



RAMA STEEL TUBES LTD.

Manufacturers & Exporters : ERW Steel Tubes (Black & Galvanised)

CIN : L27201DL1974PLC007114 | AN ISO 9001 : 2015 CO.

📍 Regd. Office : B-5, 3rd Floor, Main Road, Ghazipur, New Delhi (India) - 110096

📞 +(91)-(11)-43446600

✉ info@ramasteel.com

🌐 www.ramasteel.com

Date: February 14, 2022

To

The Manager – Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Symbol: RAMASTEEL	The Secretary BSE Limited, Corporate Relationship Dept., P. J. Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 539309
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Dear Sir/Madam,

Sub: Intimation of Scheme of Amalgamation under Regulation 30 and 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of the Company in their meeting held today i.e. Monday, February 14, 2022, have approved the Scheme of Amalgamation of Lepakshi Tubes Private Limited (Company's Wholly Owned Subsidiary) with the Company.

We are enclosing herewith Copy of Scheme of Amalgamation.

Request you to please take the aforesaid information on your record.

For **Rama Steel Tubes Limited**

(Kapil Datta)

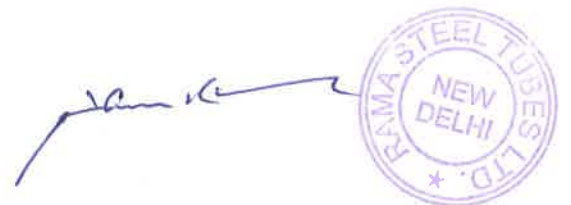
Company Secretary & Compliance Officer

Email id: investors@ramasteel.com



Encl. As Above

SCHEME OF AMALGAMATION
OF
LEPAKSHI TUBES PRIVATE LIMITED
(Transferor Company)
WITH
RAMA STEEL TUBES LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS
UNDER
SECTIONS 230-232 AND ANY OTHER APPLICABLE
PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013

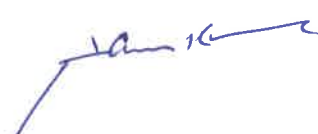



PREAMBLE

(A) BACKGROUND AND DESCRIPTION OF COMPANY

1. LEPAKSHI TUBES PRIVATE LIMITED

(hereinafter referred to as “the Transferor Company”) (CIN - U28990DL2016PTC302210) is a Private Limited Company incorporated under the provisions of the Company Act, 2013 on 28th day of June, 2016 under the name and style of “**Lepakshi Tubes Private Limited**” with Registrar of Company, NCT of Delhi and Haryana. At present, the Transferor Company is having its Registered Office at B-5, 3rd Floor, Main Road, Ghazipur, New Delhi, East Delhi-110096 within the jurisdiction of the Hon’ble NCLT, New Delhi. As per the Memorandum of Association of Transferor Company, one of the main objects of the Transferor Company is to manufacture, process, design, buy, sell, import, export or otherwise deal in all kinds of Steel Tubes/pipes, pipe fittings, Components, accessories and all kinds of hardware items made of steel, to carry on the business of galvanisers and jappanners, re-rollers annealers, enamellers, and electroplaters and to manufacture, process, repair, convert, buy, sell, import, export or otherwise deal in such products, their raw materials, stores, packing materials, tools, plants and machineries by products and commodities.

RAMA STEEL TUBES LIMITED (hereinafter referred to as “**the Transferee Company**”) (CIN - L27201DL1974PLC007114) is a Public Limited Company incorporated under the provisions of the Companies Act, 1956 on 26th day of February, 1974 under the name and style of “**Rama Steel Tubes Limited**” with Registrar of Company, NCT of Delhi and Haryana. At present, the Transferee Company is having its registered office at B-5, 3rd Floor, Main Road, Ghazipur, New Delhi, East Delhi-110096 within the jurisdiction of the Hon’ble NCLT, New Delhi. The shares of the transferee company are listed with National Stock Exchange and Bombay Stock Exchange. As per Memorandum of Association of the Transferee Company, one of the main objects of the Transferee Company is to manufacture, process, design, buy, sell, import, export or otherwise deal in all kinds of Steel Tubes/pipes, pipe fittings, Components, accessories and all kinds of hardware items made of steel, to carry on the business of galvanisers and jappanners, re-rollers annealers, enamellers, and electroplaters and to manufacture, process, repair, convert, buy, sell, import, export or otherwise deal in such products, their raw materials, stores, packing materials, tools, plants and machineries by products and commodities.

(B) OBJECTS/ RATIONALE FOR THE PROPOSED SCHEME:

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It is proposed to consolidate the operations/business of the Transferor Company into the Transferee Company by amalgamation of the Transferor Company with the Transferee Company pursuant to a Scheme of Amalgamation under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The Transferor Company is a wholly owned subsidiary of the Transferee Company within the meaning of the Companies Act, 2013. The amalgamation of the Transferor Company with the Transferee Company would result, *inter-alia*, in the following benefits:-

- a. The merger of Transferor Company in to RSTL (Transferee Company) will result in the operational and administrative synergies resulting in to cost optimization.
- b. Consolidation and simplification of the group structure, cost savings/synergies resulting from rationalization, standardization and simplification of business processes.
- c. It is also the intention of the RSTL management to rationalize the Group Holding structure by way of reduction of number of entities and streamlining the corporate structure of RSTL.
- d. The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of RSTL in a more



meaningful way and result in improved organizational capability arising from pooling of financial resources.

- e. Avoiding un-necessary duplication of costs of administration, distribution, selling and marketing and reduction in legal and regulatory compliances.
- f. Maximizing the overall shareholders value by strengthening its core competencies.

(C) PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

1. **PART I** – This part deals with the Definitions and Share Capital;
2. **PART II** – This part provides for amalgamation of Lepakshi Tubes Private Limited (“**the Transferor Company**”) with Rama Steel Tubes Limited (“**the Transferee Company**”);
3. **PART III** – This part deals with General Terms and Conditions applicable to this Scheme.

(D) The Amalgamation of the Transferor Company with the Transferee Company pursuant to and in accordance with the Scheme shall be operational with effect from the Appointed Date and shall be in compliance with the relevant provisions of the Income Tax Act, 1961.

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PART I

DEFINITIONS

1.1 DEFINITIONS

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

- a) **“The Act”** means the Companies Act, 2013 or any statutory amendment and/or re-enactment thereof, from time to time and for the time being in force.
- b) **“Applicable Laws”** Any statute, notification, by laws, rules, regulation, guideline, rule or common law, policy, code, directive, ordinance, schemes, notices, orders and instructions having force of law enacted or issued or sanctioned by any appropriate authority including any modification or re-enactment thereof for the time being in force.
- c) **“ Appropriate Authority”** means (i) the Government of any Jurisdiction (Including any central, state, municipal or local government or any political or administrative sub division thereof) any department, ministry, agency, court, central bank, commission or any other authority thereof: (ii) any public international organization supranational body and its institutions, departments and agencies: (iii) Any governmental,

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quasi governmental or private body or agency lawfully exercising or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing competition, tax, importing or any other govt. or quasi judicial authority including the SEBI, Stock Exchanges, Registrar of Companies, Regional Director, The NCLT and Official Liquidator.

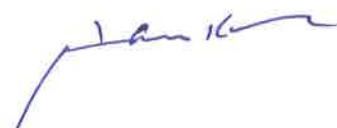
- d) **“Appointed Date”** means 01st day of April 2021 or such other date as may be directed or approved by National Company Law Tribunal or any other appropriate authority.
- e) **“Board of Directors”** or **“Board”** in relation to the Transferor Company and the Transferee Company, as the case may be, shall unless it is repugnant to the context or otherwise, include the Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- f) **“Employees”** means staff and employees, if any of the Transferor company who are on the pay roll of the Transferor company as on effective date.
- g) **“Encumbrances”** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sale contract, hypothecation, right of other person, claim, security interest, encumbrance, title defect,

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title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement(for the purpose of or which has the effect of , granting security) , or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create of the same and the term “ Encumbered” shall be construed accordingly.

- h) **“Legal Proceedings”** means any proceedings taken by and/or against the Transferor Company in any Court/Tribunal/Forum/Authority, as pending on the Appointed Date.
- i) **“Scheme” or “This Scheme” or “the Scheme” or “Scheme of Amalgamation”** means the present Scheme of Amalgamation framed under the provisions of Sections 230-232 and other applicable provisions, if any, of the Act as approved by the respective Board of Directors of the Transferor Company and the Transferee Company as submitted in the present form or with any modification(s) imposed or directed by Members/ Creditors of the respective Transferor Company



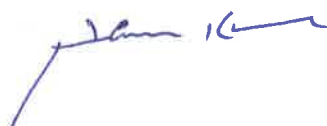
and Transferee Company and/or by the Hon'ble National Company Law Tribunal or by any competent authority(ies).

j) **“The Transferor Company”** means **“Lepakshi Tubes Private Limited” (LTPL)**, is as defined in Preamble Clause (A) 1 above.

k) **“The Transferee Company”** means **“Rama Steel Tubes Limited”, (RSTL)** is as defined in Preamble Clause (A) 2 above.

l) **“Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Court of India or any other country or jurisdiction as applicable.

m) **“Hon'ble National Company Law Tribunal” or “NCLT” or “Hon'ble Tribunal” or “Hon'ble NCLT”** means the Hon'ble National Company Law Tribunal at New Delhi having jurisdiction in relation to the Transferor Company and Transferee Company.



- n) **"Hon'ble National Company Law Appellate Tribunal" or "NCLAT" or "Hon'ble NCLAT"** means the Hon'ble National Company Law Appellate Tribunal at New Delhi.
- o) **"Record date"** means the date to be fixed by the Board of Directors or committee thereof, if any, the Transferor Company and Transferee Company for the purpose of determining the members of Transferor Company to whom equity shares will be allotted pursuant to the Scheme.
- p) **"ROC" or "Registrar of Company"** means the Registrar of Company, NCT of Delhi and Haryana having jurisdiction over the Transferor Company and Transferee Company.
- q) **"The Effective Date"** in relation to the scheme, means last of the dates on which the copy of the order of Hon'ble National Company Law Tribunal sanctioning the Scheme of Amalgamation are filed by the Transferor Company and the Transferee Company with the Registrar of Companies.

Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.



- r) **“Undertaking”** in relation to the Transferor Company, shall mean the entire business of Transferor Company on a going concern basis as on appointed date.
- s) **“IT Act”** means the Income Tax Act, 1961, as amended.

All terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable law (as defined above), rules, regulations, bye-laws, as the case may be including any statutory modification or re-enactment thereof from time to time.

References to any law or legislation or any provision thereof shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.

In this Scheme, where the context so requires, words denoting the singular shall include the plural and words denoting any gender shall include all genders.

1.2 SHARE CAPITAL



a. **LEPAKSHI TUBES PRIVATE LIMITED - THE TRANSFEROR COMPANY**

As per Annual Accounts as on 31st March, 2021	
Particulars	Amount (in Rs.)
Authorised Share Capital	
49,00,000 Equity Shares of Rs. 10/- each	4,90,00,000
Total	4,90,00,000
Issued, Subscribed and Paid-up Share Capital	
49,00,000 Equity Shares of Rs. 10/- each	4,90,00,000
Total	4,90,00,000

The Equity shares of the transferor company are not listed on the Stock exchanges. The entire equity share capital of Transferor Company is held by the Transferee Company. Accordingly the Transferor Company is the wholly owned subsidiary company of the Transferee Company. The Authorised and Issued, Subscribed & Paid –up Share Capital of the Transferor Company is same as above on the date of Board Meeting i.e. 14th February, 2022 sanctioning the Scheme of Amalgamation.

b. **RAMA STEEL TUBES LIMITED -THE TRANSFEE COMPANY**




As per Audited Annual Accounts as on 31st March, 2021	
Particulars	Amount (in Rs.)
Authorised Share Capital	
1,80,00,000 Equity Shares of Rs. 5/- each	9,00,00,000
25,00,000 5% Non Cumulative Redeemable Preference shares of Rs.10/- each	2,50,00,000
Total	11,50,00,000
Issued, Subscribed and Paid-up Share Capital	
1,67,94,000 Equity Shares of Rs. 5/- each fully paid up	8,39,70,000
Total	8,39,70,000

The Authorised and Issued, Subscribed & Paid –up Share Capital of the Transferee Company is same as above on the date of Board meeting i.e. 14th February, 2022 sanctioning the Scheme of Amalgamation.

PART II

2. TRANSFER AND VESTING



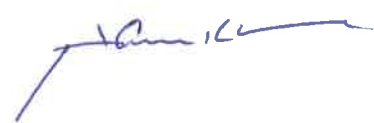

- a. Upon this Scheme becoming effective and with effect from the Appointed Date, the entire business and the undertakings of the Transferor Company including and without limited to all properties, estate, assets, liabilities, claims, reserve & surplus including Securities Premium Account and Undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company pursuant to the sanction of this Scheme by the Hon'ble NCLT and pursuant to Section 230 -232 and other the applicable provisions of the Act and also in accordance with Section 2(1B) of the Income-Tax Act, 1961, as a going concern, without any further act, instrument, deed, matter or thing to be made, done or executed.
- b. With effect from the commencement of business on the Appointed Date and subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, entire undertaking, business and all properties whether moveable or immovable, tangible or intangible, in possession or reversion and also all other assets, capital, work-in-progress, current assets, all investments in India or out of India, if any, powers, authorities, allotments, approvals, consents, licenses, insurances, registrations, contracts, engagements, arrangement, rights, intellectual



property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, all licenses, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trademarks/ brands/ copy rights/ patents, quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, approvals, clearances, environmental clearances, occupancy certificate, authorizations, certification, quality certification, utilities, electricity connections, water connections, telephone connections, electronics and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act, instrument or deed and without payment of any duty or other charges, be transferred to and vested in the Transferee Company as a going concern pursuant to the applicable provisions of the Act, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company.

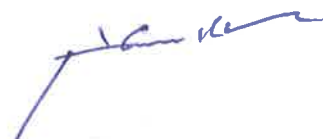
 

- c. Notwithstanding what is provided herein above, it is expressly provided that in respect to assets which are movable in nature or the assets which are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any further order of the Hon'ble NCLT or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly. The vesting pursuant to this clause shall be deemed to have occurred by physical delivery or by endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly to the Transferee Company.
- d. With effect from the appointed date and upon the scheme becoming effective, all movable assets of the Transferor Company, other than those specified in clause (c) above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any with governments, semi-governments, local and other authorities and bodies, customers and other persons shall without any requirement



of any further act, instrument or deed become the property of the Transferee Company.

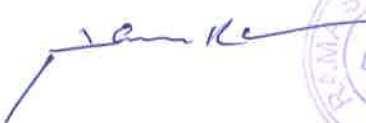

- e. With effect from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for or not in the books of accounts of the Transferor Company shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- f. All the assets/undertaking of the Transferor Company as on the Appointed Date and all the assets/undertaking of the Transferor Company, if any, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to the Transferee Company upon the Scheme coming into effect.



- g. For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of the Transferor Company in any leasehold properties, if any, including all the leases, of the Transferor Company shall without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and it shall be presumed that the same were executed by the Transferee Company.
- h. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licenses, quotas, liberties, special status, certificates, clearances, authorities, powers of attorney and all other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Company or issued to or executed in favor of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favor 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 and shall remain valid, effective and enforceable on the same terms and conditions.






- i. To the extent there are inter-corporate loans, liabilities, duties, debts and claims (including receivables), if any, due or which may hereafter become due, between the Transferor Company and the Transferee Company or vice versa, the obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the books of accounts and records of the Transferee Company and if required, the reduction/cancellation of such loans, debts and claims (including receivables) shall be reflected in the books of accounts and records of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of such loans, liabilities, duties, debts and claims (including receivables), due or which may hereafter become due, between the Transferee Company on the one hand and the Transferor Company on the other hand.
- j. With effect from the Appointed Date and upon the scheme becoming effective, all debts, liabilities, guarantees, indemnities, contingent liabilities, disputed liabilities, duties and obligations of every kind, nature, description, whether or not secured, whether provided for or not provided for in the books of accounts and/ or whether disclosed or

undisclosed in the financial statements of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 230-232 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, guarantees, indemnities, contingent liabilities, disputed liabilities, duties and obligations of the Transferee Company and the Transferee Company shall, and undertakes to, meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain any consent of third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities etc. have arisen, in order to give effect to the provisions of this Clause.

- k. Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- l. The transfer and vesting of the entire business and undertaking of the Transferor Company as aforesaid shall be subject to the existing

securities, mortgages, charges, hypothecation, encumbrances or liens, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company.

- m. All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof shall be 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 Company, 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.
- n. Any loans, advances and other facilities sanctioned to the Transferor Company by their bankers, financial institutions etc. from the Appointed Date till the Effective Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized



either partly or fully by the Transferor Company and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.

- o. All pending tax assessment proceedings/ suits/ appeals and/ or other pending proceedings of whatsoever nature by or against the Transferor Company shall not abate, be discontinued or in any way prejudicially affected by reason of the merger of the Transferor Company or of anything contained in the Scheme but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if the Scheme had not been made.
- p. Any tax liabilities under the Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes (whether in the form of duties,

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cesses, fees, levies or by whatever name called) allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for such taxes (including advance tax and tax deducted at source) as on the date immediately preceding the Appointed Date shall also be transferred to the account of the Transferee Company.

- q. All taxes (direct or indirect) including income tax, minimum alternate tax, service tax, sales tax, Goods and Services Tax and all other statutory taxes, if any, paid or payable by the Transferor Company on or before the Appointed Date shall be on account of the Transferor Company, and in so far as it relates to the payment of taxes after the Appointed Date, such taxes shall be deemed to be the corresponding tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- r. Any refunds, input credits, benefits, incentives, grants, subsidies, deductions, claims, etc. under the Income Tax Act, 1961, the Goods and Services Tax Act, 2017 or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor



Company and due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

- s. All taxes, benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Company under Income Tax, Sales tax, Service tax, Goods and Services tax etc. or any tax deduction/ collection at source, tax credits, benefits of CENVAT credits, benefits of input credits relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the Hon'ble NCLT. The benefit of all taxes paid including minimum alternate tax under Income Tax Act, unabsorbed depreciation, carry forward of losses as well as set-off of losses thereof shall be available to the Transferee Company as would have been available to the Transferor Company upon the sanction of the scheme by the Hon'ble NCLT.



- t. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexure under the relevant labour laws, Income tax, sales tax including value added tax, service tax, Goods and Services Tax and other applicable tax laws, and to claim refunds and/ or credits for dues and/ or taxes paid and/ or depreciation benefits, if any, as may be required consequent to implementation of this Scheme.

3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature (including all tenancies, leases, licenses and other assurances in favour of any of the Transferor Company or powers or authorities granted by or to any of the Transferor Company), to which any of the Transferor Company is the party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favor of the Transferee Company and may be enforced as fully and effectually, as if the Transferee Company had been a party thereto.




- b. The transfer of the assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the assets or the liabilities already concluded by any of the Transferor Company on or after the Appointed Date.
- c. 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 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 favor of the secured creditors of the Transferor Company or in favor of any other party to any contract or arrangement to which any of the Transferor Company is the 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 this Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.



- d. Any inter-se contracts between the Transferor Company and the Transferee Company shall stand adjusted and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective. Transaction(s), if any, between the Transferor Company and Transferee Company after the appointed date and until the effective date will be squared off in the books of accounts of the Transferee Company upon the Scheme becoming effective.

4. LEGAL PROCEEDINGS AND OTHER RESOLUTIONS

- a. From the effective date, all legal proceedings of whatever nature by or against the Transferor Company pending on the appointed date or which may be instituted any time in future (irrespective of whether they relate to periods on or prior to the appointed date), shall not be abated or discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.



b. The resolutions, including resolutions passed under Section 180(1)(a), 180(1)(c) and Section 186 of the Act, if any, of the Transferor Company, which are valid and subsisting on the effective date, shall, *mutatis mutandis*, continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and where such resolutions have any upper monetary or other limit(s) being fixed under the provisions of the Act or any other applicable provisions, then all the said limits shall be added and shall constitute the aggregate of the said limits of the Transferee Company.

5. OPERATIVE/EFFECTIVE DATE OF THE SCHEME

This Scheme, though operative from the Appointed Date, shall be effective from the last of the dates on which certified copy of order of Hon'ble NCLT under Section 230-232 of the Act are filed with the office of the respective Registrar of Company.

6. DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme, becoming effective as provided in Clause 5 above, the Transferor Company shall stand dissolved without winding up.

7. STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANY



- a. All the employees of the Transferor Company in service, if any, on the date immediately preceding the date on which the Scheme takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date.
- b. Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.





- c. With effect from the date of filing of this Scheme with the Hon'ble NCLT and till the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of their respective employees, except with the written consent of the Transferee Company.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEE COMPANY

8.1 From the Appointed Date until the Effective Date, the Transferor Company-

- a. Shall possess of all its assets and properties referred to in Clause 2 above, in trust for the Transferee Company.
- b. Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges, expenses or loss arising or incurred or suffered by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

- 8.2** Any corporate action by Transferor Company on or after the Appointed Date until the Effective Date shall, upon the Scheme became effective, be treated as having been taken by the Transferee Company without any further application, act or deed etc. and shall be dealt with accordingly.
- 8.3** Till such times, the names of the Bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the banks accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary.
- 8.4** Notwithstanding anything contained in sub-clause '8.1' and '8.2' above, the Transferor Company as well as the Transferee Company shall be free to conduct their respective businesses till the effective date of amalgamation.

9. CONSIDERATION

- 9.1** The entire share capital of the Transferor Company is held by the Transferee Company directly. Therefore the Transferee company shall not be required to issue any shares or pay any consideration to the Transferor Company or to their shareholders.




9.2 Upon coming in to effect of this scheme the shares or the share certificates of the Transferor Company in relation to the share held by its member 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 effective date without any necessity of being surrendered.

10. UPON THIS SCHEME BECOMING EFFECTIVE

- a. Entire issued, subscribed and paid-up equity share capital of the Transferor Company shall automatically stand cancelled.
- b. The Authorized Share Capital of the Transferor Company shall get merged to form new Authorized Share Capital of the Transferee Company and thereafter, the Authorized Share Capital of the Transferee Company shall stand increased to that extent without any further act, deed and without payment of any fees or charges or stamp duty to the Registrar of Company and/or to any other government authority and the stamp duty and fees paid by the Transferor Company on their authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme. The Fee/duty paid



by the Transferor Company for its authorized share capital shall be deemed to have been paid by the Transferee Company.

- c. In accordance with to sub-clause (b) above, 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 the applicable provisions of the Act. Clause V of the Memorandum of Association of the Transferee Company shall read as under:

“The Authorized Share Capital of the Company is Rs. 16,40,00,000/- (Rupees Sixteen Crore Forty Lakhs only) divided into 2,78,00,000 (Two Crore Seventy Eight Lakhs only) equity shares of Rs. 5/- (Rupees five only) each and 25,00,000 (Twenty five Lakhs only) 5% Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each.”

- d. It is clarified that the approval of the Scheme by the members and/ or creditors of the Transferee Company shall be deemed approval of the Alteration of the Memorandum of Association and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Act.
- e. The Transferee Company shall increase/ modify/ reclassify its Authorised Share Capital for implementing the terms of this Scheme, to the extent necessary.



- f. On this Scheme becoming effective, the shareholders and Creditors, if any, of the Transferee Company and the Transferor 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 and no separate resolution under the Act shall required to be passed.

11. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the Scheme becoming effective, the amalgamation will be accounted in accordance with applicable Indian Accounting Standard as notified under Section 133 of Company Act, 2013, read together with Paragraph 3 of The Company (Indian Accounting Standard) Rules, 2015 and the other accounting principles generally accepted in India.

The Accounting treatment will be as under:

11.1 For the purpose of Accounting for and dealing with the Book Value of Assets, Liabilities and reserves in the Books of accounts of the Transferee Company upon the scheme become effective, the audited financial statement of Transferor Company as on the close of business on the day immediately presiding the appointed date shall be forwarded to Transferee Company by the Transferor Company.



11.2 The Book Value of all Assets, Liabilities and reserves of Transferor Company as recorded in the financial statement referred in 11.1 above shall be recorded in the Books of accounts of the Transferee Company as such, subject to the suitable adjustment being made, if any, to ensure uniformity of accounting policy.

11.3 Investment in the Share capital of Transferor Company in the books of accounts of transferee company, whether held directly or indirectly through nominee, shall stand cancelled.

11.4 Surplus or deficit, if any, arising as a result of amalgamation of Transferor company into and with the Transferee Company , in terms of this scheme, after adjustment of the amount of Investment of the Transferee Company in the Transferor Company due to cancellation of the share capital of Transferor Company , shall be adjusted to reserves in the books of accounts of the Transferee Company.

11.5 Identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of the Transferee company in the same form and manner, in which they appeared in the financial statement of the Transferor Company, as on the appointed date.

11.6 All outstanding balances in the Books of accounts between Transferor Company and Transferee Company as on the appointed date



will stand cancelled and there shall be no further obligation in this behalf.

11.7 In case any difference in the accounting policies followed by Transferor company from that of Transferee Company, impact of the same till the date immediately preceding the appointed date shall be qualified and shall be appropriately adjusted and reported in accordance with the accounting standards in the Books of Transferee Company , so as to ensure that the financial statement of transferee reflect the financial position on the basis of consistent accounting policies.

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- a. Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company.
- b. If any such resolutions have any monetary or other limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, imposed under the like resolutions passed by the



Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

PART-III

13. COMPLIANCE OF TAX LAWS

- a. This scheme has been drawn to comply with the conditions related to merger as specified under Section 2(1B) of Income tax Act, 1961 and all other relevant provisions of Income tax Act, 1961.
- b. If any terms or provisions of the scheme is/ are found to be or interpreted to be inconsistent with any of the said provisions of the Income Tax Act, 1961, whether as a result of any amendment of law or any judicial interpretation of law or for any other reason whatsoever, the scheme shall stand modified to the extent necessary to comply with the provisions of the Income Tax Act, 1961. Any such modification will, however, not affect other parts of the Scheme.

14. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- a. The scheme being approved by the requisite majorities in number and value of such classes of members and/or creditors (wherever



applicable), of the Transferor Company and the Transferee Company as may directed by Hon'ble NCLT.

- b. The approval or sanction of the Hon'ble NCLT under Sections 230-232 of the Act in favor of the Transferor Company and the Transferee Company for sanctioning the Scheme being obtained.
- c. The certified/ authenticated copies of the orders of the Hon'ble NCLT sanctioning the Scheme being filed by each of the Transferor Company and the Transferee Company with the respective Registrar of Company.
- d. Any other approvals, sanctions or consents of any Governmental Authority or any statutory authorities as may be required by law for the implementation of Scheme being obtained.

15. APPLICATION/ PETITION TO HON'BLE NCLT

The Transferor Company and the Transferee Company shall make application under Sections 230-232 of the Company Act, 2013 and other applicable provisions, if any, of the Act to the Hon'ble NCLT where the respective registered offices of the Transferor Company and the



Transferee Company are situated, for sanction of this Scheme and for the dissolution of the Transferor Company without winding-up and other concerned matters.

16. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- a. The Transferor Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Hon'ble NCLT and/or any authorities under the law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable to resolve all doubts or difficulties that may arise for implementing and/or carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.

- b. In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and is authorized to give all such directions as may be necessary including directions for settling any question, doubt or difficulty whatsoever that may arise.



- c. In the event that any conditions are imposed by any Hon'ble NCLT and/or any other competent authority which the Transferor Company and/or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be at liberty to withdraw the Scheme.

17. EFFECT OF NON – RECEIPT OF APPROVALS

In the event of this Scheme failing to take effect, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or employees or any other person. Each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

18. COST CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company only. This



includes, but not limited to, legal and professional fees paid to Company Secretaries, Chartered Accountants, Advocates, other professionals, fees paid on issue of shares, registration fees, stamp paper charges etc.

19. DIRECTORS OF THE TRANSFEROR COMPANY

That the Directors of Transferor Company shall cease to hold office as Directors thereof with effect from the Effective date of this scheme and consequently, the Board of Transferor Company shall stand dissolved.

20. INDEMNIFICATION

That if any liability including contingent liability not accounted for or provided in the financial statements of Transferor Company, arising upto the effective date of this Merger shall be indemnified by the Promoters of the Transferor Company to the Transferee Company.

21. SEVERABILITY

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 Transferor Company and the Transferee Company, affect the validity or implementation of the other parts/provisions of the scheme.



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