

SCHEME OF AMALGAMATION

OF

**PRIVI FINE SCIENCES PRIVATE LIMITED
("TRANSFEROR COMPANY 1")**

AND

**PRIVI BIOTECHNOLOGIES PRIVATE LIMITED
("TRANSFEROR COMPANY 2")**

WITH

**PRIVI SPECIALITY CHEMICALS LIMITED
("TRANSFeree COMPANY")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS

230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

A. BACKGROUND AND DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THIS SCHEME

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other relevant provisions of the Act (*as defined hereinafter*) read with Section 2(1B) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and other applicable law, if any, including any statutory modification, re-enactments or amendments thereof from time to time and provides for the amalgamation of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company and dissolution of Transferor Company 1 and the Transferor Company 2 without winding up. Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

2. Privi Speciality Chemicals Limited ("**Transferee Company**") is a listed public company incorporated under the provisions of the Companies Act, 1956 on May 25, 1985 as a Private Limited Company bearing CIN L15140MH1985PLC286828 in the name of "H.K. Agro Oil Limited" with the Registrar of Companies, Gujarat at Dadra Nagar Haveli. The name of the Transferee Company was changed "H.K. Agrochem Limited" and a fresh certificate of incorporation was issued on July 15, 1994. Further, the name of the Transferee Company was subsequently changed to "H.K. Finechem Limited" and a fresh certificate of incorporation was issued on December 15, 2000. The name of the Transferee Company was then changed to "Adi Finchem Limited" and a fresh certificate of incorporation was issued on October 19, 2010. The name of the Transferee Company was then changed to "Fairchem Speciality Limited" and a fresh certificate of incorporation was issued on October 6, 2016. Further, pursuant to a certificate of registration of the Registrar of Companies, Maharashtra at Mumbai dated October 15, 2016 confirming the order of the Regional Director for change of state from Gujarat to Maharashtra, a new corporate identity number was assigned to the Transferee Company and the registered address of the Transferee Company was changed from the state of Gujarat to the state of Maharashtra. The name of the Transferee Company was subsequently changed to "Privi Speciality Chemicals Limited", and a fresh certificate of incorporation was issued on August 17, 2020 by the Registrar of Companies, Maharashtra at Mumbai. The Transferee Company is engaged in the business to manufacture bulk Aroma and Speciality chemicals primarily used in the fragrance and flavour industry, buy, sell and otherwise deal in organic chemicals, silicas, inorganic chemicals and their intermediaries, including manufacture & trade of food additives, food flavourings and food ingredients; produce, extract, store, buy,

sell, import and export organic chemicals, inorganic chemicals, silicas, silicates, phosphates and their intermediaries or obtain from or through any organic or inorganic chemicals; chemical manufacturers, analytical chemists, importers, exporters and manufacturers and dealers in heavy chemicals, drugs, essences, cordials, acids, alkali, dyes and dye intermediaries, auxiliaries, colors, dyes, paints, varnishes, biochemicals and nutraceuticals, medicinal, bleaching, photographic and other preparations and such other related products. mineral and other waters, oil, paints, pigments and varnishes, drugs, paint and colours, grinders, makers of and dealers in proprietary articles. The Transferee Company is also engaged in research, development and piloting activities in the field of Aroma Chemicals. The shares of the Transferee Company are currently listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The registered office of the Transferee Company is situated at Privi House, Plot No A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane, 400710.

3. Privi Fine Sciences Private Limited (Transferor Company 1) was incorporated on April 13, 2021 as a Private Limited Company under the Companies Act, 2013 bearing CIN U24110MH2021PTC358857 with the Registrar of Companies, Maharashtra, Mumbai. The Transferor Company 1 is engaged in business of being producers researchers, refiners, processors, manufacturers, buyers, sellers, distributors, importers, exporters, traders, agents, stockists and to market and supply all types of sugar, sugarcanes & high starch agro products, agro based products, ethanol, alcohol, electricity and selling of aroma chemicals and other chemicals, ethanol and other products including specifically, gases, effluent gases, power, steam, petroleum products, alcohol products, energy related and power related products, bio fertilizers, petrochemical products in all its branches including ethylene, propylene, butadiene, biotechnology products, agro based products and other related and non-related technologies including technologies that may be developed in future, proprietary medicines, pharmaceuticals, health foods. Further, it is also engaged in business of manufacturing, buying and selling of chemicals including (organic as well as inorganic) but not limited to flavours, fragrances, essences, oil, preservatives and ingredients for food, silicas and their intermediaries. The registered office of the Transferor Company 1 is situated at Ground Floor, Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane, 400710. The shares of the Transferor Company 1 are not listed on any stock exchange.

4.Privi Biotechnologies Private Limited (Transferor Company 2) was incorporated on September 20, 1985 as Private Limited Company under provisions of the Companies Act, 1956 bearing CIN: U74220MH1985PTC037534 under the name and style of “Prime Machine Company Private Limited” with the Registrar of Companies, Maharashtra, Mumbai. The name of the Transferor Company 2 was subsequently changed to “Privi Biotechnologies Private Limited”, and a fresh certificate of incorporation was issued on August 22, 2012 by the Registrar of Companies, Maharashtra at Mumbai. The Transferor Company 2 is engaged in business as manufacturers, researchers, developers, creators, buyers, sellers, importers, exporters, refiners, dealers, agents, wholesalers, retailers and distributors of all kinds of biotechnology products and all products developed or to be developed in the future using biotechnology and other related and non-related technologies including technologies that may be developed in the future, proprietary medicines, pharmaceuticals, health foods and foods of all kinds, all kinds and forms of organic and inorganic chemicals including gelatin of all kinds and forms, including its amalgams, derivatives and by products, pesticides, acids, alkalies, natural and synthetic waxes, dyes, paints, pigments, oils, varnishes and resins, to carry on the business of manufacturing bioinformatics diagnostic tools, all medical engineering equipments along with software developments and toots relating to genome, genomic, genotype, genetic or any areas relating to genetic engineering and to patent all original research, procedures, methods products and by-products, technologies and software developed by the Company. The registered office of the Transferor Company 2 is situated at Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane, 400709. The shares of the Transferor Company 2 are not listed on any stock exchange. The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.

B. PURPOSE AND RATIONALE OF THE SCHEME

This Scheme of Amalgamation would result, inter-alia, in the following synergies for both the Transferor Company 1, the Transferor Company 2 and the Transferee Company and thereby preserving and creating value for its shareholders, creditors and various other stakeholders:

1. The Transferor Company 1 and the Transferor Company 2 are engaged in the similar line of business as the Transferee Company. The amalgamation will enhance and strengthen

the Transferee Company's business by improving its operational capabilities and market competitiveness. It aims to enrich the combined product offerings and expand the customer base both locally and globally. Consolidation as a single entity shall provide several benefits like optimum use of infrastructure, cost reduction and efficiencies, productivity gains and logistic advantages and reduction of administrative and operational costs, reducing the number of legal entities, thereby significantly contributing to the future growth and maximizing shareholder value.

2. The proposed amalgamation would be in the best interest of the Transferor Company 1, the Transferor Company 2, the Transferee Company and their respective shareholders, employees, creditors, customers and other stakeholders as the proposed amalgamation will yield advantages as set out, inter alia, below:
 - (a) Providing an opportunity to leverage combined assets, capabilities, experience, expertise, infrastructure of the companies, intellectual property, technical know-how, trade secrets, brands etc. enabling optimum utilization of existing resources and economies of scale;
 - (b) Combining distribution and marketing resources of each other in the interest of maximizing value to their shareholders and the other stakeholders;
 - (c) Creating an integrated value chain to enhance degree of vertical integration in the products segment;
 - (d) Enabling greater efficiency in cash and debt management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholders value and better debt management;
 - (e) Improved cash flows and more efficient utilization of capital and infrastructure to create a stronger base for future growth, enhance future business potential, and achieve greater efficiencies, productivity gains and advantages by pooling of resources of the companies thereby significantly contributing to future growth and maximizing shareholder's value.

- (f) Integrate the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Transferor Companies pooled in the merged entity, to lead to optimum use of resources, cost reduction and efficiencies, productivity gains and logistic advantages and reduction of administrative and operational costs.
- 3. The proposed amalgamation would not only create economies of scale but also simplify management and strategic focus, leading to improved long-term performance. It will facilitate better and more efficient control over the business and financial conduct of the Transferee Company, allowing for a more streamlined and coordinated approach to governance and strategic decision-making.
- 4. Simplification of management structure, elimination of duplication and multiplicity of compliance requirements, rationalization of administrative expenses, better administration and cost reduction (including reduction in administrative and other common costs).
- 5. The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and engaged in similar line of business and the proposed amalgamation pursuant to this Scheme will create synergies amongst the business;
- 6. The amalgamation is in the interest of the Transferor Companies and the Transferee Company and their respective shareholders, creditors and all other stakeholders. There is no likelihood that any creditor of the Transferor Company 1, Transferor Company 2 or the Transferee Company will be prejudiced as a result of the Scheme. The Scheme will neither impose any additional burden, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Company 1, the Transferor Company 2 and the Transferee Company.

C. OVERVIEW OF THE SCHEME

This Scheme is divided into the following parts:

1. **PART A:** Definitions, Interpretations and Capital Structure;

2. **PART B:** Amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company.
3. **PART C:** General Terms and Conditions.

PART A
DEFINITIONS, INTERPRETATIONS AND CAPITAL STRUCTURE

1. DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 1.1 **“Act”** means, as the context may admit, the Companies Act, 1956, the Companies Act, 2013 and the rules made thereunder;
- 1.2 **“Applicable Law(s)”** means any statute, notification, by-laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, directives, notices, Permits, orders or instructions enacted or issued or sanctioned by any appropriate authority, including any modification or re-enactment thereof for the time being in force;
- 1.3 **“Appointed Date”** means October 1, 2025 or such other date as may be agreed between Board of Directors of the Parties;
- 1.4 **“Appropriate Authority”** means:
- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
 - (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
 - (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) SEBI, the Tribunal; and
 - (d) Stock Exchanges;

- 1.5 **“Board of Directors”** or **“Board”** in relation to the Parties (as defined below), means the Board of Directors of such Party, and shall, unless repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board or such Committee of Directors;
- 1.6 **“Effective Date”** means the date on which last of the conditions specified in Clause 26.1 (Conditions Precedent) of this Scheme are complied with. 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;
- 1.7 **“Encumbrance”** means (a) any charge, lien (statutory or other), or mortgage, pledge, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term “Encumber” shall be construed accordingly;
- 1.8 **“Income Tax Act”** means the Income Tax Act, 1961 and rules and regulations made thereunder and shall include any statutory modification, amendment or re-enactment thereof for the time being in force;
- 1.9 **“Parties”** means collectively the Transferee Company and the Transferor Company 1 and the Transferor Company 2 and **“Party”** shall mean each of them, individually;
- 1.10 **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;
- 1.11 **“Person”** or **“Persons”** means and includes an individual, proprietorship, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not;

- 1.12 **“Registrar of Companies”** means the Registrar of Companies, Mumbai, Maharashtra having jurisdiction over the Parties or such other office of Registrar of Companies as may be designated by the Ministry of Corporate Affairs in terms of section 396 of the Companies Act, 2013;
- 1.13 **“Rupee(s)”** means Indian Rupee, the lawful currency of the Republic of India;
- 1.14 **“Scheme”** means this scheme of amalgamation in its present form, or with or without modification(s), as may be approved or imposed or directed by the Tribunal;
- 1.15 **“SEBI”** means the Securities and Exchange Board of India;
- 1.16 **“SEBI Circular”** means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof, modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI LODR Regulations;
- 1.17 **“SEBI LODR Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any amendments thereof;
- 1.18 **“Stock Exchanges”** means the BSE Limited and the National Stock Exchange of India Limited, collectively;
- 1.19 **“Transferee Company”** means Privi Speciality Chemicals Limited bearing CIN L15140MH1985PLC286828 and having its registered office at Privi House, Plot No A-71, TTC, Thane Belapur Road, Kopar Khairane, Thane, Navi Mumbai, Maharashtra, India, 400710;
- 1.20 **“Transferor Company 1”** shall mean Privi Fine Sciences Private Limited bearing CIN U24110MH2021PTC358857 and having its registered office at Ground Floor, Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane, Maharashtra, India, 400710;
- 1.21 **“Transferor Company 2”** shall mean Privi Biotechnologies Private Limited bearing CIN U74220MH1985PTC037534 and having its registered office at Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane, 400710.

1.22 **“Transferor Companies”** means collectively the Transferor Company 1 and the Transferor Company 2.

1.23 **“Tribunal”** or **“National Company Law Tribunal”** means the National Company Law Tribunal having its bench at Mumbai, Maharashtra having jurisdiction over the Parties, constituted under Section 408 of the Companies Act, 2013.

2. **INTERPRETATIONS**

In this Scheme, unless the context otherwise requires:

2.1 references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

2.2 the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

2.3 words in the singular shall include the plural and vice versa; and

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

3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal, unless otherwise specified in the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. **SHARE CAPITAL STRUCTURE**

4.1 **Transferee Company**

The issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2025 is as under:

Particulars	Amount (in Rupees)
Authorised Capital	
5,00,10,000 Equity Shares of Rs.10/- each	50,01,00,000
50,00,000 Preference Shares of Rs.10/- each	5,00,00,000
TOTAL	55,01,00,000
Issued, Subscribed and Fully paid-up	
3,90,62,706 Equity Shares of Rs.10/- each, fully paid-up	39,06,27,060
TOTAL	39,06,27,060

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed, paid up share capital of the Transferee Company.

4.2 **Transferor Company 1**

The issued, subscribed and paid-up share capital of the Transferor Company 1 as on March 31, 2025 is as under:

Particulars	Amount (in Rupees)
Authorised Capital	
24,00,00,000 Equity Shares of Rs.10/- each	2,40,00,00,000
TOTAL	2,40,00,00,000
Issued, Subscribed and Fully paid-up	
23,38,29,210 Equity Shares of Rs. 10/- each, fully paid up	2,33,82,92,100
Total	2,33,82,92,100

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 1, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company 1.

4.3 **Transferor Company 2**

The issued, subscribed and paid-up share capital of the Transferor Company 2 as on March 31, 2025 is as under:

Particulars	Amount (in Rupees)
Authorised Capital	
4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000
Total	40,00,00,000
Issued, Subscribed and Paid up Share Capital	
3,62,74,728 Equity Shares of Rs.10/- each, fully paid up	36,27,47,280
Total	36,27,47,280

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 2, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company 2.

PART B

AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

5. VESTING OF ASSETS AND LIABILITIES

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company 1 and Transferor Company 2 shall stand amalgamated with and be vested in the Transferee Company, pursuant to Sections 230 to 232 read with other relevant provisions of the Act and Section 2(1B) of the Income Tax Act, such that all the properties (tangible and intangible), assets, rights, contracts, Permits, claims, title, interest, benefits, authorities, investments, liabilities, duties and obligations comprised in both the Transferor Companies immediately before the amalgamation shall automatically, and without any further act, instrument, deed, matter or thing, shall stand transferred to and vested in and/ or deemed to be transferred to and vested in the Transferee Company, on a 'going concern' basis for the consideration as set out hereinafter by virtue of operation of law and in the manner provided in this Scheme.

6. TRANSFER OF ASSETS

Without prejudice to the generality of Clause 5 above, the assets of the Transferor Company shall stand transferred to and vested in the Transferee Company in the following manner:

- 6.1 Such of the assets of the Transferor Companies which are movable in nature, or are incorporeal property, business licenses, Permits, trademarks, patents, domain, registrations, authorization, and/ or otherwise capable of transfer by manual or constructive delivery and/ or endorsement and delivery including cash on hand, the same may, upon coming into effect of this Scheme, be so transferred to the Transferee Company without requiring any deed or instrument of conveyance and shall upon such transfer, become the property and an integral part of the Transferee Company. Provided that for the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, upon the Scheme becoming effective, the Transferee Company shall be entitled to effect the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Companies in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such

asset is situated, without any other order to this effect. Further, in respect of the assets of the Transferor Companies as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred upon the Effective Date and shall become an asset of the Transferee Company with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same.

- 6.2 In respect of assets other than those dealt with in Clause 6.1 above, including but not limited to actionable claims, inventory, sundry debts, receivables, bills, credits, loans, advances and deposits, if any with the Government, statutory authorities local or otherwise, bodies and customers, whether recoverable in cash or in kind or for value to be received, bank balances and deposits, etc. the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any Person in pursuance of the provisions of the Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Companies to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Person, as the case may be, that the relevant assets including but not limited to actionable claims, inventory, debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Transferee Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 6.3 In so far as the immovable properties including but not limited to land and buildings, any structure thereon or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto upon coming into effect of this Scheme, be so transferred to the Transferee Company without requiring any deed or instrument of conveyance and shall upon such transfer, become the property and an integral part of the Transferee Company. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations in relation to or applicable to such immovable properties. Provided that for the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the

Act in respect of this Scheme, upon the Scheme becoming effective, the Transferee Company shall be entitled to effect the change in the title and the appurtenant legal right(s) upon the vesting of such immovable properties of the Transferor Companies in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated, without any other order to this effect.

- 6.4 Without prejudice to the above, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any asset of the Transferor Companies with any party to any contract or agreements to which the Transferor Companies is a party.
- 6.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, Permits, approvals, consents, certificates, no-objection certificates, authorities (including for the operation of bank accounts), insurance policies, powers of attorney given by, issued to, or executed in favour of the Transferor Companies and the rights and benefits under the same, all quality certifications and approvals, trademarks, brands, patents, patent applications, domain names, copyrights, industrial designs, trade secrets, know-how and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Companies, shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all statutory and regulatory permissions and licenses, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company.
- 6.6 The Transferor Companies may be entitled to various incentive schemes, exemptions, subsidies, concessions and benefits. Pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Transferor Companies shall be automatically transferred to and vested into the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under

the Income Tax Act including, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, if any, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, any other State Sales Tax, or Service Tax or Corporation Tax or Goods and Service Tax, CENVAT, VAT credit, input tax credit, other Applicable Laws, regulations dealing with taxes, duties, levies, cess, exemptions, concessions, remissions, subsidies and other incentives in relation to the Transferor Companies, to the extent statutorily recoverable in cash or in kind or for value to be received, shall be claimed by the Transferee Company. The Transferee Company shall be entitled to get credit/claim refund regarding any tax paid and/ or tax deduction at source certificates, pertaining to the Transferor Companies, on or after the Appointed Date.

- 6.7 Any amount including refunds under the Tax Laws due to the Transferor Companies consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be receivable by the Transferee Company upon the Scheme being effective.
- 6.8 The transfer and vesting of the assets and liabilities of each of the Transferor Companies as aforesaid shall be subject to the existing securities, charges, Encumbrances, mortgages, if any, in respect of any assets of the respective Transferor Companies. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Parties and shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise. Provided also that the Scheme shall not operate to enlarge the securities for any loan, deposits or facility availed by the Transferee Company and that the Transferee Company shall not be obliged to create any further or additional security in lieu thereof, on any assets of the Transferor Companies vested in the Transferee Company in accordance with the foregoing paragraphs of the Scheme, after the Effective Date or otherwise.
- 6.9 In relation to the assets, if any, belonging to the Transferor Companies, which require separate documents of transfer, the Parties will execute the necessary documents, as and when required.

7. TRANSFER OF LIABILITIES

Without prejudice to the generality of Clause 5 above, the liabilities of the Transferor Companies shall stand transferred to and vested in the Transferee Company in the following manner:

- 7.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description, of the Transferor Companies shall be transferred or be deemed to have been transferred to Transferee Company, to the extent they are outstanding on the Effective Date, without any further act, deed, matter or thing and the same shall be assumed by Transferee Company so as to become, on and from the Appointed Date, the liabilities and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies. The Transferee Company shall undertake to meet, discharge and satisfy the same and further, it shall not be necessary to obtain the consent of any third party or other Person who is a party to any contract or arrangement by virtue of which such debts, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.
- 7.2 All loans, advances and other obligations (including any guarantee, letter of credit, letter of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between Transferor Companies and Transferee Company, shall stand discharged with effect from Appointed Date and there shall be no liability in that behalf on either party.
- 7.3 Upon the Scheme becoming effective, any tax liabilities under the Income Tax Act, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, any other State Sales Tax, Value Added Tax, or Service Tax or Corporation Tax or Goods and Service Tax, other Applicable Laws, regulations dealing with taxes, duties, levies, cess to the extent not provided for or covered by tax provision in the Transferor Companies accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provisions for taxation, duties or levies account including advance tax, tax deducted or collected at source and credit for Minimum Alternate Tax and such other tax, as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company.

7.4 For the period between the Appointed Date and the Effective Date all debts, liabilities, duties and obligations of the Transferor Companies, shall be deemed to be for and on account of the Transferee Company.

8. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Without prejudice to the generality of Clause 5 above, the contracts, deeds, etc. relating to the Transferor Companies shall stand transferred to and vested in the Transferee Company in the following manner:

8.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance policies, indemnities, guarantees and other instruments of whatsoever nature in relation to Transferor Companies, or to the benefit of which Transferor Companies may be eligible, and which are subsisting or having effect on or immediately before the Effective Date, shall be in full force and effect, on or against or in favour of the Transferee Company and may be forced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

8.2 The Transferee Company may, at any time after the effectiveness of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any Person to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

8.3 Until the Effective Date, the Transferor Companies shall carry on the business activities in the ordinary course and shall not execute any material contract or undertake or assume any liability, obligation or undertaking without the prior written consent of the Transferee Company.

9. LEGAL PROCEEDINGS

- 9.1 All legal proceedings of whatever nature by or against the Transferor Companies pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertakings, business, assets, properties and liabilities of the Transferor Companies 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 Companies as if the Scheme had not been made.
- 9.2 On and from the Effective Date, all suits, cause of action, appeal, tax proceedings, investigations, arbitrations, any enquiry or other judicial, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Companies in relation to the provision or conduct of the business and pending or arising subsequent to the Appointed Date, shall 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 or enforced by or against the Transferee Company as if the Scheme had not been made.
- 9.3 On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies. All orders/ judgments/ awards of any Appropriate Authority in favour of the Transferor Companies or to the benefit of which Transferor Companies may be eligible, shall remain in full force and effect in favour of Transferee Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

10. EMPLOYEES

- 10.1 With effect from the Effective Date, all the employees of the Transferor Companies 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 favourable than those on which they are engaged by the Transferor Companies, immediately preceding the Effective Date.

- 10.2 The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Companies with any Persons in relation to the employees of the Transferor Companies. The Transferee Company agrees that the services of all such employees with the Transferor Companies prior to the Appointed Date shall be taken into account for the purposes of all existing benefits (including any leave encashment benefits) to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.
- 10.3 In so far as the existing provident fund, gratuity fund and pension and/ or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits, if any, created by the Transferor Companies for its employees (collectively referred to as the "**Funds**"), the Funds and such of the investments made by the Funds being transferred to the Transferee Company, in terms of the Scheme shall be transferred to the Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of the Transferor Companies, until such time that the Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to the funds created by the Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of the Transferee Company may decide to continue to make the said contributions to the Funds of the Transferor Companies. Upon transfer of the aforesaid Funds of the Transferor Companies, the existing trust, if any created for such Funds by the Transferor Companies shall stand dissolved and no further act or deed shall be required to this effect.

10.4 It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous and not interrupted for the purpose of the said Fund or Funds.

11. INTELLECTUAL PROPERTY

Upon the Scheme coming into effect, all trade and service names and marks, patents, copyrights, designs, trade information, goodwill, business and credentials which includes the positive reputation that the Transferor Companies was enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, computer accessories, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Companies, if any, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed.

12. INTER-SE TRANSACTIONS

With effect from the Effective Date, all inter-se contracts solely between the Parties shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Effective Date, there will be no accrual of income or expenses on account of any transactions in the nature of sale or transfer of any goods, material or services, between the Transferor Companies and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter-se loans, deposits or balances between the Transferor Companies and the Transferee Company.

13. **BORROWING LIMITS, CORPORATE APPROVALS**

13.1 With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Companies, such limits being incremental to the existing limits of the Transferee Company.

13.2 Any corporate approvals obtained by the Transferor Companies, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

14. **CONSIDERATION**

14.1 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Companies with the Transferee Company in terms of this Scheme:

14.1.1 the Transferee Company shall, without any further act, deed, issue and allot on a proportionate basis to each shareholder of the Transferor Company 1, whose name is recorded in the register of members on the Effective Date, in accordance with the terms of the Scheme and without any further application, act, deed, payment, consent, instrument or deed issue 1 (One) fully paid up equity shares of Rs.10/- each of the Transferee Company ("**Transferee Company New Equity Shares**"), credited as fully paid up for every 135(One Hundred Thirty Five) fully paid equity shares of Rs.10/- each held by such shareholder or his/ her/ its heirs, executors, administrators or successors in the Transferor Company 1 ("**Share Entitlement Ratio**").

14.1.2 The entire paid-up share capital of the Transferor Company 2 is held by the Transferee Company. Upon the Scheme becoming effective, the equity shares of the Transferor Company 2 held by the Transferee Company shall stand cancelled in their entirety and no new shares of the Transferee Company will be issued against the cancelled shares.

14.2 M/s. RBSA Valuation Advisors LLP, Registered Valuer (Regn No. IBBI/RV-E/05/2019/110), have issued the report on the Share Entitlement Ratio adopted under

the Scheme. The aforesaid report on the Share Entitlement Ratio has been duly considered by the Boards of Directors of both the Transferor Companies and the Transferee Company.

14.3 In the event the aforesaid allotment of Transferee Company New Equity Shares in accordance with Clause 14.1.1 results in fractional entitlements, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and round-up the aggregate of such fractions to the next whole number, and thereupon issue and allot whole Transferee Company New Equity Shares in lieu thereof to a trustee (nominated by the Board of Directors of the Transferee Company in this behalf) in dematerialized form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of the Transferee Company New Equity Shares as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements.

14.4 The Transferee Company New Equity Shares to be issued by the Transferee Company pursuant to Clause 14.1.1 above shall be issued in dematerialized form by the Transferee Company to each member of the Transferor Company 1 whose name is recorded in the register of members on the Effective Date. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of Directors of the Transferee Company) be updated to reflect the issue of Transferee Company New Equity Shares in terms of this Scheme. The shareholders of the Transferor Company 1 who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Transferee Company,

prior to the Effective Date to enable it to issue the Transferee Company New Equity Shares.

However, if no such details have been provided to the Transferee Company by the equity shareholders of the Transferor Company 1 holding equity shares in physical share certificates on or before the Effective Date, the Transferee Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding equity shares in dematerialised form to a trustee nominated by the Board of Directors of the Transferee Company who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of the Transferee Company held by such trustee for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/ her/ its demat account to the trustee, along with such other documents as may be required by the trustee. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the trustee. All costs and expenses incurred in this respect shall be borne by Transferee Company.

- 14.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Transferor Company 1, the Board of Directors of the Transferor Company 1 shall be empowered prior to or even subsequent to the Effective Date, to effectuate such transfers in the Transferor Company 1 as if such changes in registered holders were operative as on the Effective Date, in order to remove any difficulties arising to the transferors of the shares in relation to the Transferee Company New Equity Shares issued by the Transferee Company after the Scheme is effected. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transition period.
- 14.6 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation/ issue of bonus shares or any other corporate action during the

pendency of the Scheme, the Share Entitlement Ratio stated in Clause 14.1 above shall be adjusted accordingly, without the requirement of any further approval from Appropriate Authority to consider the effect of any such corporate actions undertaken by such Party.

- 14.7 The Transferee Company New Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of the Transferee Company New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 42 and 62(1)(c) of the Act and any other applicable provisions of the Act have been complied with.
- 14.8 The Transferee Company New Equity Shares issued by the Transferee Company will be listed and/or admitted to trading on the Stock Exchanges where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall apply for listing of the Transferee Company New Equity Shares on the Stock Exchanges in terms of and in compliance of SEBI LODR Regulations, SEBI Circular and other relevant provisions as may be applicable. The Transferee Company New Equity Shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.
- 14.9 The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 14.10 It is clarified that the approval of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of its memorandum of association and articles of association or any other action contemplated as part of the Scheme pursuant to this Scheme and the Transferee Company shall not be required to seek separate consent / approval of its shareholders

for such alteration or action, as required under Sections 13, 14, 42, 61, 64 and other applicable provisions of the Act.

15. Authorised Share Capital of the Transferee Company

15.1 Upon the Scheme becoming effective and as an integral part of the Scheme, the Authorized Share Capital of the Transferor Company 1 viz., Rs. 2,40,00,00,000 (Rupees Two Hundred Forty Crore Only) and that of the Transferor Company 2 viz., Rs. 40,00,00,000 (Rupees Forty Crore Only) i.e. aggregate of Rs. 2,80,00,00,000/- (Rupees Two Hundred and Eighty Crores Only) comprising of 28,00,00,000 (Twenty-Eight Crores) Equity Shares of Rs.10/- each be transferred to the Authorized Share Capital of the Transferee Company automatically without any further act, instrument or deed and without payment of any fees, stamp duty, etc.

15.2 Consequently, upon the Scheme becoming effective and as stated in Clause 15.1 above, the Authorized Share Capital of the Transferee Company shall automatically stand reclassified and amended as under:

Particulars	Amount (in Rupees)
Authorised Capital	
33,00,10,000 Equity Shares of Rs.10/- each	3,30,01,00,000
50,00,000 Preference Shares of Rs.10/- each	5,00,00,000
TOTAL	3,35,01,00,000

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

15.3 The Clause V of the Memorandum of Association of the Transferee Company would stand amended as follows:

“The Authorised Share Capital of the Company is Rs. 3,35,01,00,000/- (Rupees Three Hundred Thirty-Five Crore and One Lakh only) divided into 33,00,10,000 Equity Shares of Rs.10/- (Rupees Ten each) each and 50,00,000 Preference Shares of Rs.10/- (Rupees

Ten only) with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto such. preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being be provided by the Articles of Association of the Company

- 15.4 Upon the Scheme becoming effective, the Transferee Company shall not be required to file any forms or pay any fees, stamp duty etc., with the Registrar of Companies for alteration of its Authorized Share Capital and alteration in the Memorandum of Association, as may be required.

16. DIVIDENDS

- 16.1 The Parties shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date consistent with the past practice, or in the ordinary course.
- 16.2 Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Transferor Companies shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 16.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

17. PROFITS, BONUS/ RIGHTS SHARES

- 17.1 With effect from the Appointed Date, the Transferor Companies shall not without the prior written consent of the Transferee Company, utilise, adjust or claim adjustment of

profits/ reserves, as the case may be earned/ incurred or suffered after the Appointed Date.

- 17.2 The Transferor Companies shall not after the Appointed Date, issue or allot any further securities, by way of rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

18. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 18.1 With effect from the date of approval of the Scheme by the respective Board of the Parties and up to and including the Effective Date:

18.1.1 the Transferor Companies shall carry on its business in ordinary course with reasonable diligence and business prudence and in the same manner as the Transferor Companies had been doing hitherto;

18.1.2 Further the Transferor Companies shall not undertake any additional financial commitments of any nature whatsoever, including borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or Encumber or deal in any of its properties/assets, etc. except:

- (a) when the same is expressly provided in this Scheme; or
- (b) when the same is in the ordinary course of business as carried on, by the Transferor Companies; or
- (c) when written consent of the Transferee Company has been obtained in this regard;

18.1.3 the Transferee Company 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 the Transferee Company may require to carry on the relevant business of the Transferor Companies and to give effect to the Scheme;

18.2 The Transferor Companies with effect from the Appointed Date and up to and including the Effective Date:

18.2.1 shall be deemed to have been carrying on and to be carrying on all business and activities and stand possessed of all the assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferor Companies for and on account of and in trust for, the Transferee Company;

18.2.2 all profits and income accruing to the Transferor Companies, and losses and expenditure incurred by it (including taxes but excluding advance taxes, if any, accruing or paid in relation to any profits or income), relating to the Transferor Companies for the period from the Appointed Date based on the accounts of the Transferor Companies shall for all purposes be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company; and

18.2.3 any of the rights, powers, authorities, privileges, attached, exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, all of the obligations, duties and commitments attached, undertaken by the Transferor Companies shall be deemed to have been undertaken for and on behalf of the Transferee Company.

18.3 The transfer and vesting of the assets, liabilities and obligations of the Transferor Companies and the continuance of the proceedings by or against the Transferor Companies under this Scheme shall not affect any transaction or proceedings already completed by the Transferor Companies on or before the Effective Date in accordance with the Scheme, to the end and intent that, the Transferee Company accepts all acts, deeds and things done and executed by and or on behalf of the Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company.

19. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 19.1 Upon the Scheme becoming effective the Transferee Company shall account for the amalgamation of the Transferor Companies in the books of accounts in accordance with “Pooling of Interest Method” of accounting as stated in IND-AS 103 (Business Combinations) of entities under common control with effect from the Appointed Date as under:
- 19.1.1 The Transferee Company shall record all the assets, liabilities and reserves of the Transferor Companies vested in it pursuant to this Scheme at the close of business immediately preceding the Appointed Date at their carrying amounts as appearing in the books of account of the Transferor Companies, on the Appointed Date;
 - 19.1.2 The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by the Transferee Company pursuant to the Scheme;
 - 19.1.3 The investment made in the Share Capital of the Transferor Company 2 by the Transferee Company shall stand cancelled;
 - 19.1.4 The identity of the reserves of Transferor Companies shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner, in which they appeared in the financial statements of Transferor Companies, prior to this Scheme becoming effective.
 - 19.1.5 Inter-Company transactions and balances including loans, advances, receivables, payables and other dues inter-se between the Transferor Companies and the Transferee Company, if any, will stand cancelled;
 - 19.1.6 In case of any differences in accounting policy between Transferor Companies and Transferee Company, the accounting policies followed by Transferee Company will prevail and the difference shall be adjusted in accordance with applicable Indian Accounting Standards to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
 - 19.1.7 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to account for any of the balances in any other manner in accordance with the applicable accounting standards, if such accounting treatment is considered more appropriate.

20. TAX TREATMENT

- 20.1 The amalgamation of the Transferor Companies into the Transferee Company shall be as a going concern, in accordance with Section 2(1B), Section 47(vi) and Section 72A of

the Income Tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Income Tax Act, at a later date for any reason whatsoever, the provisions of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent deemed necessary to comply with Section 2(1B), Section 47(vi) and Section 72A of the Income Tax Act. Such modifications, however, shall not affect the other parts of the Scheme.

- 20.2 All the benefit of the tax credits whether central, state or local, availed by the Transferor Companies including Minimum Alternate Tax, Input Tax Credit, tax deduction at source on income of the Transferor Companies, obligation for tax deduction at source on any payments made by or to be made by the Transferor Companies, and the obligations if any for payment of the tax on any assets of the Transferor Companies or their erection and/ or installation, etc. shall be deemed to have been availed by the Transferor Companies or as the case may be deemed to be the obligations of the Transferee Company. Consequently, and as the Scheme does not contemplate removal of any asset by the Transferor Companies from the premises in which it is installed, no reversal of any tax credit needs to be made.
- 20.3 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, credits, cess payable/ receivable by the Transferor Companies including all or any refunds/ credits/ claims relating thereto shall be treated as the asset/ liability or refunds/ credits/ claims, as the case may be, of the Transferee Company.
- 20.4 The Transferee Company is expressly permitted to revise its tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, goods and service tax credits, set offs, rebates, credits, etc., on the basis of the accounts of the Transferor Companies as vested with the Transferee Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

21. CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against the Transferee Company above shall not affect any transaction or proceedings already concluded in the Transferor Companies, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies, in respect thereto as done and executed on its behalf.

22. OTHER ENTITLEMENTS

22.1 On and from the Effective Date and till such time that the bank accounts of the Transferor Companies have been transferred in favour of the Transferee Company or the Transferor Companies name has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Companies and for such time as may be determined to be necessary by the Transferee Company.

All cheques and other negotiable instruments (including but not limited to bank guarantee(s), letter(s) of credit), payment orders, electronic fund transfers like NEFT, RTGS etc. received or presented for encashment, in the name of Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the bankers of the Transferee Company shall honour cheques issued by Transferor Companies for payment after the Effective Date.

22.2 Upon the coming into effect of this Scheme the resolutions, if any, of Transferor Companies, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

23. DISSOLUTION OF TRANSFEROR COMPANY 1 AND TRANSFEROR COMPANY 2

On this Scheme becoming effective, the Transferor Company 1 and the Transferor Company 2 shall stand dissolved without winding up and the Board of Directors and any committees

thereof of the Transferor Company 1 and the Transferor Company 2 shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company 1 and the Transferor Company 2 shall be struck off from the records of the concerned Registrar of Companies.

PART C

GENERAL TERMS AND CONDITIONS

24. APPLICATION AND PETITION BEFORE THE TRIBUNAL

- 24.1 The Parties shall make the requisite company applications under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.
- 24.2 Each of the Parties (acting through their respective Boards of Directors) shall, with all reasonable dispatch, make applications to the Tribunal, under the relevant provisions of Applicable Law, if any, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning the Scheme with such modifications, as may be approved by the Tribunal.

25. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- 25.1 The Parties by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Tribunal and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) subject to the approval of the Tribunal or any other authorities under the Applicable Law. The Parties by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 25.2 In the event any of the conditions that may be imposed by the Tribunal, while sanctioning the Scheme, which the Board of Directors of the Parties may find unacceptable for any reason, then the Parties are at liberty to withdraw from the Scheme.

25.3 Subject as provided hereinafter, if any part of this Scheme is held invalid, ruled illegal by the Tribunal or any other Appropriate Authority of the competent jurisdiction, or becomes unenforceable for any reason whatsoever, whether under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Parties shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties the benefits and obligations of this Scheme, including but not limited to such part.

26. **CONDITIONS PRECEDENT**

26.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:

26.1.1 receipt of no-objection letters from the Stock Exchanges in respect of the Scheme and the transaction contemplated herein under Regulation 37 of the SEBI LODR Regulations, which in form and substance is acceptable to the Parties, each acting reasonably and in good faith;

26.1.2 the Scheme being approved by the requisite majorities of the shareholders and creditors of the Parties, as required under Applicable Laws and/or as may be directed by the Tribunal or any other authority as may be prescribed or notified;

26.1.3 the Transferee Company, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Transferee Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast against the proposal by the public shareholders, of the Transferee Company, as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

26.1.4 the requisite consents, approvals or permissions of any Appropriate Authority, which by law may be necessary for the implementation of this Scheme;

- 26.1.5 the sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act being obtained by the Parties; and
- 26.1.6 the certified copies of the orders of the Tribunal referred to in this Scheme being filed with the Registrar of Companies by the Parties.
- 26.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authority for their respective approvals is without prejudice to all rights, interests, title, or defenses that Parties may have under or pursuant to all Applicable Laws.
- 26.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons of the Parties, if any, pursuant to Clause 26.1.2 and Clause 26.1.3 above, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

27. EFFECT OF NON-RECEIPT OF APPROVALS

- 27.1 In case this Scheme is not sanctioned by the Tribunal and/or Appropriate Authority or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied or for any other reason, this Scheme cannot be implemented, this Scheme shall become null and void and be of no effect.
- 27.2 In the event of revocation/ withdrawal/ nullity of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law or in accordance with any agreement entered by the Parties and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

28. REPEALS AND SAVINGS

Any direction or order given by the Tribunal or other Appropriate Authority under the provisions of the Act and any act done by the Transferor Companies and the Transferee Company, based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Act.

29. COST, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in connection with the amalgamation of the Transferor Companies into the Transferee Company, as set out in Part B of this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

30. COMPLIANCE WITH APPLICABLE LAWS

The Parties undertake to comply with all Applicable Laws including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission, of the Central Government, Stock Exchanges, SEBI, as may be required or any other statutory or regulatory authority, which by law may be required for the implementation of this Scheme or which by law may be required in relation to any matters connected with this Scheme.
