

**Ref. No.: 2020-21/117**

**March 09, 2021**

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
**Scrip Code: COROMANDEL**

BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
**Scrip Code: 506395**

Dear Sirs,

**Subject : Compliance under Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Amalgamation with wholly owned subsidiaries**

Vide our letter dated February 01, 2021, we had earlier informed about the approval of Board of Directors of the Company to the Scheme of Amalgamation of the wholly owned subsidiaries of the Company, viz., Liberty Pesticides and Fertilizers Limited and Coromandel SQM (India) Private Limited with Coromandel International Limited pursuant to Sections 230-232 of the Companies Act, 2013.

In this regard, and as required pursuant to Regulation 37(6) of the SEBI (LODR) Regulations, 2015, we are enclosing herewith the certified true copy of the draft Scheme of Amalgamation which is being filed with the Hon'ble National Company Law Tribunal, Hyderabad.

This is for your information and record.

Thanking you,

Yours faithfully  
For **Coromandel International Limited**



**Rajesh Mukhija**  
**Sr. Vice President - Legal**  
**& Company Secretary**



**SCHEME OF AMALGAMATION**  
**OF**  
**LIBERTY PESTICIDES AND FERTILIZERS LIMITED**  
**(TRANSFEROR COMPANY1)**  
**AND**  
**COROMANDEL SQM (INDIA) PRIVATE LIMITED**  
**(TRANSFEROR COMPANY2)**  
**WITH**  
**COROMANDEL INTERNATIONAL LIMITED**  
**(TRANSFEEEE COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**  
**UNDER SECTIONS 232 READ WITH 230 OF THE COMPANIES ACT,**  
**2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES**  
**ACT, 2013**

**1. PREAMBLE**

This Scheme of Amalgamation (hereinafter referred to as "Scheme") is presented under Sections 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof, if any] for the amalgamation of Liberty Pesticides and Fertilizers Limited ("**Transferor Company 1**") and Coromandel SQM (India) Private Limited ("**Transferor Company 2**") (hereinafter collectively referred to as the "**Transferor Companies**") with Coromandel International Limited [hereinafter referred to as the "**Transferee Company**"].

The Transferor Companies are wholly owned subsidiaries of the Transferee Company since the Transferee Company along with its nominees holds the entire share capital of each of the Transferor Companies.

**2. RATIONALE FOR THE SCHEME**

The Board of Directors of the Transferor Companies and Transferee Company envisage the following benefits pursuant to the Amalgamation of the Transferor Companies with the Transferee Company:

- 2.1 Currently, Transferor Company 1 has no business operations, other than holding leasehold rights of the factory land in Udaipur, Rajasthan. It does not have any business plans going forward. It is, accordingly, desired to merge with Transferee Company.
- 2.2 Transferor Company 2 is engaged in the business of manufacturing and sale of water-soluble fertilizers and has a manufacturing unit in Kakinada, Andhra Pradesh. As it is expected to result in synergies in business activity, and more effective and efficient management of business affairs.

Apart from the above, it would also have the following benefits:

- 2.3 Reduction in the cost of overheads and improvement in professional management
- 2.4 Reduction in multiplicity of legal and regulatory compliances and simplification of group structure.
- 2.5 Enhance the scale of operations thereby providing significant impetus to the growth of the Companies, since they are engaged in line of business that could draw upon synergies between the Transferor Companies and the Transferee Company.
- 2.6 Consolidation of Transferor Companies with the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital and improved financial structure.
- 2.7 The benefit of consolidation of financial resources, managerial and technical expertise of the Transferor Companies and the Transferee Company shall be available to the amalgamated entity leading to the overall optimization of operational and administration costs.
- 2.8 The amalgamation will rationalize and optimize the group legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and also statutory compliances.
- 2.9 To achieve synergies in business activity, consolidation, focused attention, centralized administration, economy of operation, integrated business approach and greater efficiency.

In order to achieve the above objectives, the Board of Directors of the Transferor Companies and the Transferee Company at their respective meetings have approved the proposed Scheme of Amalgamation and have decided to make the requisite applications to the National Company Law Tribunal ('NCLT') under Section 230 and 232 of the Companies Act, 2013, for the sanction of this Scheme of Amalgamation of the Transferor Companies with the Transferee Company. This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

There are no proceedings/investigation pending against the Transferor Companies and the Transferee Company under Section 210 of the Companies Act, 2013.

## **PARTS OF THE SCHEME**

This Scheme of Amalgamation is divided into the following parts:

- a) PART I** - Deals with definitions, interpretation, date of the Scheme coming into effect, incorporation, share capital and main objects of the Transferor Companies and the Transferee Company.
- b) PART II** - Deals with amalgamation of business of the Transferor Companies with the Transferee Company, legal proceedings, conduct of business till the Effective Date, Consideration, Accounting Treatment in the books of the Transferee Company and other matters consequential and incidental thereto.
- c) PART III** - Deals with dissolution of the Transferor Companies, application to the NCLT, general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and incidental thereto.

**RAJESH  
MUKHIJA**

Digitally signed by RAJESH MUKHIJA  
DN: c=IN, o=Personal,  
2.5.4.20=e7ad690cfa06c0005a31499db8b3f  
038c4f3934e08b19eb00dc2570bf2d3f07d,  
postalCode=122018, st=Haryana,  
serialNumber=fbd075342009150d21fca46  
2cbed0b0483d7caa5e7fe2418152926d93a  
3ee9, cn=RAJESH MUKHIJA  
Date: 2021.03.02 15:17:04 +05'30'

## PART - I

### 3. DEFINITIONS

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

- 3.1 **"Act"** means the Companies Act, 2013 [as amended including any statutory modification(s) or re-enactment(s) or amendment(s) thereof] and Rules made thereunder, for the time being in force, and which may relate or are applicable to the amalgamation;
- 3.2 **"Applicable Laws"** means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, listing agreement, approval of any competent authority, directive, notification, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any competent authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;
- 3.3 **"Appropriate Authority"** means and includes any Governmental, Statutory, Departmental or Public Body or Authority, including Registrar of Companies, Regional Director, Securities Exchange Board of India, Stock Exchanges and National Company Law Tribunal or such other sectoral regulators or authorities as may be applicable;
- 3.4 **"Appointed Date"** for the purpose of this Scheme and the Income Tax Act, 1961 (hereinafter referred to as "IT Act") means 1<sup>st</sup> April, 2021 or such other date as the NCLT may direct or approve under the relevant provisions of the Act;
- 3.5 **"Board of Directors" or "Board"** shall mean Board of Directors of the Transferor Companies or Transferee Company, as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;
- 3.6 **"Effective Date"** means the date on which certified copies of the orders of the NCLT are filed with RoC, Hyderabad, after the last of the approvals or events specified under Clause 26 of Part III of this Scheme are satisfied or fulfilled or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. References in this Scheme to "Upon this Scheme becoming effective" or "Coming into Effect of this Scheme" or "Upon this Scheme Coming into effect" or other like expressions shall mean Effective Date;
- 3.7 **"Encumbrance" and its co-related words "Encumbered"** means (a) any mortgage, pledge, lien, charge (whether fixed or floating), hypothecation, assignment, deed of trust, title retention, right of set-off or counterclaim, security interest, security letter conferring any priority of payment in respect of, any obligation of any Person; (b) purchase or option agreement or arrangement, right of first refusal, right of first offer, restriction on voting; (c) subordination agreement or arrangement; (d) agreements to

create or effect any of the foregoing; (e) interest, option, or transfer restriction in favour of any Person; (f) any adverse claim as to title, possession or use and (g) any encroachment on immovable properties;

- 3.8 **"Financial Statements"** means the annual accounts (including balance sheet, cash flow statement and profit and loss account) of the Transferor Companies and/or Transferee Company;
- 3.9 **"GST Regulations"** means applicable provisions of the Central Goods and Services Tax Act, 2017 and/or the Integrated Goods and Services Tax Act, 2017 and/or respective State Goods and Services Tax Act and/or the Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder;
- 3.10 **"INR"** means Indian Rupees;
- 3.11 **"IT Act"** means the Income-Tax Act, 1961 or any statutory modification or re-enactment thereof;
- 3.12 **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
- 3.13 **"NCLT"** means the National Company Law Tribunal, Hyderabad Bench at Hyderabad;
- 3.14 **"Proceedings"** shall have the meaning ascribed under the scheme;
- 3.15 **"Regional Director"** or **"RD"** means South East Region, at Hyderabad, having jurisdiction over the States of Telangana and Andhra Pradesh.
- 3.16 **"RoC"** means the Registrar of Companies, Telangana at Hyderabad, having jurisdiction over the State of Telangana, India;
- 3.17 **"Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation in its present form approved by the Board of each of the Transferor Companies and the Transferee Company as submitted to the NCLT and with any modification(s) made under Clause 24 of this Scheme or with such other modifications or amendments as the NCLT may direct, as may be approved for sanction by the NCLT;
- 3.18 **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited collectively;
- 3.19 **"Transferee Company" or "Coromandel International Limited"** and has the meaning ascribed to it under Clause 6.3 of this Scheme;
- 3.20 **"Transferor Company 1 and 2 or Transferor Companies"** means Liberty Pesticides and Fertilizers Limited (Transferor Company 1) and Coromandel SQM (India) Private Limited (Transferor Company 2) (hereinafter collectively referred to as the "Transferor Companies") and has the meaning ascribed to it under Clause 6.1 and 6.2 of this Scheme;

- 3.21 **“Transition Period”** means period starting from the date immediately after the Appointed Date till the last of the date on which all the conditions stipulated in Clause 26 of this Scheme are fulfilled;
- 3.22 **“Undertaking of Transferor Companies”** shall mean all the undertaking(s) and entire business(s) of the Transferor Companies as a going concern, including, without limitation:
- (a) all the assets and properties, both movable and immovable, and amounts receivable or belonging to the Transferor Companies as on the Appointed Date;
  - (b) all the present employees engaged by the Transferor Companies, as on the Effective Date;
  - (c) all debts (secured and unsecured), liabilities (including contingent liabilities, present and /or future), duties and obligations of the Transferor Companies as on the Appointed Date; and includes all reserves, movable and immovable properties (real and personal, tangible or intangible, freehold or leasehold, corporeal and in-corporeal, in possession, or in reversion, present and contingent of whatsoever nature, wherever situated) and assets without being limited to all its lands, roads, buildings, plant and machinery, office equipment, accessories, vehicles, electrical installations, cash in hand, amounts held with the lenders/banks to the credit of the Transferor Companies and all other assets of the Transferor Companies, including all investments whether in securities, shares, stocks, scrips, debentures or otherwise, deposits, earnest monies/ security deposits or entitlements in connection with or relating to this business undertaking, as per records of the Transferor Companies, claims, powers, authorities, allotments, all statutory licenses, approvals (including the approvals granted by any regulatory authority under any of the Laws, consents, registration, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, leasehold rights, tenancy rights, other intangibles, industrial and other licenses, permits, authorizations, quota rights, trademarks, patents and other industrial and intellectual property rights, all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), import quotas, sundry debtors, inventories, bills of exchange, deposits, loans and advances, agencies of the Transferor Companies, rights and benefits of and under all agreements, contracts and arrangement, memoranda of understanding, expressions of interest whether under agreement or otherwise and all other interests in connection with or relating to the Transferor Companies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approval of whatsoever nature including but not limited to benefits of all tax reliefs, deductions, exemptions, including, under the IT Act or any other applicable taxation law, including credit for advance tax (including foreign tax credit, TDS credit, minimum alternative tax credit), taxes deducted and deposited at source, including carried forward losses of



all types under the IT Act including unabsorbed depreciation as per books/MAT computation, CENVAT Credit/VAT/sales tax credits/credit under the GST regulations, service tax credits, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, sales tax set off, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, all necessary records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to the Transferor Companies, whether in physical or electronic form.

- (d) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies' business activities and operations.
- (e) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Companies' business activities and operations.
- (f) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Government Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (g) Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax. duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or other taxation laws, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

#### 4. INTERPRETATION OF THE SCHEME

In this Scheme, unless the context otherwise requires:

- 4.1 References to persons shall include individuals, bodies corporate (wherever incorporated), and unincorporated associations and partnerships.
- 4.2 The headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not



form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme

- 4.3 Words in the singular shall include the plural and vice versa.
- 4.4 The provisions of this Scheme have been drawn up to comply with the conditions relating to amalgamation. If any terms or provisions of this Scheme are found or interpreted to be inconsistent with the provisions of the amalgamation in terms of Section 2(1B) of the IT Act at a later date or defeats the objects of the amalgamation contemplated herein, including resulting from an amendment of Applicable Laws or for any other reason whatsoever, the provisions of the amalgamation under the IT Act and Companies Act, 2013 shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the provisions of the amalgamation under the IT Act and Companies Act, 2013 and the objects sought to be achieved by this Scheme. Such modifications will however, not affect the other parts of this Scheme.
- 4.5 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.

## 5. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective and operative from the Appointed Date.

## 6. DESCRIPTION OF COMPANIES

### 6.1 Transferor Company 1 or Liberty Pesticides and Fertilizers Limited:

6.1.1 **Liberty Pesticides and Fertilizers Limited** a Public Limited Company, bearing CIN: U24124TG1978PLC148984 was originally incorporated on 24<sup>th</sup> August, 1978 under the name and style of M/s Liberty Pesticides and Fertilizers Private Limited in the State of Rajasthan. Later on, the Company had converted itself into a Public Limited Company after passing necessary resolutions and a fresh certificate of incorporation was issued by the Registrar of Companies, Rajasthan, Jaipur on 7<sup>th</sup> May, 1992. Later on the Company had changed its registered office from the State of Rajasthan to State of Telangana by virtue of passing a special resolution on 22<sup>nd</sup> October, 2020 and after obtaining necessary approval from the Regional Director, North Western Region, Ahmedabad dated 13<sup>th</sup> January, 2021. The Registrar of Companies, Telangana at Hyderabad, issued a fresh certificate of incorporation on 24<sup>th</sup> February, 2021 under the CIN: U24124TG1978PLC148984. The 'Transferor Company 1' has its registered office presently at 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad – 500003, Telangana, India. The 'Transferor Company 1' is engaged in the business of manufacturing, producing, processing, importing, exporting and dealing in minerals, pesticides, insecticides and Fertilizers and their ancillaries etc.,



6.2.2 The details of the share capital of the 'Transferor Company 2' is given below:

**Share Capital as on 31<sup>st</sup> December, 2020**

<b>Particulars</b>	<b>Amount In INR</b>
<b>Authorised Share Capital</b>	
1,00,00,000 Equity Share of INR 10/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and fully paid up shares</b>	
1,00,00,000 Equity Share of INR 10/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>

Subsequent to 31<sup>st</sup>December, 2020 and till the date of filing of this Scheme as approved by the Board of Directors of M/s Coromandel SQM (India) Private Limited, there is no change in the authorized, issued, subscribed and paid-up capital of M/s Coromandel SQM (India) Private Limited and the entire paid up capital is held by Transferee Company and its nominees.

6.2.3 The Main Objects of the 'Transferor Company 2' as provided in the Clause III of its Memorandum of Association are given below:

- (a) To carry on the business of blending and/or formulation or manufacturing or producing, refining, mixing, preparing, trading, buying, selling and dealing in India or elsewhere in any class of fertilizers whether solid, liquid, powder, amorphous, granular, crystalline, form of manures, their mixtures and or formulations and any or all classes and kinds of chemicals, source materials, ingredients, mixtures, derivatives and compounds thereof, and any and all kinds of similar products.
- (b) To carry on the business of manufacture, formulate, process, mine, import, export, purchase, market, sell, carry on the business and otherwise deal in all kinds of micro-nutrients, synthetic and bio-organic chemicals, agro-chemicals, medicines, foliar applications, sprays and remedies of all kinds of agricultural, fruit growing, gardening or other purposes and whether produced from vegetables, minerals, gases, animal or any other matter or by any process, whether chemicals, electrical, mechanical or otherwise.
- (c) To establish and operate plant and carry on business, in India for producing, manufacturing, processing, developing, marketing, dealing in importing, exporting and selling of fertilisers, including water soluble fertilisers and micronutrients, for agriculture applications.

(d) To carry on the business of manufacturing, producing, marketing, dealing, distributing, buying, selling, importing, exporting, leasing, trading, hiring and dealing whether as Principals and/or agents in and with any and all classes of fertilizers and its production, and all other products and also to set up model demonstration farms for the use of special fertilizers and for training farmers in using the special fertilizers and to carry on the business of fertilization by manufacturing or producing, formulating, refining, processing, importing, purchasing, acquiring, leasing, selling, trading, hiring or dealing in whether as Principals and/or agents in all kinds of fertilization systems whether liquid or solid, manure, mixtures and formulations to be used for agricultural and floriculture production.

### 6.3 Transferee Company

6.3.1 **Coromandel International Limited (Transferee Company)** a Public Limited Company, bearing CIN:L24120TG1961PLC000892 was originally incorporated on 16<sup>th</sup> October, 1961 under the name and style of M/s Coromandel Fertilizers Private Limited in the then State of Andhra Pradesh. Later on, the Company had converted itself into a Public Limited Company after passing necessary resolutions and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh on 16<sup>th</sup> April, 1964. Later on, name of the company was changed to its present name i.e. M/s Coromandel International Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh on 23<sup>rd</sup> September, 2009. The 'Transferee Company' has its registered office presently at 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad - 500003, Telangana, India. The 'Transferee Company' is engaged in the business of all classes and kinds of fertilisers, chemicals and industrial and other preparations arising from or required in the manufacture of any kind of fertilisers.

6.3.2 The details of the share capital of the 'Transferee Company' is given below:

#### **Share Capital as on 31<sup>st</sup> December, 2020**

<b>Particulars</b>	<b>Amount In INR</b>
<b>Authorised Share Capital</b>	
35,00,00,000 Equity Shares of INR 1/- each	35,00,00,000
50,00,000 Cumulative Redeemable Preference Shares of INR 10/- each	5,00,00,000
<b>Total</b>	<b>40,00,00,000</b>
<b>Issued, subscribed and fully paid up shares</b>	
29,32,43,349 Equity Share of INR 10/- each	29,32,43,349
<b>Total</b>	<b>29,32,43,349</b>

6.3.3 The Main Objects of the 'Transferee Company' as provided in the Clause 5 of its Memorandum of Association, are:

- (a) To manufacture, refine and prepare all classes and kinds of fertilisers and all classes and kinds of chemicals and industrial and other preparations arising from or required in the manufacture of any kind of fertilisers.
- (b) To buy, sell, distribute and deal in India and elsewhere all classes and kinds of fertilisers and in all classes and kinds of chemicals and industrial and other preparations arising from or required in the manufacture of any kind of fertilisers.
- (c) To manufacture, refine, prepare, process, sell, export and generally deal in all types and varieties of cement (including coloured, white, fire, portland and alumina cement) and cement products.

**RAJESH  
MUKHIJA**

Digitally signed by RAJESH MUKHIJA  
DN: c=IN, o=Personal,  
2.5.4.20=e7ad690cfa06c0005a31499db8  
b3f038cef934e08b19eb0dc2570bf2d3  
f07d, postalCode=122018, st=Haryana,  
serialNumber=fbd0753420009150d21fa  
462cbcd0b0f483d7caa5e7fe2418152926  
d93a3ee9, cn=RAJESH MUKHIJA  
Date: 2021.03.02 15:24:24 +05'30'

## **PART – II**

### **AMALGAMATION OF TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY**

#### **7. TRANSFER OF UNDERTAKING(S) OF THE TRANSFEROR COMPANIES**

##### **7.1 General**

Upon this Scheme coming into effect and with effect from the Appointed Date defined in Clause 3.4 in Part I of the Scheme, the undertaking(s) of the Transferor Companies shall, pursuant to the sanction of this Scheme by the NCLT and in accordance with section 2(1B) of the IT Act and Section 232 read with Section 230 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concerns 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 the Scheme.

##### **7.2 Transfer of Assets**

7.2.1 Without prejudice to the generality of Clause 7.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) All assets and properties comprised in the Undertaking(s) of the Transferor Companies, of whatsoever nature and wheresoever situated, shall, under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act or deed be and stand transferred to and vested in the Transferee Company 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 assets and properties of the Transferee Company provided that Board of Directors of the Transferee Company shall be entitled, at its discretion and as may be advised or considered fit, expedient or necessary, to determine the classification/ reclassification and treatment of any or all of the assets transferred to and vested in the Transferee Company pursuant to this Scheme.
- (b) Without prejudice to the provisions of sub-clause (a) 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 transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Companies and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of its Undertakings without requiring any deed or instrument or conveyance for the same.
- (c) In respect of the movables other than those dealt with in sub-clause (b) above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be recovered,

bank balances, investments, subsidy receivable, earnest money and deposits with any Government, quasi-government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may if it so deems appropriate, give notice in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that the said debt, loan, advance, balance or deposit stand transferred and vested in the Transferee Company).

(d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, customer registrations, customer approvals, 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 any of the Transferor Companies, whether before or after the Appointed Date, shall under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or deemed to be transferred to and vested in or be available to the Transferee Company so as to become as and from the Appointed Date, licenses, permits, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, customer registrations, customer approvals, 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.

(e) All assets 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 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 the properties of the Transferee Company and shall under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be vested in and be deemed to have been vested in the Transferee Company upon the coming into effect of this Scheme.

7.2.2 Where the Transferor Companies are entitled to any benefits under incentive schemes and policies and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies shall be transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, including sales tax concessions and incentives, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the



incentive schemes were made available to the Transferor Companies.

## 8. TRANSFER OF LIABILITIES

- 8.1 Upon the Scheme coming into effect and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking(s) of the Transferor Companies including all debts, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and however arising, raised or incurred or utilized for business activities and operations along with any charge, encumbrances, lien or security thereon (hereinafter referred to as "Liabilities") shall, pursuant to coming into effect of the Scheme and under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. Such liabilities shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as from the Appointed Date, the Liabilities of the Transferee Company, on the same terms and conditions as were applicable to the Transferor Companies. 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 party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this clause.
- 8.2 All debts, liabilities, duties and obligations of the Transferor Companies shall, as on the Appointed Date, whether or not provided in the books of the Transferor Companies, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 8.3 Where any such debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date have been discharged after the Appointed Date and prior to the Effective Date by any of the Transferor Companies, such discharge shall be deemed to be for and on account of the Transferee Company.
- 8.4 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Companies 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 Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to or vested in or 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.

8.5 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 in future 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 appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company loans, advances and other obligations with effect from the Appointed Date.

8.6 The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further, or additional security therefore after the amalgamation has become effective or otherwise.

8.7 The Transferor Companies shall ensure to comply with all the applicable laws and the officers in default of the Transferor Companies shall not be absolved of their statutory liability prior to the amalgamation.

## 9. ENCUMBRANCES

9.1 The transfer and vesting of the assets comprised in the Undertaking(s) of the Transferor Companies respectively to and in the Transferee Company under Clause 7.1 and Clause 8.1 of this Scheme shall be subject to the mortgage and charges, if any, affecting the same as hereinafter provided.

9.2 All the existing securities, charges, encumbrances or liens (hereinafter referred to as "Encumbrances"), if any, created by the Transferor Companies after the Appointed Date, in terms of the Scheme, over the assets comprised in their respective Undertakings or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to Liabilities of the Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. Provided however that while all existing charges on the assets against loans obtained, if any, by the Transferor Companies would be transferred pursuant to this Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged or required to create any further or additional security therefore after the amalgamation has become effective or otherwise.

9.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.

- 9.4 Any reference in any security documents or arrangements (to which Transferor Companies are party) to the Transferor Companies and in assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Companies as the case maybe and the Transferee Company may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 9.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of the Scheme.
- 9.6 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 9.7 The provisions of the Clause 7.2 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writing shall stand modified and/or superseded by the foregoing provisions.
- 9.8 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, execute Deeds of Confirmation in favour of the creditors of the Transferor Companies or in favor of any other party to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. 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 Companies and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Companies, required to be carried out or performed.

## 10. TAXES

- 10.1 On and from the Appointed Date, if any certificate for Tax Deducted at Source or any other tax credit certificate relating to any Transferor Companies is received in the name of any Transferor Companies it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.
- 10.2 All taxes (including, without limitation, income tax, excise duty, customs duty, service tax, taxes paid under Goods and Service Tax regulations or under any other law which may come into force) paid or payable by any Transferor Companies from 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, sales tax, excise duty, customs duty, service tax, VAT, taxes paid under GST regulations or under any other law which may come into

force), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies 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 accordingly. This is notwithstanding that challans or tax payment certificates are in the name of the Transferor Companies and not in the name of the Transferee Company.

10.3 Any tax liabilities under the IT Act, Customs Act, 1962, Central Excise Act, 1944, GST regulations or other applicable laws/regulations dealing with taxes/duties/levies allocable or related to the business 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 the Transferee Company.

10.4 It is further provided that upon the Scheme coming into effect, all taxes payable by the Transferor Companies and all or any refunds and claims, from the Appointed Date shall, for all purposes, be treated as the tax liabilities or refunds and claims, as the case may be of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferor Companies and the Transferee Company are also expressly permitted to revise their Financial Statements, respective Income Tax Returns, TDS Returns, other tax/ statutory returns and to claim refunds, subsidy receivable, advance tax and withholding tax credits, benefits of credit for minimum alternative tax and carry forward of accumulated depreciation and losses as per books, if any, etc. pursuant to the provisions of this Scheme. In other words, all existing and future incentives, unavailed credits and exemptions, carried forward losses of all types under the IT Act including unabsorbed depreciation for the purpose of minimum alternative tax computation and other statutory benefits and credit for minimum alternative tax under the IT Act, excise (including Modvat / Cenvat), customs, taxes under GST regulation etc. to which the Transferor Companies are entitled to shall be available to and vest in the Transferee Company.

10.5 In accordance with the Cenvat Rules framed under the Central Excise Act, 1944, GST regulations as per prevalent on the Effective Date and any other indirect tax as may be prevalent on the effective date, the unutilized credits relating to the VAT, GST paid on inputs/work-in-progress/capital goods lying in the accounts of the Transferor Companies, service tax credits, GST credits and any other indirect tax credits 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. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty, amount payable under GST regulation or any other tax liability as may be permissible under the respective laws.

10.6 Upon the Scheme coming into effect, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes and tax benefits), service tax law, GST regulations and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the IT Act which includes but not limited to the amount disallowed in the hands of the Transferor Companies under Section 43B or 40(a) of the IT Act for the financial

years prior to the Appointed Date shall be eligible to be claimed by the Transferee Company on fulfillment of the conditions as laid down in Section 43B or 40(a) of the IT Act etc. and other tax laws and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

10.7 Without prejudice to the generality of the above, all benefits including under Income Tax, Sales Tax, Excise Duty, Customs Duty, service tax, VAT, GST etc., to which the Transferor companies is entitled to in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Transferee company.

## 11. EFFECT OF SCHEME

The Scheme shall not have any adverse effect on any key managerial personnel, directors, promoters, non-promoter members, creditors or any employee, if any, of the Transferor Companies or the Transferee Company. The Scheme shall also not have any effect on material interests of any of directors and key managerial personnel of Transferor Companies or the Transferee Company. As stated above, any outstanding amounts payable by the Transferor Companies shall stand transferred onto the Transferee Company and shall be payable by the Transferee Company. Further, the services of all transferred employees, if any, and managerial personnel of the Transferor Companies to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities.

## 12. INTER-SE TRANSACTIONS

Without prejudice to the provisions of Clause 7 above, with effect from the Appointed Date, all inter-party transactions/arrangements between the Transferor Companies as the case maybe and the Transferee Company shall be considered as intra-party transactions/arrangements for all purposes. For the removal of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, investments, obligation, balances or other outstanding as between the Transferor Companies inter-se and/or the Transferee Company, the obligations in respect thereof or any other arrangements shall come to an end. Any tax payment whether by way of deduction at source, advance tax or otherwise howsoever, on such intercompany transaction(s)/payment(s) post the Appointed Date by either of the Transferor Companies shall be deemed to be advance tax paid by the Transferee Company. There shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

## 13. CONTRACTS, DEEDS, LICENSES ETC.

13.1 Upon the Scheme coming into effect and subject to the provisions hereof, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies as the case maybe are a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour of, as the case may be, and be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been party or beneficiary or obligee thereto or thereunder.



- 13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking 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 (deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangements to which the Transferor Companies are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized 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.
- 13.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, rights, statutory licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of any 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. The Transferee Company shall receive relevant approvals from the concerned Government Authorities as may be necessary in this behalf.
- 13.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses, leasehold rights, permissions or approvals or consents held by the Transferor Companies and required to carry on operations or any business of the Transferor Companies 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. Statutory and regulatory permissions, licenses, registrations, leasehold rights, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme. Any no-objection certificates, licenses, permissions, consents, approvals, authorizations, registrations or statutory rights as are held by the Transferor Companies shall, as far as practicable and permitted, be deemed to constitute licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights of the Transferee Company, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the merger, so as to facilitate the continuation of operations of the Transferor Companies in the Transferee Company without any hindrance or let from the Appointed Date. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such documents or perform such actions to obtain aforesaid approvals or permissions.

## 14. LEGAL PROCEEDINGS

On and from the Appointed Date, all suits, actions and legal proceedings (hereinafter referred to as '**Proceedings**') by or against any of the Transferor Companies arising on or before the Effective Date shall be continued and/or enforced as desired by the Transferee Company and on and from 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 and/or pending and/or arising by or against the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Companies with any union/employee of the any Transferor Companies.

## 15. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of their respective Undertaking(s) on account of, and for the benefit of and in trust for, the Transferee Company.
- (b) All profits or incomes accruing or arising to the Transferor Companies, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profit and income) by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrued as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- (c) All assets howsoever acquired by the Transferor Companies for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company.
- (d) All taxes (including income tax, excise duty, customs duty, GST etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of their respective businesses before the Appointed Date, shall be deemed to be on account of the Transferee Company and, in so far as it relates to tax payment (including, without limitation, excise duty, custom duty, income tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of their respective businesses after the Appointed Date, the same shall be deemed to be the corresponding amount paid by the Transferee Company and shall, in all proceedings be dealt accordingly.
- (e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies, for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to their Undertaking that has been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken



or discharged for and on behalf of and as agent of the Transferee Company.

15.2 With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date:

(a) The Transferor Companies shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any financial commitments of any nature whatsoever, borrow any amounts nor incur any liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with their respective Undertakings or any part thereof save and except in each case in the following circumstances:

- (i) if the same is in its ordinary course of business as carried on by it as on date of filing of this Scheme with the NCLT; or
- (ii) if the same is permitted by this Scheme; or
- (iii) if the same is with respect to any contracts/ agreement/ arrangements / obligation subsisting as on the date of filing of this Scheme with the NCLT; or
- (iv) if consent of the Transferee Company has been obtained.

(b) Without the prior consent of the Transferee Company, the Transferor Companies shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in ordinary course of the Transferor Companies's business); and (iii) such other matters as the Transferee Company may notify from time to time.

15.3 Without prejudice to the above, the Transferor Companies from the date of filing this Scheme with the NCLT shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise), decrease, reduction, reclassification, subdivision or consolidation, reorganization, or in any other manner which may, in any way, affect the Share Exchange Ratio except under any of the following circumstances:

- a) By mutual consent of the respective Board of Directors of the Transferor Companies and the Transferee Company; or
- b) By way of any obligation already subsisting as on the date of filing this Scheme with the NCLT.

15.4 The Transferee Company shall also be entitled, pending sanction of the Scheme, to apply to the NCLT, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for the time being in force for carrying on business of the Transferor Companies.

## 16. EMPLOYEES

### 16.1 Upon coming into effect of this Scheme:

- (a) The permanent employees, if any, of the Transferor Companies who are in employment as on the Effective Date shall become the employees of the Transferee Company with effect from the Effective Date, i.e. from the appointed date, without any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Transferor Companies. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by any Transferor Companies with any union/employee of the Transferor Companies.
- (b) The existing provident fund, gratuity fund, pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Companies or any other special funds created or existing for the benefit of the concerned employees of the Transferor Companies (collectively referred to as "Funds"), if any, and the investment made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Companies. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute therein, until such time as the Transferee Company creates its own funds into which the Funds and the investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to such funds of the Transferee Company.

16.2 With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date the Transferor Companies shall not vary or modify the terms and conditions of employment of any of its employees, except with the written consent of the Transferee Company.

16.3 It is clarified that the services of all transferred staff, workmen and employees of the Transferor Companies to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and/or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and/or other terminal benefits, and/or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Companies shall also be taken into account by the Transferee Company, who shall pay the same as and when payable.

**RAJESH  
MUKHIJA**

Digitally signed by RAJESH MUKHIJA  
DN: cn=Personal,  
2.5.4.20=e7ad690cfa06c0005a31499dbb3f038  
cef3934e08b19eb00d2570b72d3f07d,  
postalCode=122018, st=Haryana,  
serialNumber=fbd075342009150d21fca462cb  
ed0b0f83d7caa5e7f62418152926d93a3ee9,  
cn=RAJESH MUKHIJA  
Date: 2021.03.02 15:39:20 +05'30'

## 17. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and the vesting of the Undertaking(s) of the Transferor Companies under Clause 7 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date 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 made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## 18. OTHERS

18.1 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realize all monies and enforce all pending contracts and transactions and to issue credit notes in respect of the Transferor Companies in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

18.2 All cheques and other negotiable instruments, payment orders received in the name of Transferor Companies after the Effective Date shall be accepted by the Bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company as pertaining to the Transferor Companies;

18.3 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorisations in relation to the Transferor Companies, shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT.

18.4 The Transferee Company will have the right to use all intellectual property rights including trademarks and Brands, domain names, service marks, colour schemes, logo, records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers patents, copy rights, technical know-how, designs, design registrations, etc. relating to the Business of the Transferor Companies.

## 19. CONSIDERATION

19.1 The entire issued and paid-up equity share capital of the Transferor Companies is held by the Transferee Company and its nominees. Accordingly, the shares held by the Transferee Company in the Transferor Companies shall, on and from the end of the Transition Period, be cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly, no shares of the Transferee Company shall be issued to the shareholders of the Transferor Companies in lieu of the said amalgamation.

**RAJESH  
MUKHIJA**

Digitally signed by RAJESH MUKHIJA  
DN: c=N, o=Personal,  
2.5.4.20=f7ad699cfd6c0005a31499db8b3f038c  
ef934e08b19eb00dc2570bf2d3f07d,  
postalCode=122018, st=Haryana,  
serialNumber=fbd0753420009150d21fca462cbe  
00b0f483d7caa5e7fe2418152926d93a3ee9,  
cn=RAJESH MUKHIJA  
Date: 2021.03.02 15:40:43 +05'30'

19.2 The shares of the Transferor Companies, in relation to the shares held by its members, shall without any further application, act, instrument or deed be deemed to have been automatically cancelled and be of no effect on and from the end of the Transition Period.

## 20. ACCOUNTING TREATMENT

### 20.1 Accounting Treatment in the books of Transferee Company

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall account the transaction in accordance with the applicable accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date.

Upon coming into effect of this scheme, the Transferee Company shall account for the amalgamation in its books of accounts in accordance with 'pooling of interests method' of accounting as laid down in the Indian Accounting Standard (IND AS) 103 – Business Combinations and relevant clarifications issued by Institute of Chartered Accountants of India.

### 20.2 Accounting Treatment in the books of Transferor Companies

As the Transferor Companies shall stand dissolved without being wound up upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

## 21. VALIDITY OF EXISTING RESOLUTIONS, ETC.,

Upon the coming into effect of this Scheme, 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.

## 22. CONSOLIDATION OF AUTHORISED CAPITAL

22.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed, by the Authorised share capital of the Transferor Companies, amounting in aggregate to Rs. 60,00,00,000/- (Rupees Sixty Crores only) divided into 55,00,00,000 Equity Shares of Rs. 1/- each amounting to Rs. 55,00,00,000/- (Rupees Fifty-Five Crores Only) and 50,00,000 Cumulative Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 5,00,00,000/- (Rupees Five Crores only).

22.2 The memorandum and articles of association of the Transferee Company (relating to authorised share capital) shall without any further act, instrument or deed, be and stand altered, modified and

amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under any other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorised capital of the Transferor Companies shall be utilised and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any other further payment of stamp duty and / or fee by the Transferee Company for increase in the authorised share capital to that extent. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Companies into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

<b>Authorised Share Capital</b>	<b>(Amount in INR)</b>
55,00,00,000 Equity shares of INR 1/- each	55,00,00,000
50,00,000 Cumulative Redeemable Preference Shares of INR 10/- each	5,00,00,000
<b>Total</b>	<b>60,00,00,000</b>

22.3 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 of Association of the Transferee Company as may be required under the Act.

22.4 **Clause 5 of the Memorandum of Association** of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

“(a)The Authorized Share Capital of the Company isRs. 60,00,00,000/- (Rupees Sixty Crores only) divided into 55,00,00,000 Equity Shares of Rs. 1/- each amounting to Rs. 55,00,00,000/- (Rupees Fifty-Five Crores Only) and 50,00,000 Cumulative Redeemable Preference Shares of Rs. 10/- each amounting to Rs.5,00,00,000/- (Rupees Five Crores only) with such rights, privileges and conditions respectively attached thereto as may be from time totime conferred by the regulations of the Company; with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, or abrogate any such rights, privileges or conditions, in such manner as may for the time being be provided by the regulations of the Company.”

**RAJESH  
MUKHIJA**

Digitally signed by RAJESH MUKHIJA  
DN: c=IN, ou=Personal,  
2.5.4.20=e7ad690ca0c0005a31499db8b3038  
cef934e08b19eb00dc2570b72c3f07d,  
postalCode=122018, st=Haryana,  
serialNumber=fb0753420009150d21fca462cb  
ed0b0f483d7caa5e7f62418152926d93a3ee9,  
cn=RAJESH MUKHIJA  
Date: 2021.03.02 15:43:55 +05'30'

## **PART – III**

### **GENERAL TERMS AND CLAUSES**

#### **23. DISSOLUTION WITHOUT WINDING UP**

Upon this Scheme becoming effective, the Transferor Companies shall, without any further, act, or deed, stand dissolved without going through the process of winding up upon such terms as the NCLT may direct or determine.

On and with effect from the effective date, the name of the Transferor Companies shall be struck off from the records of the relevant Registrar of Companies.

The Transferor Companies and the Transferee Company shall with all reasonable dispatch, make all applications/ petitions under Section 230 to Section 232 and other applicable provisions of the Act to the NCLT for sanctioning of this scheme and for the dissolution of the Transferor Companies without winding up under the provisions of law, and obtain all approvals as may be required thereunder.

#### **24. APPLICATIONS TO THE NCLT**

24.1 The Transferor Companies and the Transferee Company shall make all necessary joint applications/petitions to the NCLT under Sections 232 read with Section 230 and other applicable provisions of the Act, for seeking its approval of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.

24.2 On this Scheme being agreed by the requisite majority of members and creditors of the respective Transferor Companies and the Transferee Company, the Transferor Companies and the Transferee Company shall apply to the NCLT for sanction of this Scheme under Section 232 read with Section 230 of the Act and other applicable provisions of the Act, and for such other order, or orders, as the NCLT may deem fit for carrying this Scheme into effect.

24.3 Upon this Scheme becoming, effective, the respective shareholders of the Transferor Companies and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

24.4 It is hereby clarified that filing of the Scheme to the NCLT and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that the companies have or may have under or pursuant to all applicable laws.

24.5 The Transferor Companies and the Transferee Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme, including making the required RoC filings.

24.6 The Transferee Company and the Transferor Companies shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor



Companies and provide such intimations to the Appropriate Authority wherever required.

## **25. MODIFICATIONS OR AMENDMENTS TO THIS SCHEME**

25.1 The Transferor Companies and the Transferee Company, by their respective Boards, may make and consent to any modification(s) or amendment(s) to this Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them, provided that any such modification(s) or amendment(s) to this Scheme after the approval of this Scheme by the NCLT shall be subject to the prior approval of the NCLT. The Transferor Companies and the Transferee Company by their respective Boards, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith.

25.2 For the purpose of giving effect to this Scheme or to any modification(s) or amendment(s) thereof or additions thereto, the directors of the Transferee Company may give and is hereby authorised 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.

## **26. SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS**

This Scheme is conditional upon and subject to:

- (a) Approval by requisite majority of the members and/ or creditors of the Transferor Companies and the Transferee Company as the Act provides from time to time or as may be directed by the NCLT;
- (b) Approval of this Scheme by the NCLT, whether with any modification or amendment as the NCLT may deem appropriate or otherwise; and
- (c) The certified copies of the NCLT's orders sanctioning this Scheme being filed with the Registrar of Companies, Telangana at Hyderabad by the Transferor Companies and the Transferee Company.

## **27. EFFECT OF NON-RECEIPT OF APPROVALS**

27.1 In the event that this Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions specified in this Scheme are not obtained or complied with or this Scheme cannot be implemented for any other reason, this Scheme shall stand revoked and cancelled and shall have no effect, and each of the Transferor Companies and the Transferee Company shall bear its own costs, charges and expenses in connection with this Scheme, unless otherwise mutually agreed.

27.2 In the event of non-receipt of approval of any lender or creditor for the transfer of any liability, then at the option of the Board of the Transferee Company, it may issue a security or recognize a liability in favour of the lender or the creditor, as the case may be, on the same terms.



27.3 The transfer of such asset or liability shall become effective from the Appointed Date as and when the requisite approvals are received or the liability or security abovementioned be recognized or issued and the provisions of this Scheme shall apply appropriately to the said transfer, recognition and issue.

## 28. COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or NCLT's order including this Scheme or in relation to or in connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of scheme of Amalgamation in pursuance of this Scheme shall be borne and paid by the Transferee Company. The Transferee Company shall be eligible for deduction of expenditure incurred as per section 35DD of the IT Act.

## 29. MISCELLANEOUS

29.1 After the transfer, the combined assets shall be sufficient to meet the combined liabilities of the Transferee Company and the said Scheme will not adversely affect the rights of any of the creditors of any of the Companies in any manner whatsoever and the assets of the amalgamated company (i.e. the Transferee Company) shall be sufficient for payment of all liabilities as and when the same fall due in usual course.

29.2 In the event of non-fulfillment of any or all obligations under the Scheme by any company towards the other company, inter-se or to third parties and non-performance of which will put the other company under any obligation, then such company will indemnify the other company in respect of all costs/interests, etc.

29.3 On the approval of the Scheme by the members of the Transferor Companies and the Transferee Company pursuant to Section 232 read with Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under other provisions of the Act to the extent the same may be considered applicable for the purpose of this Scheme.

29.4 It is the intention of the parties that any Part of the Scheme, as may be mutually decided by the Board of each of Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

\*\*\*\*\*

**RAJESH  
MUKHIJA**

Digitally signed by RAJESH MUKHIJA  
DN: c=IN, o=Personal,  
2.5.4.20=e7ad690cfa06c0005a31499db8  
b3f038cef934e08b19eb00dc2570bf2d3  
f07d, postalCode=122018, st=Haryana,  
serialNumber=fb0753420009150d21fc  
a462cbed0b0f483d7caa5e7fe241815292  
6d93a3ee9, cn=RAJESH MUKHIJA  
Date: 2021.03.02 15:48:13 +05'30'