

## Vimta Labs Limited

Registered Office  
142, IDA Phase II, Cherlapally  
Hyderabad-500 051, Telangana, India  
T : +91 40 2726 4141  
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VLL\SE\027\2024-25

Date: 12.07.2024

Listing Centre  
B S E Limited  
P J Towers, Dalal Street  
Mumbai: 400001  
**Scrip Code No.524394**

Asst Vice President  
National Stock Exchange of India Limited  
"Exchange Plaza", Bandra  
Kurla Complex, Bandra (E)  
Mumbai – 400051  
**Trading Symbol: VIMTALABS**

Dear Sir/Madam,

Sub – Intimation of exemption order received from Hon'ble National Company Law Tribunal (the "NCLT")

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of Emtac Laboratories Private Limited ("the Wholly Owned Subsidiary Company") and M/s Vimta Labs Limited ("the Holding Company") at their meetings held on 29.03.2024 and 30.03.2024 respectively, have approved the scheme of amalgamation/merger of the Wholly Owned Subsidiary Company with the Holding Company.

Further, with reference to the intimation mail of 30<sup>th</sup> March 2024, we wish to inform you that the Hon'ble National Company Law Tribunal (the "NCLT") has passed an order dated 10.07.2024, granting an exemption from holding the meeting of Equity Shareholders and secured and unsecured creditors of both the Holding Company and the Wholly owned Subsidiary Company in relation to the above-mentioned merger. The court has noted that the rights of unsecured creditors will not be adversely affected by the merger.

The Order received from NCLT as mentioned above is attached as **Annexure- A** and the approved scheme is also attached as **Annexure-B**.

This is for your information and records.

Thanking you,

Yours faithfully,  
for VIMTA LABS LIMITED

Sujani Vasireddi  
Company Secretary

Attachments: as above.



IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, COURT – II

CA (CAA) No. 20/230/HDB/2024

[U/s 230 to 232 of the Companies Act, 2013  
and other applicable provisions of the Companies Act, 2013]

IN THE MATTER OF SCHEME OF AMALGAMATION OF

M/S. EMTAC LABORATORIES PRIVATE LIMITED  
(TRANSFEROR COMPANY)

AND

M/S. VIMTA LABS LIMITED  
(TRANSFeree COMPANY)

FREE OF COST COPY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**M/s. EMTAC Laboratories Private Limited**

Registered Office at Plot No.11/6,  
Road No.9, IDA, Nacharam, Rangareddi,  
Hyderabad, Telangana, India-500076.  
Represented by its Company Secretary,  
Smt Sujani Vasireddi.

....First Applicant Company/ Transferor Company

And

**M/s. Vimta Labs Limited**

Registered Office at Plot No.141/2 & 142,  
IDA Phase II, Charlapalli, R.R. District,  
Hyderabad-500 051, Telangana, India.  
Represented by its Managing Director,  
Smt Harita Vasireddi.

.....Second Applicant Company/ Transferee Company

**Date of Order:10.07.2024**

**CORAM:**

Sri Rajeev Bhardwaj, Hon`ble Member (Judicial)  
Sri Sanjay Puri, Hon`ble Member (Technical)

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**Counsel/Parties present:**

For the Applicant

: Mr. V.B. Raju, Advocate

[ PER: BENCH ]

**ORDER**

1. This is a Joint Application filed on behalf of the Applicants, M/s. EMTAC Laboratories Private Limited (Transferor Company) with M/s. Vimta Labs Limited (Transferee Company) under Sections 230-232 of the Companies Act, 2013, inter-alia seeking the following reliefs:
  - i. To dispense with the requirement of holding of the meeting of the Equity Shareholders of the First Applicant Company/Transferor Company as all the equity shareholders of the First Applicant Company/Transferor Company have given their consent affidavits.
  - ii. To dispense with the requirement of holding the meetings of the Secured and Unsecured Creditors of the First Applicant Company/Transferor Company since the Sole Secured Creditor and requisite Unsecured Creditors have given their consents.
  - iii. To dispense with the requirement of holding of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Second Applicant/Transferee Company since the First Applicant/Transferor Company is a wholly owned subsidiary of the Second Applicant/Transferee Company.
2. The Registered Offices of the Applicant Companies are situated in the State of Telangana.
3. The Brief facts of the case:



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**I. First Applicant Company/ Transferor Company:**

- i. M/s. EMTAC Laboratories Private Limited (First Applicant Company/Transferor Company) was incorporated on 17.10.2014 with CIN: U74200TG2014PTC096043.
- ii. The main objects of the First Applicant/Transferor Company are:
  - a. To carry on the business of Products Assessment and Certification of all types of consumer and industrial products in the field of Electrical, Electronic, Mechanical and Thermal by establishing necessary laboratories and conducts tests as per National/International standards and offer services to its customers/sponsors in India and abroad.
  - b. To carry on Inspections at the request of its customers/public Organizations and certify the products/processes.
  - c. To Collaborate with and or participate in National/International Standards Organization/association activities in furtherance of its objects.
  - d. To conduct Standards, Research & Development programs in the field of human interventional testing, biomedical instruments, electrical, electronic and information technology gadgets and automotive components.
  - e. To provide Consultancy for products/process development in achieving desired standards of equity.

**iii. NATURE OF BUSINESS**

The First Applicant/Transferor Company is engaged in business of Testing and Certification of all types of physical security products, Electrical, Electronic and Mechanical products.

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(A copy of the Memorandum and Articles of Association of the First Applicant Company/ Transferor Company is filed as Annexure-1 at Page Nos.28 to 56 of the Application).

- iv. The authorized, issued, subscribed and paid-up capital of the First Applicant Company/ Transferor Company as on 31.03.2024 is as follows:

Particulars	Amount (In Rs.)
<b>Authorised Share Capital</b>	
49,99,950 equity shares of Rs.10/- each	4,99,99,500
<b>TOTAL</b>	<b>4,99,99,500</b>
<b>Issued, subscribed and paid-up share capital</b>	
34,16,500 equity shares of Rs.10/- each fully paid up	3,41,65,000
<b>TOTAL</b>	<b>3,41,65,000</b>

Subsequent to 31.03.2024, there is no change in the authorized, issued, subscribed and paid-up share capital and the entire share capital of First Applicant/Transferor Company is held by Second Applicant/Transferee Company and its nominee.

(A Copy of the Audited Balance Sheet as at 31<sup>st</sup> March, 2024 of the Transferor Company is filed as Annexure-2 at Page Nos.57-102 of the application).



## II. Second Applicant Company/ Transferee Company:

- i. M/s. Vimta Labs Limited (Second Applicant/Transferee Company) was incorporated on 16.11.1990 with CIN: L24110TG1990PLC011977.
- ii. The main objects of the Second Applicant/Transferee Company are:
  - a. To continue to carry on in India or abroad, the trade, business, activities and/or other adventures of the partnership firm by the name and style of M/s. Vimta Labs, a partnership firm, at present with its principal place of business in Hyderabad, together with all the properties, assets, liabilities, undertaking

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establishments, factories, laboratories, belongings, funds, rights, goodwill privileges, obligations and contracts of the said firm or in connection therewith and to run, improve and develop the same as an on-going concern.

- b. To carry on the business of the testing, analysis and quality assurance stems of various industrial, non-industrial, agricultural and other materials, such as Metals, Minerals, Drugs and Pharmaceuticals, Chemicals, Fertilizers, Pesticides, Oils, Foods, Feeds, Civil Engineering and Building Materials, Mechanical, Electrical and Electronic goods and to conduct Microbiological, Toxicological and Bio availability Studies and to render consultancy and training in all the above fields and for this purpose to establish laboratories and get the same approved by appropriate authorities.

iii. **NATURE OF BUSINESS**

The Second Applicant/Transferee Company is engaged in business of Contract Research and Testing Organization which includes Electro Magnetic Interference (EMI)/Electro Magnetic Compatibility (EMC) testing.

(A copy of the Memorandum and Articles of Association of the Second Applicant/ Transferee Company is filed as Annexure-3 at Page Nos.103 to 152 of the Application).

- iv. The authorized, issued, subscribed and paid-up share capital of the Second Applicant/Transferee Company as on 31.03.2024 is as follows:

Particulars	Amount (In Rs.)
<b>Authorised Share Capital</b>	
3,50,00,000 equity shares of Rs.2/- each	7,00,00,000
<b>TOTAL</b>	<b>7,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	



2,21,70,583 equity shares of Rs.2/- each fully paid up	4,43,41,166
TOTAL	4,43,41,166

Subsequent to 31.03.2024, there is no change in the authorized, issued, subscribed and paid-up share capital of the Company.

(A Copy of the Audited Balance Sheet as at 31<sup>st</sup> March, 2024 of the Transferee Company is filed as Annexure-4 at Page Nos.153-295 of the Application).

3. **Rationale and Purpose of the Scheme of Amalgamation:**

ELPL is a wholly owned subsidiary of VLL. Both ELPL and VLL are in similar lines of business. It is proposed to amalgamate ELPL with VLL to consolidate the business of both companies within a single entity with a view to achieve operational synergies and efficiency in administrative functions. The Scheme will result in cost savings through operational synergies, pooling of resources, legal entity rationalization and reduction of administrative responsibilities, and legal & regulatory compliances.

The Scheme is in the interest of ELPL, VLL and their respective stakeholders.

The Board of Directors of the Transferor Company and Transferee Company at their respective meetings held on 29.03.2024 and 30.03.2024, have approved the Scheme of Amalgamation of M/s. EMTAC Laboratories Private Limited (Transferor Company) with M/s. Vimta Labs Limited (Transferee Company) and their respective Shareholders and Creditors with appointed date as 01.04.2024.

(The copies of the Board Resolutions of the Transferor Company and Transferee Company approving the Scheme of Amalgamation are filed as Annexure-5 and Annexure-6 at Page Nos.296-299 of the Application).

5. The salient/material features of the proposed Scheme of Amalgamation are detailed in Page Nos.10 to 14 of the Application.

6. **CONSIDERATION:**

ELPL is a wholly owned subsidiary of VLL. Therefore, there shall be no issue of shares as consideration for the amalgamation of ELPL with VLL.

7. **ACCOUNTING TREATMENT:**

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

- a. The Transferor and Transferee Company, both being entities under common control, shall account for the amalgamation in its financial statements in accordance with the "Pooling of Interest Method" laid down by Appendix C of Ind AS 103 – Business combinations prescribed under Section 133 of the Act and other generally accepted accounting read with the recent clarifications issued by Institute of Chartered Accountants of India (ICAI).
- b. The Transferee Company shall upon the scheme coming into effect, record all the assets (including goodwill), liabilities and reserves of the Transferor Companies vested in it pursuant to this Scheme. At their existing carrying amounts and in same form as appearing in the consolidated financial statements of the Transferee Company.
- c. As a result, investment in the equity of the Transferor Company as appearing in the books of Transferee Company shall stand cancelled. To the extent there are inter-company loans, advances & any other balances whatsoever between the Transferor and



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Transferee Company, the same shall stand cancelled without any further act or deed, upon becoming of operating the scheme.

- d. In case of any difference in accounting policy between the Transferor Company and Transferee Company, the impact of the same till the appointed date will be quantified and adjusted in the reserves to ensure that the financial statements of the Transferee Company to reflect the financial position on the basis of consistent accounting policy.
- e. On this scheme becoming effective, the financial information in the financial statements of the transferee company in respect of prior periods will be restated as if Amalgamation had occurred form (a) the beginning of the preceding period in the financial statements or (b) the date when control was acquired, whichever is later.

8. DISSOLUTION OF ELPL:

On the Scheme becoming effective, ELPL shall stand dissolved without going through the process of winding up and the Board and any committees thereof of ELPL shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of ELPL shall be deemed to be struck off from the records of the RoC.



9. A copy of the Scheme of Amalgamation as approved by the Board of Directors of First Applicant/Transferor Company and Second Applicant/Transferee Company is filed as **Annexure-7** at **Page Nos.300-329** of the Application.

10. Certificate issued by M/s. Gattamaneni & Co., Chartered Accountants certifying that the proposed Scheme of Amalgamation of First Applicant/Transferor Company and Second Applicant/Transferee

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Company is in conformity with the accounting standards as prescribed under the provisions of under Section 133 of the Companies Act, 2013.

(A copy of the certificate issued by the Chartered Accountant confirming the Accounting Treatment proposed in the Scheme is filed as Annexure-8 at Page Nos.330-332 of the Application).

11. **NO VALUATION REPORT:**

As the First Applicant/Transferor Company is a wholly owned subsidiary of the Second Applicant/Transferee Company and pursuant to the Scheme, no consideration is proposed to be involved, hence, the requirement of obtaining a valuation report is not applicable in this case.

12. **INTIMATION TO THE STOCK EXCHANGE:**

It is respectfully submitted that the Second Applicant/Transferee Company is a listed company having its shares listed and traded on the BSE Limited and National Stock Exchange of India Limited (NSE). However, since the present Scheme solely provides for the Amalgamation of its wholly owned subsidiary into its parent company, no formal approval, is required from the Stock Exchanges or Securities and Exchange Board of India ("SEBI") for the Scheme, in terms or provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017, and SEBI Circular No.CFD/DIL3/CIR/2017/21, dated 10<sup>th</sup> March, 2017 and Circular No.CFD/DIL3/CIR/2018/2, dated 03<sup>rd</sup> January, 2018, and Master Circular No.SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI and other applicable provisions, if any.

In terms of the SEBI Regulations, the present Scheme of Amalgamation is only required to be filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (the Stock Exchanges where the



Transferee Company is listed) for the purpose of disclosure and dissemination on its website. In compliance with Regulation 37(6) of the SEBI Regulations, the Second Applicant/Transferee Company has filed the copy of the aforesaid Scheme and board resolution of the Second Applicant/Transferee Company approving the Scheme, with BSE and NSE for the purpose of disclosure.

(A copy of the email sent to BSE and NSE for filing of the Scheme is filed as Annexure-9 at Page Nos.333-337 of the Application).

13. **CONSENTS OF EQUITY SHAREHOLDERS:**

- i. There are 2 shareholders in the First Applicant/Transferor Company and they have given their no objection to the proposed Scheme by means of consent affidavits who are interested in the Scheme of Amalgamation.

(A copy of the list of shareholders and no objection affidavits received from them duly certified by M/s. D. Hanumanta Raju & Co, PCS, Hyderabad is filed as Annexure-10 at Page Nos.338-340 of the Application).

- ii. As on 31<sup>st</sup> May, 2024 the Second Applicant/Transferee Company has 18,550 equity shareholders holding 2,21,70,583 equity shares.

(The certified issued by M/s. D. Hanumanta Raju & Co, PCS, Hyderabad, certifying the summary of the shareholding pattern is filed as Annexures-11 and 12 at Page Nos.341-342 of the Application).

**SECURED CREDITORS:**

- i. As on the date of filing of the Application, there is 1 (one) Secured Creditor in First Applicant/Transferor Company and no objection received from the said creditor along with list duly certified by Chartered Accountant is filed as Annexure-13 at Page Nos.343-346 of the Application.



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- ii. As on the date of filing of the Application, there are 2 (two) Secured Creditors in Second Applicant/Transferee Company and copy of the list of secured creditors duly certified by Chartered Accountant is filed as **Annexure-14 at Page Nos.347-348 of the Application.**

15. **UNSECURED CREDITORS:**

- i. As on the date of filing of the Application, there are 11 (Eleven) Unsecured Creditors in First Applicant/Transferor Company and no objection affidavits received from 5 (Five) Unsecured Creditors amounting to 94% of the Unsecured Creditor in value along with list of Unsecured Creditors duly certified by Chartered Accountant is filed as **Annexure-15 at Page Nos.349-356 of the Application.**
- ii. As on the date of filing of the Application, there are 502 (Five Hundred and Two) Unsecured Creditors in Second Applicant/Transferee Company and copy of the list of Unsecured creditors duly certified by Chartered Accountant is filed as **Annexure-16 at Page Nos.357-370 of the Application.**

16. The interest of the equity shareholders of the Second Applicant/Transferee Company will not be adversely affected by the proposed Scheme. The First Applicant/Transferor Company is a wholly owned subsidiary of the Second Applicant/Transferee Company. Thus, the entire economic interest of the First Applicant/Transferor Company is held by the Second Applicant/Transferee Company. Hence, upon the Scheme becoming effective, inter alia, in recognition of the fact that the Companies Act, 2013 prohibits a company from holding its own shares, no share of the Second Applicant/Transferee Company shall be issued and allotted in lieu or exchange of the holding of Second Applicant/Transferee Company in the First Applicant/Transferor Company. Thus, the proposed Scheme does not result in any dilution in shareholding of Second Applicant/Transferee Company's shareholders including public shareholders and that the shareholding and other rights



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of the members of the Second Applicant/Transferee Company shall continue to subsist with no new shares being issued and with no change in the paid-up share capital structure.

17. The Scheme does not adversely affect the rights and interests of the creditors of the Second Applicant/Transferee Company. Pursuant to the Scheme, all the assets and liabilities of the First Applicant/Transferor Company in the manner provided in the Scheme. As on date, the assets of the First Applicant/Transferor Company exceed its liabilities and will be sufficient to meet its liabilities. Further, as on date, the assets of the Second Applicant/Transferee Company exceed its liabilities and would be sufficient to discharge the said liabilities, in the ordinary course of business.
18. This Tribunal in C.A. (CAA) No.4/230/HDB/2024 in the matter of Scheme of merger of M/s. Soubhagya Confectionery Private Limited with M/s. Lotus Chocolate Company Limited, in C.A. (CAA) No.223/230/HDB/2020 M/s. Vaidehi Avenues Limited and M/s. Aster Rail Private Limited with M/s. NCC Limited, in C.A. (CAA) No.23/230/HDB/2022 M/s. GOCL Corporation Limited with M/s. ADPL Estates Limited and in C.A. (CAA) No.47/230/HDB/2023 in the matter of Scheme of merger of M/s. Mviyes Pharma Ventures Private Limited and M/s. Auronext Pharma Private Limited with M/s. Aurobindo Pharma Limited, the Hon'ble NCLT, Mumbai Bench in C.A. (CAA) No.2629/MB/2019 in the matter of scheme of merger of M/s. Ness Software Services Private Limited with M/s. Ness Technologies (India) Private Limited where the facts of the matter were similar to that in the instant case, in consonance with the ratio of the said Tribunal in the matter of (i). Housing Development Finance Corporation Limited in re in CSA No.243 of 2017, (ii). Godrej Consumer Products Limited, in CSA No.915 of 2017, (iii). Mahindra CIE Automotive Limited, in CSA No.899 of 2017 and (iv). Godrej Properties Limited, in CSA No.1019 of 2017, had dispensed with the requirement to hold meeting of Shareholders and creditors of the Transferee Company therein. Further, the Hon'ble NCLAT in the



matter of M/s. Patel Hydro Power Private Limited and Ors Vs. M/s. Patel Engineering Limited held as follows:

*"12. To reiterate, we observe that the rights and liabilities of Secured and Unsecured Creditors were no getting affected in any manner by way of the proposed scheme as no new shares are being issued by the 'Transferee Company' and no compromise is offered to any Secured and Unsecured Creditors of the 'Transferee Company'. Therefore, we are of the considered view that when the 'Transferor and Transferee Company' involve a parent Company and a Wholly Owned Subsidiary the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors can be dispensed with as the facts of this case substantiate that the rights of the Equity Shareholders of the 'Transferee Company' are not being affected. Therefore, we hold that obtaining 90% consent Affidavits from its unsecured creditors is not required keeping in view the facts of the attendant case." (A copy of the order passed by the Hon'ble NCLAT Patel Hydro Power Private Limited and Ors. Vs. Patel Engineering Limited).*

19. Therefore, it is averred that there is no requirement to convene meetings of shareholders and secured and unsecured creditors of the Second Applicant/Transferee Company and accordingly may be dispensed with.

**ORDER**

20. After hearing the Learned Counsel for the Applicant Companies and after considering the material on record, the following order is passed:



- a. Hereby dispensed with the requirement of holding of the meeting of the Equity Shareholders of the First Applicant/Transferor Company as all the equity shareholders of the First Applicant/Transferor Company have given their consent affidavits.
- b. Hereby dispensed with the requirement of holding of the meeting of the Secured and Unsecured Creditors of the First Applicant/Transferor Company since the Sole Secured Creditor and requisite Unsecured Creditors have given their consents.
- c. Hereby dispensed with the requirement of holding of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the

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CA(CAA) 20/230/HDB/2024

Date of Order:10.07.2024

Second Applicant/Transferee Company since the First Applicant/Transferor Company is a wholly owned subsidiary of the Second Applicant/Transferee Company.

- d. Notwithstanding the above; when the Applicant Companies approach this Tribunal seeking approval of the Scheme, it would be open for any person who is interested in the Scheme of Amalgamation to put forth their contentions before this Tribunal.
- e. Accordingly, the Company Application C.A. (CAA) No.20/230/HDB/2024 is allowed and disposed of.



Sanjay Puri

(Sanjay Puri)  
Member (Technical)

Apoorva

Rajeev Bhardwaj  
(Rajeev Bhardwaj)  
Member (Judicial)

K. Sanjay  
12/07/2024

Deputy Registrar / Assistant Registrar / Court Officer  
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रतिलिपि  
CERTIFIED TRUE COPY  
केस संख्या  
CASE NUMBER. CA(CAA) No. 20/230/HDB/24  
निर्णय का तारीख  
DATE OF JUDGEMENT. 10/7/24  
प्रतिलिपि तैयार किया गया तारीख  
COPY MADE READY ON. 12/7/24

**SCHEME OF AMALGAMATION**  
**OF**  
**M/S EMTAC LABORATORIES PRIVATE LIMITED**  
**WITH**  
**M/S VIMTA LABS LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS**  
**OF**  
**THE COMPANIES ACT, 2013**

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**(A) THE SCHEME**

This scheme of amalgamation provides for the amalgamation of M/s Emtac Laboratories Private Limited, a wholly-owned subsidiary of M/s Vimta Labs Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"). It also provides for various other matters consequent and incidental thereto.

**(B) DESCRIPTION OF COMPANIES**

1. M/s Emtac Laboratories Private Limited is a company incorporated under the provisions of the Companies Act, 2013 (hereinafter referred to as "ELPL" or "**Amalgamating / Transferor Company**") having Corporate Identity Number U74200TG2014PTC096043 and its registered office at 'Amaravati' H.No.5-8-27/15/2, Balaji Nagar Road, Yapral, Secunderabad-500087, Telangana, India. ELPL is in the business of conducting tests as per the national/international standards, research and development programmes in the field of human interventional testing, biomedical instruments, electrical, electronic & information technology gadgets and automotive components. The equity shares of ELPL are not listed on stock exchanges. ELPL is a wholly owned subsidiary of M/s Vimta Labs Limited.
2. M/s Vimta Labs Limited is a company incorporated under the Companies Act, 1956 (hereinafter referred to as "VLL" or "**Amalgamated / Transferee Company**") having Corporate Identity Number

L24110TG1990PLC011977 and registered office at 141/2 & 142, IDA Phase II, Charlapalli, R.R.District, Hyderabad-500 051, Telangana, India. VLL is engaged in business of testing, analysis and quality assurance stems of various industrial, non-industrial, agricultural and other materials such as metals, minerals, drugs and pharmaceuticals, chemicals, fertilizers, pesticides, oils, foods, feeds, civil engineering and building materials, mechanical, electrical and electronic goods and to conduct micro biological, toxicological and bio availability studies and to render consultancy and training in all the above fields and for this purpose to establish laboratories and get the same approved by appropriate authorities including conducting full spectrum of clinical trials. The equity shares of VLL are listed on BSE Limited and National Stock Exchange of India Limited.

**(C) RATIONALE**

ELPL is a wholly owned subsidiary of VLL. Both ELPL and VLL are in similar lines of business. It is proposed to amalgamate ELPL with VLL to consolidate the business of both companies within a single entity with a view to achieve operational synergies and efficiency in administrative functions. The Scheme will result in cost savings through operational synergies, pooling of resources, legal entity rationalisation and reduction of administrative responsibilities, and legal & regulatory compliances.

The Scheme is in the interest of ELPL, VLL and their respective stakeholders.

**(D) PARTS OF THE SCHEME**

**PART I** deals with the definitions, details of share capital of the Parties (as defined hereinafter) and date of taking effect and implementation of this Scheme; **PART II** deals with amalgamation of ELPL with VLL and other related matters; and **PART III** deals with the general terms and conditions applicable to this Scheme.

## PART –I

### DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

#### 1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

**“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (b) Permits (*as defined hereinafter*); and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority (*as defined hereinafter*) having jurisdiction over the Parties in each case having the force of law and that is binding or applicable to a Person as may be in force from time to time;

**“Appointed Date”** means 1<sup>st</sup> April, 2024 or such other date as may be approved by the Boards of ELPL and VLL;

**“Appropriate Authority”** means: (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; (b) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative,

executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, SEBI(*as defined hereinafter*), clearing corporations, and the Tribunal; and (c) Stock Exchange.

“**Board**” in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors;

“**Effective Date**” means the date on which the Certified copy of the Orders passed by NCLT Hyderabad Bench at Hyderabad is filed with Registrar of Companies, Telangana at Hyderabad;

Reference in this Scheme to the date of “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**” or “**effect of this Scheme**” or “**upon the Scheme becoming effective**” shall mean the Effective Date;

“**Parties**” means ELPL and VLL, collectively and “**Party**” shall mean each of them, individually;

“**Permits**” means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

“**Person**” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“**RoC**” means the Registrar of Companies, Hyderabad having jurisdiction over the Parties;

“**SEBI**” means the Securities and Exchange Board of India;

**"Scheme"** or **"the Scheme"** or **"this Scheme"** means this scheme of amalgamation, as may be modified from time to time;

**"Stock Exchange"** means BSE Limited and National Stock Exchange India Limited (BSE and NSE);

**"Tax Laws"** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

**"Taxation"** or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, buyback distribution tax, equalization levy, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or indirectly to any of the Parties and all penalties, charges, costs and interest relating thereto; and

**"Tribunal"** means the Hyderabad bench of the National Company Law Tribunal (NCLT) Hyderabad Bench at Hyderabad having jurisdiction over the Parties.

## 1.2 Interpretation

In this Scheme, unless the context otherwise requires:

1. words denoting the singular shall include the plural and *vice versa*;
2. reference to any law or legislation shall include the rules and regulations thereunder;
3. headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the Scheme; and
4. all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have

the same meaning as prescribed to them under the Act, Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be including any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.1 The share capital structure of ELPL as on 31<sup>st</sup> March, 2024 is as follows:

Particulars	Amount(in Rs.)
<b>Authorized Share Capital</b>	
49,99,950 equity shares of Rs 10 each	4,99,99,500
<b>TOTAL</b>	<b>4,99,99,500</b>
<b>Issued, subscribed and paid-up share capital</b>	
34,16,500 equity shares of Rs 10 each fully paid up	3,41,65,000
<b>TOTAL</b>	<b>3,41,65,000</b>

2.2 The share capital structure of VLL as on 31<sup>st</sup> March, 2024 is as follows:

Particulars	Amount(inRs.)
<b>Authorized share capital</b>	
3,50,00,000 equity shares of Rs.2/- each	7,00,00,000
<b>TOTAL</b>	<b>7,00,00,000</b>
<b>Issued, Subscribed and Paid-up share capital</b>	
2,21,70,583 equity shares of Rs 2/- each fully paid up	4,43,41,166
<b>TOTAL</b>	<b>4,43,41,166</b>

## 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme shall become effective from the Appointed Date but shall be operative from the Effective Date.

### PART - II

#### AMALGAMATION OF TRANSFEROR COMPANY / ELPL WITH TRANSFEREE COMPANY VLL

## 4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF ELPL

4.1 Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income-tax Act, 1961, ELPL shall stand amalgamated with VLL as a *going concern* and all assets and liabilities of ELPL(whether or not recognised in the books of ELPL)shall, without any further act,

instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in VLL, so as to become on and from the Appointed Date, the assets and liabilities of VLL by virtue of operation of law and in the manner provided in this Scheme.

- 4.2 With respect to the assets and properties of ELPL which are movable in nature (including but not limited to plant and machinery) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of VLL without requiring any deed or instrument of conveyance for transfer of the same.
- 4.3 With respect to the assets and properties of ELPL other than those referred to in Clause [4.2] above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments, sundry debtors, claims from customers or otherwise, 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 any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of ELPL, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in VLL with effect from the Appointed Date by operation of law as transmission in favour of VLL. With regard to assets such as leases or licenses of the properties, VLL will enter into novation agreements, if it is so required.
- 4.4 All the patents, trademarks and copyrights of ELPL (whether registered or unregistered), along with all rights relating thereto (including attached goodwill, title, interest, labels and brand

registrations) and all such other industrial and intellectual property rights of whatsoever nature of ELPL shall stand vested in VLL pursuant to the operation of law. VLL shall take such actions including execution of such deeds, contracts, agreements as may be necessary and permissible under the Applicable Law to get the same vested and/ or registered in the name of VLL.

4.5 In respect of such of the assets and properties of ELPL which are immovable in nature, whether or not recorded in the books of ELPL, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in VLL with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by ELPL and/or ELL.

4.6 For the avoidance of doubt and without prejudice to the generality of Clause [4.5] above and Clause [4.7] below, it is clarified that, with respect to the immovable properties of ELPL in the nature of land and buildings, VLL shall register the true copy of the order of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. It is clarified that any document executed pursuant to this Clause [4.6] will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any asset of ELPL takes place and all assets of ELPL shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.

- 4.7 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of ELPL as on the Appointed Date shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to VLL to the extent that they are outstanding as on the Appointed Date and VLL shall meet, discharge and satisfy the same.
- 4.8 Unless otherwise agreed to between ELPL and VLL, the vesting of all the assets of ELPL, as aforesaid, shall be subject to encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such encumbrances shall be confined only to the relevant assets of ELPL or part thereof on or over which they are subsisting on and no such encumbrances shall extend over or apply to any other asset(s) of VLL. Any reference in any security documents or arrangements (to which ELPL is a party) related to any assets of ELPL 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 VLL. Similarly, VLL shall not be required to create any additional security over the assets vested under this Scheme for any loans, deposits or other financial assistance already availed of /to be availed of by it, and the encumbrances in respect of such indebtedness of VLL shall not extend or be deemed to extend or apply to the assets so vested.
- 4.9 If ELPL is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation, book loss and book depreciation, minimum alternate tax credit, withholding tax, advance tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and service tax, other incentives), benefits under the state or central fiscal / investment incentive schemes and policies or concessions under any Tax law or Applicable Law, any subsidies, special status, benefits, privileges

granted by Appropriate Authority or by any other Person, VLL shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax and value added tax of ELPL, if any, the same shall be transferred to VLL in accordance with the Applicable Law.

4.10 With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to ELPL shall be transferred to VLL, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of VLL as if the same were originally given by or issued to or executed in favour of VLL and VLL shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to VLL to carry on the operations of ELPL without any hindrance, whatsoever.

4.11 On coming into effect of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, engagements, arrangements and other instruments (including all licences and other assurances in favour of ELPL or powers or authorities granted by or to it) of whatsoever nature to which ELPL is a party or to the benefit of which ELPL may be eligible, or under which ELPL has any obligations to discharge and which are subsisting or having effect shall, without any further act, instrument or deed, continue in full force and effect in favour of or against VLL and may be enforced as fully and effectually as if, instead of ELPL, VLL had been a party or beneficiary or obligee or obligor thereto or thereunder.

- 4.12 On and from the Effective Date and till such time that the name(s) of the bank accounts of ELPL have been replaced with that of VLL, VLL shall be entitled to maintain and operate the bank accounts of ELPL in the name of ELPL for such time as may be determined to be necessary by VLL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of ELPL after the Effective Date shall be accepted by the bankers of VLL and credited to the account of VLL, if presented by VLL.
- 4.13 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, ELPL and VLL may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.
- 4.14 For the purpose of giving effect to the amalgamation order passed under Section 233 and other applicable provisions of the Act in respect of this Scheme by the Hon'ble Tribunal, VLL shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of ELPL in accordance with the provisions of Section 230 to 232 of the Act. VLL is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

## **5. EMPLOYEES**

- 5.1 With effect from the Effective Date, all employees of ELPL shall become employees of VLL on terms and conditions no less

favourable than those on which they are engaged by ELPL without interruption in service.

- 5.2 The accumulated balances, if any, standing to the credit of and in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of VLL set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by VLL. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of ELPL and such funds shall be held for the benefit of the employees transferred under the Scheme.

## **6. LEGAL PROCEEDINGS**

- 6.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the "**Proceedings of ELPL**") by or against ELPL are pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of ELPL may be continued, prosecuted and enforced by or against VLL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against ELPL as if this Scheme had not been made. On and from the Effective Date, VLL may initiate any legal proceeding(s) for and on behalf of ELPL.
- 6.2 From the Appointed Date and until the Effective Date, ELPL shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of VLL.

## **7. CONSIDERATION**

ELPL is a wholly owned subsidiary of VLL. Therefore, there shall be no issue of shares as consideration for the amalgamation of ELPL with VLL.

## **8. ACCOUNTING TREATMENT**

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

a) The Transferor and Transferee Company, both being entities under common control, shall account for the amalgamation in its financial statements in accordance with the "Pooling of Interest Method" laid down by Appendix C of Ind AS 103 - Business combinations prescribed under Section 133 of the Act and other generally accepted accounting read with the recent clarifications issued by Institute of Chartered Accountants of India (ICAI).

b) The Transferee Company shall upon the scheme coming into effect, record all the assets (including goodwill), liabilities and reserves of the Transferor Companies vested in it pursuant to this Scheme. at their existing carrying amounts" and in same form as appearing in the consolidated financial statements of the Transferee company.

c)As a result, investment in the equity of the Transferor company as appearing in the books of Transferee company shall stand cancelled. To the extent there are inter-company loans, advances & any other balances whatsoever between the Transferor and Transferee company, the same shall stand cancelled without any further act or deed, upon becoming of operating the scheme.

d) In case of any difference in accounting policy between the Transferor company and Transferee company, the impact of the same till the appointed date will be quantified and adjusted in the reserves to ensure that the financial statements of the Transferee company to reflect the financial position on the basis of consistent accounting policy.

e) On this scheme becoming effective. the financial information in the financial statements of the transferee company in respect of prior periods will be restated as if Amalgamation had occurred from (a) the beginning of the preceding period in the financial statements or (b) the date when control was acquired, whichever is later.

## **9. TAXES/ DUTIES/ CESS**

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

Upon the effectiveness of the Scheme, by operation of law pursuant to the order of the Tribunal:

9.2 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, minimum alternative tax, if any, paid by ELPL shall be treated as paid by VLL and it shall be

entitled to claim the credit, refund, adjustment for the same as may be applicable. Further, any tax deducted at source by ELPL/VLL on payables to VLL/ELPL, respectively, which income shall not be accrued in the books pursuant to the Scheme, shall also be deemed to be advance taxes paid by VLL and shall, in all proceedings, be dealt with accordingly.

- 9.3 Parties are expressly permitted to revise and file their income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax / goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 9.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., VLL, if so required, shall issue notice in the name of ELPL, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of VLL, as the person entitled thereto, to the end and intent that the right of ELPL, to recover or realise the same, stands transferred to VLL.
- 9.5 Obligation for deduction of tax at source on any payment made by or to be made by EPPL, under Tax Laws or other applicable laws / regulations dealing with Taxes/ duties / levies duly complied by EPPL shall be made or deemed to have been made and duly complied with by VLL.

## **10. EFFECT OF SCHEME**

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

## **11. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon this Scheme coming into effect, the resolutions/ power of attorneys/ Letter of Authority(ies) executed by ELPL, that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions, power of attorney and Letter of Authority(ies) passed/ executed by VLL and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits shall be added to the limits, if any, under like resolutions passed by VLL and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions for the purpose of VLL.

## **12. CONSOLIDATION OF AUTHORISED CAPITAL**

12.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed, by the Authorised share capital of the Transferor Company, amounting in aggregate to Rs. 11,99,99,500/- (Rupees Eleven Crores Ninety

Nine Lakhs Ninety Nine Thousand Five Hundred Only) divided into 5,99,99,750 Equity Shares of Rs. 2/- each.

12.2 The memorandum and articles of association of the Transferee Company (relating to authorised share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under any other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorised capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any other further payment of stamp duty and / or fee by the Transferee Company for increase in the authorised share capital to that extent. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

<b>Authorised Share Capital</b>	<b>(Amount in INR)</b>
5,99,99,750 Equity Shares of Rs. 2/- each	11,99,99,500
<b>Total</b>	<b>11,99,99,500</b>

12.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act.

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

12.5 The Authorised Share Capital of the Company is Rs. 11,99,99,500/- (Rupees Eleven Crores Ninety Nine Lakhs Ninety Nine Thousand Five Hundred Only) divided into 5,99,99,750 Equity Shares of Rs. 2/- (Rupees Ten only) each.

### **13. DISSOLUTION OF EPPL**

On the Scheme becoming effective, ELPL shall stand dissolved without going through the process of winding up and the Board and any committees thereof of ELPL shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of ELPL shall be deemed to be struck off from the records of the RoC.

## **PART – III**

### **GENERAL TERMS & CONDITIONS**

### **14. SAVING OF CONCLUDED TRANSACTIONS**

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by ELPL, until the Effective Date, to the end and intent that VLL shall accept and adopt all acts, deeds and things done and executed by ELPL in respect thereto as done and executed on behalf of VLL.

### **15. BUSINESS UNTIL EFFECTIVE DATE**

15.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:

15.1.1 ELPL shall carry on its businesses with reasonable diligence and business prudence and in the same manner as ELPL had been doing hitherto; and

15.1.2 VLL shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which VLL may require to carry on the business of ELPL and to give effect to the Scheme.

15.1.3 ELPL with effect from the Appointed Date and up to and including the Effective Date:

14.1.1 Shall be deemed to have been carrying on and shall carry on its businesses and activities and shall hold and stand possessed of the assets for and on account of, and in trust for VLL;

14.1.2 All profits or income arising or accruing to ELPL and all Taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, Taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by ELPL shall, be treated as and deemed to be the profits or income, taxes or losses of VLL; and

15.1.4 All loans raised and all liabilities and obligations incurred by ELPL after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of VLL in which it shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of VLL.

## **15 FACILITATION PROVISION**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to ELPL are transferred, vested, recorded, effected and / or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in

favour of VLL, VLL is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.

## **16 APPLICATIONS/ PETITIONS TO THE TRIBUNAL**

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

## **17 MODIFICATION OR AMENDMENTS TO THIS SCHEME**

17.1 The Board of the Parties acting jointly may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. Any modification or amendment to the Scheme by the Board of the Parties pursuant to this Clause [16.1] shall not require any further approval/ consent from the shareholders and/ or creditors if the shareholders/ creditors have already approved/ consented to the Scheme. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

17.2 For the purposes of giving effect to this Scheme, the Board of VLL may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.

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

This Scheme is conditional upon and subject to:

18.1 Approval of this Scheme by the NCLT, whether with any modification or amendment as the NCLT may deem appropriate or otherwise; and

18.1 The certified copies of the NCLT's orders sanctioning this Scheme being filed with the Registrar of Companies, Telangana at Hyderabad by the Transferor Company and the Transferee Company.

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

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

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

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

## **20. WITHDRAWAL OF THIS SCHEME**

The Board of the Parties acting jointly shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

## **21. COSTS AND EXPENSES**

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid by VLL.

## **22. MISCELLANEOUS**

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

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

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

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

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