own name or held in the name of its nominee(s)) shall be cancelled and shall be deemed to be cancelled without any further application, act or deed and no consideration will be paid and no shares will be issued by the Transferee Company, pursuant to the amalgamation of the Transferor Company into the Transferee Company.

6. ACCOUNTING TREATMENT

Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Company in its books of accounts as per 'Acquisition Method' in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standard as applicable, and notified under Section 133 of the 2013 Act, read with



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Rule 7 of the Companies (Accounts) Rules 2014 (as amended) in the following manner:

- 6.1. All the assets and liabilities of the Transferor Company and vested in the Transferee Company pursuant to the Scheme shall be recorded in the books of the Transferee Company at their respective fair values as on the Appointed Date.
- 6.2. Inter-company holdings and balances, if any, between the Transferee Company and the Transferor Company shall stand cancelled. Any inter-company balance(s) and inter-company investments, debts, borrowings (secured or unsecured), if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of Transferee Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.
- 6.3. The difference of the value of net assets recorded by the Transferee Company pursuant to Clause 6.1 after providing for adjustments as stated in Clause 6.2 above shall be recorded as goodwill. Shortfall, if any, shall be recorded as capital reserve.

7. **BOOKS AND RECORDS OF TRANSFEREE COMPANY**

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

PART C

GENERAL TERMS AND CONDITIONS

8. COMPLIANCE WITH TAX LAWS

- 8.1. This Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961 involving merger as aforesaid. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961.



- 8.2. On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961, (including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law, goods and service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits, etc., and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 8.3. The Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions, expenses, etc., (including but not limited to section 40, 40A, 43B etc., of Income-tax Act, 1961) disallowed in earlier years in the hands of the Transferor Company, which may be allowable to Transferor Company in accordance with the provisions of the Income-tax Act, 1961 on or after the Appointed Date: and (b) exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferor Company prior to the Appointed Date.
- 8.4. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the afore-mentioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 8.5. Any tax liabilities under the Income-tax Act, 1961, Customs Act 1962, Service Tax laws, Goods and Service Tax Laws and other applicable State Value Added Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 8.6. Any refund under the Income-tax Act, 1961, Customs Act 1962, Service Tax laws, Goods and Service Tax Laws and other applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company for which no credit is taken in the accounts as on the date immediately preceding the Appointed



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Date shall also belong to and be received by the Transferee Company.

- 8.7. All taxes/ credits including income-tax, tax on book profits, credit on Minimum Alternate Tax ("MAT") under section 115JAA of the Income-tax Act, 1961, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax or any other direct or indirect taxes as may be applicable, etc. paid or payable by the Transferor Company in respect of the operations and/ or the profits of the undertaking before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction at source, advance tax, MAT credit or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to Transferee Company / the Transferor Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 8.8. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, customs law, state value added tax, Goods and Service tax laws or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 8.9. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax on book profits, service tax, applicable state value added tax, goods and service tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.
- 8.10. In accordance with the Goods and Service Tax laws or the erstwhile VAT laws and the Service Tax Law as applicable and prevalent on the Appointed Date, the unutilized credits on inputs/ capital goods/ input services lying in the accounts of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company
- 8.11. Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, goods and service tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make



such provisions in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

- 8.12. Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the respective Registrar of Companies by the Transferor Company and the Transferee Company, shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

9. CONTRACTS, DEEDS, CONSENTS AND OTHER INSTRUMENTS

- 9.1. Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, instruments, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives (minimum alternative tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), remissions, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favor of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 9.2. Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, the Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 9.3. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and sanctions which the Transferee Company may require to own and operate the undertaking/business of Transferor Company.
- 9.4. The above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date. The Transferee Company accept and adopt all acts, deeds and things done and executed by the Transferor



Company in respect thereto as done and executed on behalf of itself.

10. LEGAL AND OTHER PROCEEDINGS

- 10.1. Upon the Scheme becoming effective, all legal and other proceedings including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the same manner and to the same extent as would have been continued and enforced by or against the Transferor Company.
- 10.2. Further, the aforementioned proceedings shall not abate or be discontinued nor in any way be prejudicially affected by reason of merger by way of absorption of the Transferor Company into the Transferee Company or anything contained in the Scheme.
- 10.3. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

11. STAFF, WORKMEN AND EMPLOYEES

- 11.1. On the Scheme coming into effect, all staff, workmen and employees (if any, including those on sabbatical / maternity leave) of the Transferor Company in service on the Effective Date shall stand transferred and vested and / or be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break or interruption in their service and on the terms and conditions not less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. The position, rank and designation of the employees would however be decided by the Transferee Company.
- 11.2. It is expressly provided that, in so far as the gratuity fund, provident fund and superannuation fund (hereinafter referred as "Fund or Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferor Company shall be substituted by the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Company under such Fund or Funds shall be protected, subject



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to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the Fund or Funds and for other benefits such as long service awards.

- 11.3. In so far as the Fund or Funds created or existing for the benefit of the employees of the Transferor Company is concerned, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Company to the corresponding Fund or Funds set up by the Transferee Company.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of Transferor Company under Clause 4 - Transfer And Vesting of Transferor Company into Transferee Company, the effectiveness of contracts and deeds under Clause 9 - Contracts, Deeds, Consents and Other Instruments above and continuance of proceedings by or against the Transferee Company under Clause 10 - Legal and Other Proceedings above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date. The Transferee Company accept and adopt all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

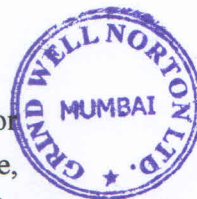
13. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEE COMPANY

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

- a. The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of whole of its business/undertaking of the Transferor Company, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- b. Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses (including brought forward losses, book losses, etc.) or taxes (including but not limited to advance tax, tax deducted at source, minimum alternative tax, credit, taxes withheld, etc.), incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

14. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 14.1. With effect from the Appointed Date and up to the Effective Date, the Transferor Company shall carry on their business and activities with reasonable diligence, business prudence and in the same manner as they have been doing hitherto in normal course.



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- 14.2. With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Company.
- 14.3. The Transferor Company shall continue to comply with the provisions of the Act, including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- 14.4. The Transferor Company shall not make any modification to its capital structure either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organization, or in any other manner whatsoever, except by mutual consent of the Board of Directors of Transferor Company and Transferee Company, as the case may be.

15. CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

- 15.1. Upon this Scheme becoming effective, the aggregate of Authorised Share Capital of Transferor Company as mentioned in Clause 3.1 i.e. Rs 10,00,00,000/- shall be added to the Authorised Share Capital of the Transferee Company and the Transferee Company shall accordingly increase its Authorised Share Capital and reclassify the shares into equity shares of the Transferee Company as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly relevant Clauses of the Memorandum of Association and Articles of Association of the Transferee Company (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended.
- 15.2. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration and reclassification of its Authorised Share Capital.
- 15.3. Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment in the Memorandum and Articles of Association of the Transferee Company, viz. Change in the Capital Clause shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14, 61 and 230 to 232 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.
- 15.4. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be



required under the Act.

16. DIVIDENDS AND PROFITS

16.1. The Transferor Company and the 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.

16.2. It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend which subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors and subject, wherever necessary, to the approval of the shareholders of the Transferee Company.

17. DISSOLUTION OF THE TRANSFEROR COMPANY

17.1. Pursuant to the Effective Date, the Transferor Company shall, without any further act or deed, matter or thing, stand dissolved without winding up.

17.2. Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Company and realize all the monies and complete and enforce all pending contracts and transactions in the name of Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligation of Transferor Company to the Transferee Company under this Scheme is formally effected by the parties concerned.

18. APPLICATIONS TO THE NCLT OR SUCH OTHER APPROPRIATE AUTHORITY

18.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make Applications to the NCLT or such other appropriate authority under Sections 230 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective shareholders of the Transferor Company and the Transferee Company as may be directed by the NCLT or such other appropriate authority.

18.2. On the Scheme being agreed to by the requisite majorities of the shareholders and of the Transferor Company and the Transferee Company, whether at a meeting or otherwise, as prescribed under law and / or as directed by the NCLT or such other appropriate authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the NCLT or such other appropriate authority for sanctioning the Scheme under Sections 230 to 232 of the Act, and for such other order or orders, as the said NCLT or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding-up.



19. MODIFICATIONS / AMENDMENTS TO THE SCHEME

19.1. The Transferor Company and the Transferee Company, through unanimous approval by their Board of Directors may consent on behalf of all persons concerned, to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in carrying out this Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect, including but not limited to withdrawal of the Scheme before the Scheme is approved by the NCLT.

19.2. For the purpose of giving effect to this Scheme or to any modification, amendment or condition thereof, the Board of Directors of the Transferee Company are authorized to give such directions and/or to take such step as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

20. CONDITIONALITIES TO THE SCHEME

20.1. This Scheme is conditional upon and subject to:

- a. The approval of the Scheme by the requisite majority of the shareholders of the Transferor Company and the Transferee Company, unless the meeting of the shareholders of either or both the companies is dispensed with by the order of the NCLT; and
- b. Sanctions under the provisions of Sections 230 and 232 of the Act and the necessary orders of NCLT under Section 232 of the Act being obtained and filed with the respective Registrar of Companies, by the Transferor Company and the Transferee Company.

21. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS AND / OR REVOCATION OF THE SCHEME

21.1. In the event of necessary sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.

21.2. In the event of revocation under Clause 21.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed.



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- 21.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme any time prior to the Effective Date.
- 21.4. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if the Board of Directors of the Transferor Company and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have an adverse implication(s) on all or any of the Transferor Company or the Transferee Company.
- 21.5. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and /or the Transferee Company, then in such case the Transferor Company and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

22. SEQUENCING OF EVENTS

Upon the sanction of this Scheme, and upon this 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;

- a. Amalgamation of Transferor Company into the Transferee Company in accordance with Part A and Part B of the Scheme; and
- b. Dissolution of Transferor Company without winding up in accordance with clause 17 of Part C of this Scheme.

23. REMOVAL OF DIFFICULTIES

The Transferor Company and the Transferee Company may, through mutual consent and acting through the respective board of directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the National Company Law Tribunal or any directives or orders of any governmental authorities or otherwise arising out of, under or by the virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

24. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court / governmental authority, or unenforceable under present or future laws, then it is the intention of



the Transferee Company and the Transferor Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferee Company and Transferor Company may, through mutual consent and acting through their respective board of directors, attempt to bring about appropriate modification to this Scheme, as will best preserve for each of them, the benefits and obligation of this Scheme, including but not limited to such part.

25. REPEAL AND SAVINGS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Effective Date, and that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deed and things done or executed by Transferor Company.

26. COSTS, CHARGES AND EXPENSES

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

For GRINDWELL NORTON LTD.


Authorised Signatories



CERTIFIED TRUE COPY