



3M India Limited  
CIN: L31300KA1987PLC013543

Concorde Block, UB City  
24, Vittal Mallya Road,  
Bangalore - 560 001  
Phone: 080-30614366  
Fax: 080-2223 1450

Website: [www.3m.com/in](http://www.3m.com/in)

E-Mail: [investorhelpdesk.in@mmm.com](mailto:investorhelpdesk.in@mmm.com)

November 13, 2019

The Corporate Relationship Department  
Bombay Stock Exchange Limited,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building  
P.J. Towers, Dalal Street, Fort  
Mumbai - 400 001

Scrip Code - 523395

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

Scrip Code - 3MINDIA

Dear Sirs/ Madam,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs/Madam

The Board of Directors of 3M India Limited at its meeting held on November 13, 2019 considered and approved a scheme of amalgamation (Scheme) pursuant to Sections 230-232 and other relevant provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiary, 3M Electro & Communication India Private Limited (Transferor Company), into its holding company 3M India Limited (Transferee Company).

The Scheme is subject to necessary statutory and regulatory approvals under applicable laws.

The Board shall take necessary actions for completing the requirements in this regard and to do all acts and deeds as may be deemed necessary.

We enclose herewith the details as required under the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 as given in Annexure - A to this letter and the draft Scheme.

Kindly take the aforesaid information on record.

The Meeting commenced at 11.50 a.m. and concluded at 2.00 p.m.

Kindly bring this to the notice of the members of the Exchange.

Thanking you,



Yours faithfully,  
For 3M India Limited,

(V. Srinivasan)  
Company Secretary

Encl: as above

Regd. Office & Factory: Plot Nos. 48-51, Electronics City, Hosur Road, Bangalore - 560100



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**Annexure A:**

Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Particulars	Description
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<ul style="list-style-type: none"><li>• Transferor Company 3M Electro &amp; Communication India Private Limited</li><li>• Transferee Company 3M India Limited</li></ul> <p>(a) The scheme of amalgamation provides for amalgamation of 3M Electro &amp; Communication India Private Limited (<i>Transferor Company</i>) with 3M India Limited (<i>Transferee Company</i>). The Transferor Company is a wholly owned subsidiary of the Transferee Company.</p> <p>(b) Turnover/Revenue for year ended March 31, 2019: Transferor Company: Rs.209.13 crores Transferee Company: Rs.2808.76 crores</p>
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at 'arm's length'	<p>The Transferor Company is a wholly owned subsidiary of the Transferee Company. The proposed scheme of amalgamation being dealt under the specific sections of the Companies Act, 2013, does not fall within the purview of related party transaction pursuant to the circular no. 30/2014 dated 17.07.2014 issued by the Ministry of Corporate Affairs.</p> <p>Further, being the scheme of amalgamation between holding company and its wholly owned subsidiary, pursuant to the provisions of Regulations 23(5)(b) of SEBI Listing Regulations it is exempt from the relevant provisions of related party transactions under the said SEBI Listing Regulations as well as from the provisions of SEBI circular dated March 10, 2017.</p>
3.	Area of business of the entity(ies)	3M India Limited is in the business of Safety and Industrial, Transportation, Health Care and Consumer.

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		3M Electro & Communication India Private Limited is in the business of Electronics.
4.	<b>Rationale for amalgamation/ merger</b>	<ul style="list-style-type: none"><li>• Greater integration, consolidation of business operations / brand and improved financial strength &amp; flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;</li><li>• Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, greater synergy between the products and services of the two companies and the elimination of duplication, and rationalization of administrative expenses;</li><li>• Improved efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;</li><li>• Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;</li><li>• Greater access by the Transferee Company to different market segments in the conduct of its business;</li></ul>
5.	<b>In case of cash consideration – amount or otherwise share exchange ratio</b>	Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares of the Transferee Company shall be allotted under the scheme of amalgamation in lieu or exchange of the shares of the Transferor Company.

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6.	Brief details of change in shareholding pattern (if any) of listed entity	There would be no change in shareholding pattern of the Transferee Company ( <i>the listed entity</i> ).
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**SCHEME OF ARRANGEMENT**

**BETWEEN**

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

**AND**

**3M INDIA LIMITED (TRANSFEEEE COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**FOR FAST TRACK MERGER OF THE TRANSFEROR COMPANY WITH THE TRANSFEEEE COMPANY**

**UNDER SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

**PREAMBLE (Introduction; Objects and Reasons)**

- A. The Scheme of Arrangement is presented under Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and provides for fast track merger of 3M Electro & Communication India Private Limited (the *Transferor Company*) with its 100% holding company 3M India Limited (the *Transferee Company*).
- B. The Transferor Company is a wholly owned subsidiary of the Transferee Company. As on 31st March, 2019, the entire issued, subscribed, paid up share capital of the Transferor Company is held by the Transferee Company.
- C. The Transferee Company is a listed public limited company.
- D. The Board of Directors of the Transferor Company and the Transferee Company at their meeting held on November 13, 2019 and November 13, 2019 respectively decided to merge the Transferor Company with its holding company i.e. the Transferee Company for the following reasons:
- Greater integration, consolidation of business operations / brand and improved financial strength & flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;
  - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, greater synergy between the products and services of the two companies and the elimination of duplication, and rationalization of administrative expenses;
  - Improved efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;



- (d) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Greater access by the Transferee Company to different market segments in the conduct of its business;
- E. Therefore, the merger of the Transferor Company with the Transferee Company will result in saving in administrative and overhead expenditure, optimal utilisation of assets and resources of the Transferor Company by the Transferee Company and organizational efficiency.
- F. The creditors of the Transferor Company are not adversely affected by the proposed arrangement as their loans and dues will be maintained and the liabilities will be transferred to the Transferee Company. The increased assets of the Transferee Company will have better financial viability which would be in the interest of all the creditors, including the creditors of the Transferor Company, if any.
- G. In view of the above, it is desirable to merge the Transferor Company with the Transferee Company by effecting an arrangement under Section 233 of the Companies Act, 2013 with effect from the Appointed Date.
- H. The Scheme is divided into the following parts: (a) Part I, which deals with the definitions, share capital and date of taking effect; (b) Part II, which deals with the scheme of arrangement; and (c) Part III, which deals with the general provisions that would be applicable to Part II of the Scheme.

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

##### **1. DEFINITIONS**

- 1.1. In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
- 1.1.1. **Act** means the Companies Act, 2013 and the rules and regulations framed thereunder or any statutory modification or re-enactment thereof and the rules and regulations framed thereunder as in force at present.
- 1.1.2. **Appointed Date** means April 1, 2019.
- 1.1.3. **Board** or **Board of Directors** in relation to the Transferor Company and the Transferee Company means the board of directors of such company including any committee of directors constituted or appointed and authorised to take any decision for implementation of this Scheme on behalf of the Board of Directors.
- 1.1.4. **Central Government** means the Government of India and for the purposes of Section 233 of the Act, the Central Government has delegated its powers to the Regional Director, Ministry of Corporate Affairs having territorial jurisdiction.
- 1.1.5. **Effective Date** means the date or last of the dates on which the certified copy of the order of the Regional Director sanctioning the Scheme under Section 233 of the Act is filed with the Registrar of Companies by the Transferor and the Transferee Company. References in this Scheme to the date of ‘upon the Scheme becoming effective’ or ‘upon the Scheme taking effect’ and similar expressions shall mean the Effective Date.





- 1.1.6. **Listing Regulations** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments or modifications thereof or any other re-enactment thereof as in force at present.
- 1.1.7. **Official Liquidator** means the Office of the Official Liquidator, High Court, Karnataka who has jurisdiction over the Transferee Company and the Office of the Official Liquidator, High Court, Madras who has jurisdiction over the Transferor Company.
- 1.1.8. **Regional Director** means the Regional Director (Southern Region), Ministry of Corporate Affairs, Government of India who has jurisdiction over the Transferor Company and Regional Director (South East Region), Ministry of Corporate Affairs, Government of India who has jurisdiction over the Transferee Company for the purposes of Section 233 of the Act.
- 1.1.9. **Registrar of Companies** means the Registrar of Companies, Bangalore, Karnataka who has jurisdiction over the Transferee Company and Registrar of Companies, Puducherry who has jurisdiction over the Transferor Company.
- 1.1.10. **SEBI** means the Securities and Exchange Board of India.
- 1.1.11. **Scheme** means this Scheme of Arrangement under Sections 230, 232 and 233 of the Act in the present form or with such modifications as sanctioned by the Regional Director.
- 1.1.12. **Stock Exchange** means BSE Limited and National Stock Exchange of India Limited whereat the Transferee Company is listed.
- 1.1.13. **Transferor Company** means 3M Electro & Communication India Private Limited, a company incorporated under the provisions of the Companies Act, 1913 and an existing company within the meaning of the Act, having its registered office at No. 95, (Plot Nos. 95-97), Sanniyasikuppam, Udhaya Nagar, Thirubhuvanai Main Road, Thirubhuvanai Post, Puducherry – 605 107.
- 1.1.14. **Transferee Company** means 3M India Limited, a company incorporated under the provisions of the Companies Act, 1913 and an existing company within the meaning of the Act, having its registered office at Plot Nos. 48-51, Electronics City, Hosur Road, Bengaluru- 560 100.
- 1.1.15. **Undertaking** means and includes the entirety of the assets and liabilities of the Transferor Company including all its rights, interests, privileges, licences, powers, permits, approvals, contracts, liabilities, duties, obligations, debts, outstanding and includes without limitation, the following:
- 1.1.15.1. all properties (whether movable or immovable), assets (tangible or intangible) and liabilities (whether past, present or contingent) of the Transferor Company immediately before the merger, a list whereof is set out in the Schedule hereunder including land, furniture, fixture, appliances, equipments, installations, utility connections, stationery, building, structures, work in progress, spares, sundry debtors, interiors, vehicles, equipments, accessories, investments, cash balances, deposits, advances, book debts, funds, provisions, receivables, refunds, reserves, actionable claims, tax credits, carry forward accumulated losses, unabsorbed depreciation, refunds of all direct and indirect taxes, fees and cess, earnest moneys, leases, licences, contracts, agreements, municipal licences, permits and consents to establish or operate, tenancies, computer hardware and software, domain names, websites, trade names, trademarks, patents, copyrights or other intellectual property rights, goodwill,



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





## **2. SHARE CAPITAL**

- 2.1. The Equity Share Capital of the Transferor Company i.e. the wholly-owned subsidiary company as on April 1, 2019 was as under:  
Authorised Equity Share Capital: 5,00,000 equity shares of Rs. 10 each  
Amount: Rs. 50,00,000  
Issued, Subscribed and Paid Up Equity Share Capital: 5,00,000 equity shares of 10 each fully paid up  
Amount: Rs. 50,00,000
- 2.2. The Equity Share Capital of the Transferee Company i.e. the holding company as on the April 1, 2019 was as under:  
Authorised Equity Share Capital: 1,12,65,070 equity shares of Rs. 10 each  
Amount: Rs. 11,26,50,700  
Issued, Subscribed and Paid Up Equity Share Capital: 1,12,65,070 equity shares of Rs. 10 each  
Amount: Rs. 11,26,50,700

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

## **3. DATE OF TAKING EFFECT**

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

## **PART – II (The Scheme of Arrangement)**

### **4. TRANSFER AND VESTING OF UNDERTAKING**

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



on or up to the day of the Appointed Date shall, pursuant to the Scheme, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the liabilities, debts duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. It is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

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





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

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

- 5.1. The Transferee Company shall not issue and allot shares to the shareholders of the Transferor Company, as one hundred percent (100%) shares of the Transferor Company are held by the Transferee Company and hence, the same shall stand cancelled upon coming into effect of the Scheme. To further clarify, it is hereby expressly clarified that the entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company [along with its nominee(s)]. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the paid up share capital of the Transferor Company shall stand cancelled.
- 5.2. It is further expressly clarified that the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended by the clause as set out below, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 61, 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed.

*“The authorised share capital of the Company is Rs. 11,26,50,700 comprising of 1,12,65,070 equity shares of Rs. 10 each (Rupees Ten only).”*

## **6. CONSIDERATION / ISSUANCE OF SHARES**

- 6.1. The entire equity share capital of the Transferor Company is held by the Transferee Company. In other words, the Transferor Company is a wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall be combined with the authorised share capital of the Transferee Company and shall be reclassified.
- 6.2. The filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be deemed to have been paid by the Transferee Company on the combined share capital and the Transferee Company shall not be required to pay any fee or stamp duty for such increased authorised share capital.
- 6.3. The share certificates held by the Transferee Company and the investments in the shares of the Transferor Company as appearing in the books of accounts of the Transferee Company, shall stand cancelled without any further act or deed required for that purpose.
- 6.4. Since the Transferor Company is a wholly-owned subsidiary of the Transferee Company, there are no dissenting shareholders in terms of Section 235 of the Act.

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

- 7.1. Any legal, Judicial or quasi-judicial, Regulatory and Tax proceedings by or against the Transferor Company pending as on the Appointed Date shall not abate or be discontinued or in any way be





prejudicially affected by reasons of the arrangement and shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would have been continued or enforced by or against the Transferor Company had the Scheme not been made.

- 7.2. All proceedings by or against the Transferor Company will be prosecuted or defended at the costs of the Transferee Company at its own liability.

## **8. CONTRACTS AND DEEDS**

- 8.1. Subject to the other provisions contained in the Scheme, any agreements, contracts, deeds, work orders, job orders, bonds, insurance, letters of intent, guarantees, undertakings, memoranda, arrangements, policies agreements and other instruments of whatsoever nature relating to the Transferor Company to which the Transferor Company is a party and is subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been a party thereto.

- 8.2. Similarly, any rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements if any outstanding as on the Effective Date shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and instead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

- 8.3. The Transferee Company may enter into and/or issue and/or execute deeds or confirmations or enter into any arrangement or novation in order to give effect to the provisions of the Scheme if it becomes necessary. The Transferee Company shall be authorised to execute any such deeds or confirmations on behalf of the Transferor Company and to implement and carry out all the formalities required for implementing the Scheme.

## **9. EMPLOYEES**

- 9.1. The employees of the Transferor Company shall stand assigned to the Transferee Company on the same terms and conditions of their service on which they were engaged with the Transferor Company and shall become employees of the Transferee Company without any interruption of service.
- 9.2. The terms and conditions of service applicable to the employees of the Transferor Company shall be the same on which they are engaged by the Transferor Company or at least shall not be less favourable than those applicable to them as on the Effective Date.
- 9.3. The services of all the employees of the Transferor Company shall be taken into account from their date of appointment with the Transferor Company for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.



- 9.4. The Transferee Company shall abide by any agreement or settlement as entered into by the Transferor Company with any of its employees which is in force as on the Effective Date.
- 9.5. The accumulated balances, if any, standing to the credit of the employees of the Transferor Company in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by the Transferee Company and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by the Transferee Company. Pending the transfer as aforesaid, the dues of the employees of the Transferor Company relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

## 10. PAYMENT OF TAX

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





the Appointed Date, the same will be deemed to be issued in the name of the Transferee Company for the tax purposes.

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





## **11. ACCOUNTING**

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

## **PART – III (General Provisions)**

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

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



or consolidation, re-organization, or in any other manner except under any of the following circumstances: i) by mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company; or ii) as may be permitted under this Scheme.

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

### **13. SAVING OF CONCLUDED TRANSACTIONS**

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

### **14. APPLICATIONS**

- 14.1. The Transferor Company and the Transferee Company shall make necessary applications to the Regional Director or any other competent authority for sanction and carrying out of the Scheme of Arrangement for transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company under Sections 230, 232 and 233 of the Act and for dissolution of the Transferor Company without being wound up and all matters ancillary or incidental thereto. The Transferor Company and the Transferee Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of the Scheme.





## **15. LISTING AGREEMENT AND SEBI COMPLIANCES**

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

## **16. SCHEME CONDITIONAL UPON**

- 16.1. The Scheme is conditional upon and subject to:
  - 16.1.1. Approval of the Scheme by the requisite majority of the shareholders of both the Transferor Company and the Transferee Company and their respective creditors;
  - 16.1.2. Sanction of the Scheme by the Regional Director under Section 233 and other applicable provisions of the Act;
  - 16.1.3. Sanctions and approvals of all authorities concerned including the Registrar of Companies, the Official Liquidator in respect of any matter relating to or arising out of the Scheme for which such sanction or approval is required under Section 233 of the Act;
  - 16.1.4. All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

## **17. MODIFICATION AND IMPLEMENTATION**

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





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

## **18. RESIDUAL PROVISIONS**

- 18.1. On the approval of the Scheme by the members of the Transferor Company and the Transferee Company pursuant to Sections 230, 232 and 233 of the Act, it shall be deemed that the said members have also accorded all relevant consents under the Act or any other provisions of the Act to the extent the same may be considered applicable.
- 18.2. The approval of the Scheme by the shareholders of the Transferee Company under Sections 230, 232 and 233 of the Act, whether at a meeting or otherwise howsoever, shall be deemed to have the approval under all other applicable provisions of the Act.
- 18.3. If any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of the Transferor Company and the Transferee Company, affect the adoption or validity or interpretation of the other parts and/or provisions of the Scheme. The Boards of Directors of the Transferor Company and the Transferee Company may in their absolute discretion, adopt any part of the Scheme or withdraw the entire Scheme and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person in respect of the whole or part of Scheme so withdrawn or not adopted, as the case may be.
- 18.4. If any part of the Scheme hereof is ruled invalid or illegal or unenforceable by any court of competent jurisdiction, then such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected by such severability unless deletion of the part shall render the Scheme ineffective or materially adverse to either party, in which case the parties shall cooperate to bring about such modification to the Scheme so as to preserve the nature and essence and benefits of the Scheme.
- 18.5. Upon approval of the Scheme by the Regional Director, the Transferor Company shall be dissolved without winding up as per the provisions of the Act. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies. The Transferee Company shall make all necessary filings in this regard. Any obligations/steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.
- ## **19. COSTS**
- 19.1. All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses in connection with the Scheme shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the



value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.

## 20. NO CAUSE OF ACTION

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

## SCHEDULE OF ASSETS OF THE TRANSFEROR COMPANY

(Rs. in lakhs)	As at April 1, 2019
<b>I. Assets</b>	
<b>(1) Non-current assets</b>	
(a) Property, plant and equipment	1,653.25
(b) Capital work-in-progress	218.71
(c) Intangible assets	4.95
(d) Financial assets	
(i) Trade receivables	-
(ii) Loans receivable	35.43
(e) Deferred tax assets, (net)	724.37
(f) Income tax assets, (net)	941.01
(g) Other non-current assets	669.63
<b>Total non-current assets</b>	<b>4,247.35</b>
<b>(2) Current assets</b>	
(a) Inventories	3,208.21
(b) Financial assets	
Investments	
(i) Trade receivables	4,148.69
(ii) Cash and cash equivalents	8,707.62
(iii) Loans receivable	14.43
(iv) Other financial assets	235.95
Derivatives	
Assets for current tax (Net)	
(c) Other current assets	490.26
<b>Sub - total</b>	<b>16,805.16</b>
(d) Assets held for sale	-
<b>Total current assets</b>	<b>16,805.16</b>
<b>Total assets</b>	<b>21,052.51</b>



<b>(Rs. in lakhs)</b>	<b>Gross Block Value</b>	<b>Accumulated depreciation</b>	<b>Net Block Value</b>
Freehold land	760.77	-	760.77
Building	448.39	155.18	293.21
Plant and machinery	942.04	449.13	492.91
Electrical installations	9.97	9.54	0.43
Office equipment	26.64	15.01	11.63
Furnitures & fixtures	93.05	29.82	63.23
Data processing equipment	0.01	0.01	-
Leased vehicles (a)	63.73	32.66	31.07
<b>Total</b>	<b>2,344.60</b>	<b>691.35</b>	<b>1,653.25</b>



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