

SCHEME OF AMALGAMATION

OF

TATA METALIKS LIMITED

TRANSFEROR COMPANY

WITH

TATA STEEL LONG PRODUCTS LIMITED

TRANSFeree COMPANY

(formerly known as Tata Sponge Iron Limited)

AND

THEIR RESPECTIVE SHAREHOLDERS

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

CERTIFIED TO BE TRUE COPY
For TATA METALIKS LIMITED


Sankar Bhattacharya
Chief of Corporate Governance
& Company Secretary

INTRODUCTION

- 1.1 This Scheme (*as defined hereinafter*) seeks to amalgamate and consolidate the businesses of Tata Metaliks Limited (“**Transferor Company**”/ “**Amalgamating Company**”) into and with Tata Steel Long Products Limited (formerly known as Tata Sponge Iron Limited) (“**Transferee Company**”/ “**Amalgamated Company**”) pursuant to the provisions of, *inter alia*, Sections 230 to 232 of the Act (*as defined hereinafter*) read with Section 2 (1B) and other provisions of the Income Tax Act, 1961 (“**IT Act**”) and other Applicable Law (*as defined hereinafter*).
- 1.2 The Board of Directors (*as defined hereinafter*) of the Transferor Company and the Transferee Company (together referred to as the “**Amalgamating Companies**”) have resolved that the amalgamation of the Transferor Company into and with the Transferee Company would be in the best interests of the Amalgamating Companies and their respective shareholders, creditors, employees and other stakeholders.
- 1.3 This Scheme presented under Sections 230 to 232 of the Act for the amalgamation of the Transferor Company into and with the Transferee Company, is divided into the following parts:
 - Part I: Deals with the overview of the Scheme, brief overview of the Amalgamating Companies, objects of this Scheme and definitions and interpretation.
 - Part II: Deals with capital structure of the Amalgamating Companies and date of taking effect.
 - Part III: Deals with the amalgamation of the Transferor Company into and with the Transferee Company and sets forth certain additional arrangements that form a part of this Scheme.
 - Part IV: Deals with the general terms and conditions applicable to this Scheme.
- 1.4 This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



OVERVIEW, OBJECTS, DEFINITIONS AND INTERPRERATION.

1. Overview of the Scheme

1.1 The Scheme envisages the amalgamation of Transferor Company into Transferee Company in compliance with the provisions of Section 2(1B) of the IT Act, such that:

- (a) all the properties of the Transferor Company, immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of this amalgamation;
- (b) all the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of this amalgamation; and
- (c) shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) will become shareholders of the Transferee Company by virtue of the amalgamation.

1.2 Upon the amalgamation of the Transferor Company into and with the Transferee Company pursuant to the Scheme becoming effective on the Effective Date (*as defined hereinafter*), the Transferee Company will issue New Shares (*as defined hereinafter*) to the shareholders of the Transferor Company on the Record Date (*as defined hereinafter*), in accordance with the Share Exchange Ratio (*as defined hereinafter*) approved by the Board of Directors of each of the Amalgamating Companies and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act.

1.3 The amalgamation of the Transferor Company into and with the Transferee Company will be effective from the Appointed Date (*as defined hereinafter*) but will be operative from the Effective Date.

2. BRIEF OVERVIEW OF THE AMALGAMATING COMPANIES

2.1 Transferor Company

- (i) Tata Metaliks Limited is a listed company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and has its registered office at Tata Centre, 10th Floor, 43, J. L. Nehru Road, Kolkata-700071, West Bengal. The equity shares of the Transferor Company are listed on the Stock Exchanges (*as defined hereinafter*).
- (ii) The Transferor Company was incorporated on October 10, 1990 as *Tata Korf Metals West Bengal Limited* with the Registrar of Companies, Kolkata with the registration no. 50000 of 1990-91. Its name was subsequently changed to *Tata Metaliks Limited* with effect from January 16, 1992. The Corporate



Identification Number of the Transferor Company is L27310WB1990PLC050000.

- (iii) The Transferor Company is engaged, *inter alia*, in the business of manufacture and sale of pig iron and ductile iron pipes and its allied accessories in its manufacturing plant located at Kharagpur, West Bengal. The objects clause of the memorandum of association of the Transferor Company authorises the Transferor Company to carry on the said business.
- (iv) The main object of the Transferor Company as provided in its memorandum of association is “to manufacture, produce, buy, sell, exchange, work, alter, improve, import, export and otherwise deal in pig iron and its products, steel and steel billets, metal and metallised products including steel, ferrous and non-ferrous alloys, rolled products both hot rolled and cold rolled, sheet metal (ferrous and non-ferrous) wire, wire mesh, wirecloth and to carry on trade or business of rolling mill and foundries and other metallurgical products” and also “to manufacture, produce, buy, sell, trade, exchange, work, alter, improve, import, export and otherwise deal in ductile iron pipes, fittings and their accessories of any diametrical dimensions and its joint and by-products” and “to manufacture, produce buy, sell, trade, exchange, work, alter, improve, import, export and otherwise deal in Metaliks such as sponge iron, pig iron and associated products such as granulated slag, coke, coal fractions”.
- (v) Clause 23 of the ‘objects incidental or ancillary to the attainment of the main objects’ of the memorandum of association of the Transferor Company allows amalgamation of the Transferor Company with any other company or companies.

2.2 **Transferee Company**

- (i) Tata Steel Long Products Limited (formerly known as Tata Sponge Iron Limited) is a listed company incorporated under the Companies Act, 1956 (and an existing company under the Act) and has its registered office at Joda Keonjhar Odisha 758 034. The equity shares of the Transferee Company are listed on the Stock Exchanges.
- (ii) The Transferee Company was incorporated on July 31, 1982 as *Ipitata Sponge Iron Limited* with the Registrar of Companies, Cuttack, Odisha with the registration no. 1091 of 1982-83. The name of the Transferee Company was subsequently changed to *Tata Sponge Iron Limited* with effect from September 24, 1996 and to *Tata Steel Long Products Limited* with effect from August 20, 2019 and a fresh certificate of incorporation consequent upon change of name was granted. The Corporate Identification Number of the Transferee Company is L27102OR1982PLC001091.
- (iii) The Transferee Company is in the business of production and marketing of sponge iron, which is a single end use (steel making) and a single grade product. It has also one of the largest specialty steel plants in India in the SBQ (special bar quality) segment with an annual capacity of one million tons per annum. The objects clause of the memorandum of association of



the Transferee Company authorises the Transferee Company to carry on the said business.

- (iv) The main objects of the Transferee Company as provided in its memorandum is *“to manufacture, produce, buy, sell, exchange, work, alter, improve, import, export and otherwise deal in sponge iron and its products, Steel and Steel billets, metal and metallised products including steel, ferrous and non-ferrous alloys, rolled products both hot rolled and cold rolled, sheet metal (ferrous and non-ferrous) wire, wire mesh, wirecloth and to carry on trade or business of rolling mill and foundries”*.
- (v) Clause 23 of the ‘objects incidental or ancillary to the attainment of the main objects’ of the memorandum of association of the Transferee Company allows amalgamation of the Transferee Company with any other company or companies.

2.3 Both the Transferor and Transferee Companies are affiliate entities of each other, with a common holding entity, Tata Steel Limited (“TSL”).

3. RATIONALE OF THE SCHEME

3.1 The Amalgamating Companies are engaged in the business of manufacture and sale of iron, iron products, long products and steel products. The amalgamation will ensure creation of a combined entity, hosting all value added long products under the Transferee Company, as the holding entity of the cluster, thereby resulting in on-time supplies, efficiency of management and maximizing value for the shareholders. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar business.

3.2 The Amalgamating Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Amalgamating Companies pooled in the merged entity, will lead to optimum use of infrastructure, cost reduction and efficiencies, productivity gains and logistic advantages and reduction of administrative and operational costs, thereby significantly contributing to the future growth and maximising shareholder value.

3.3 The proposed amalgamation would be in the best interest of the Amalgamating Companies and their respective shareholders, employees, creditors, customers and other stakeholders as the proposed amalgamation will yield advantages as set out, *inter alia*, below:

- (i) realising benefits of greater synergies between their businesses, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources of each other in the interest of maximizing value to their shareholders and the other stakeholders;
- (ii) integrated value chain to enhance degree of vertical integration in the long products segment;
- (iii) 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;

- (iv) The Transferor Company, being a debt-free Company with a strong balance sheet along with a profitable business will:
 - (a) strengthen the financial of the merged entity, enabling the combined entity to source external funds for future expansion and business requirements;
 - (b) enhance the combined entity's risk-taking capability to bid for large value project contracts
- (v) pooling of resources, creating better synergies, optimal utilisation of resources, centralization of inventory and greater economies of scale, such as:
 - (a) the unutilized facilities of the Transferor Company's Redi unit in Maharashtra will have better opportunity for being economically utilized by the Transferee Company to optimize its resources and better meet its future business requirements or monetized;
 - (b) The Transferor Company's strong presence in the DI Pipes segment will further augment the value added Product Portfolio basket of the Long products business segments undertaken by the Transferee Company;
 - (c) Common production process till the hot metal stage will lead to opportunities for better operational efficiencies;
 - (d) Combined sourcing of raw materials (e.g., coal, iron ore etc.) and other procurements with centralized inventory management will lead to better economies of scale, increased synergies and operational efficiencies;
 - (e) sharing of best practices and cross-functional learnings;
 - (f) leverage of resources for aggressive growth in its product segment;
 - (g) augmenting the infrastructural capability of the Transferee Company to effectively meet future challenges;
 - (h) Utilize pan India distribution and marketing network of the combined entity to sell its value added products;
 - (i) Clubbing of shipments and combining of stockyards will facilitate optimization of logistics movements and freight costs.
- (vi) the customers' need would be addressed
 - (a) by providing them uniform products and service experience;
 - (b) owing to dedicated stock yards and supply chain efficiencies across multiple locations in India;
- (vii) 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);
- (viii) further expanding the business of the Transferee Company into growing markets;



- (ix) efficient tax planning at the combined entity level;
- (x) adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement; and
- (xi) create value for the stakeholders including the respective shareholders, customers, lenders and employees.

3.4 As a result, the Board of Directors of the Amalgamating Companies have formulated this Scheme for the amalgamation of the Transferor Company as a going concern into and with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Act and in accordance with Section 2(1B) of IT Act (on a going concern basis) and other Applicable Law.

4. DEFINITIONS

4.1 In this Scheme, unless inconsistent with the subject or context: (i) capitalized terms defined by inclusion in quotations and/or the parenthesis have the meaning so ascribed; and (ii) the following expressions have the meanings as set out herein below:

“Act” means the Companies Act, 2013, as notified, clarified, amended, supplemented, modified and/or replaced from time to time and shall include any statutory replacement or re-enactment thereof, including any rules made thereunder or notifications, circulars or orders made/issued thereunder from time to time;

“Amalgamating Companies” has the meaning ascribed to such term in Clause 1.2 of Part I;

“Applicable Law” means all applicable: (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, codes, rules, regulations, bye-laws, listing agreements, notifications, guidelines or policies of any applicable jurisdiction; and(ii) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals required from Governmental Authorities of, or agreements with, any Governmental Authority or a recognized stock exchange;

“Appointed Date” means opening of business hours on April 1, 2020, or such other date as may be directed/allowed by the Competent Authority;

“Board of Directors” or **“Board”** in relation to the Amalgamating Companies means their respective board of directors in office at the relevant time, and unless it is repugnant to the context or otherwise, includes any committee(s) of directors constituted for the implementation of the Scheme;

“Competent Authority” means the relevant National Company Law Tribunal(s) having territorial jurisdiction in the state(s) in which the respective registered offices of the Amalgamating Companies are located or such other forum or authority as



may be vested with any of the powers of the above mentioned tribunal under the Act for approving any scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act;

“Effective Date” means the date on which certified copies of the orders of the Competent Authority are filed with the RoC, Kolkata and Odisha (whichever is later) after the last of the approvals or events specified under Clause 9.1 of Part IV of the Scheme are satisfied or fulfilled or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. The Scheme shall be operative from the Effective Date and effective from the Appointed Date and any references in this Scheme to “upon this Scheme becoming effective”, “Scheme becomes effective” or “coming into effect of this Scheme” or “effectiveness of this Scheme” or likewise, means and refers to the Effective Date;

“Eligible Members” has the meaning given to it in Clause 5.1 of Part III;

“Encumbrance” means: (a) any encumbrance including, without limitation, any claim, mortgage, negative lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, trust, guarantee, commitment, assignment by way of security, or other encumbrances or security interest of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any law, contract or otherwise, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (c) any adverse claim as to title, possession or use; and/ or (d) any agreement, conditional or otherwise, to create any of the foregoing, and the term ‘encumber’ shall be construed accordingly;

“Governmental Authority” means any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, SEBI, Stock Exchanges, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction over any state or other sub-division thereof or any municipality, district or other sub-division thereof pursuant to Applicable Law, including the Registrar of Companies, Regional Director, Competition Commission of India, SEBI, Stock Exchanges, National Company Law Tribunal, and such other sectoral regulators or authorities as may be applicable;

“Liabilities” means all debts (whether in Indian Rupees or foreign currency), liabilities (including contingent liabilities, deferred tax liabilities and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;



“LODR Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all the amendments or statutory modifications thereto or re-enactments thereof;

“New Shares” has the meaning given to it in Clause 5.1 of Part III;

“Record Date” means a date to be fixed by the Board of Directors of the Transferee Company in consultation with the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom the New Shares will be allotted pursuant to this Scheme;

“Registrar of Companies” or **“RoC”** means the relevant Registrar of Companies having territorial jurisdiction in the state(s) in which the respective registered offices of the Amalgamating Companies are located;

“Scheme” or **“the Scheme”** or **“this Scheme”** means this scheme of amalgamation pursuant to Sections 230 to 232 and other relevant provisions of the Act as submitted to the Competent Authority, with such modifications and amendments as may be made from time to time under Clause 8 of Part IV of the Scheme;

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

“SEBI Circulars” means circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) on Schemes of Arrangement by Listed Entities and Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ;

“Share Exchange Ratio” has the meaning given to it in Clause 5.1 of Part III;

“Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited collectively;

“Transferee Company” means Tata Steel Long Products Limited (formerly known as Tata Sponge Iron Limited), a listed company incorporated under the Companies Act, 1956 and an existing company under the Act and having its registered office at Joda Keonjhar, Odisha 758 034;

“Transferor Company” means Tata Metaliks Limited, a listed company incorporated under the Companies Act, 1956 and an existing company under the Act and having its registered office at Tata Centre, 10th Floor, 43, J. L. Nehru Road, Kolkata-700071, West Bengal and, notwithstanding anything to the contrary in this Scheme shall include:

- (a) any and all of its assets, whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, in each case, wherever situated, including but not limited to registrations and memberships, electrical fittings, installations, tools, accessories, power lines, stocks, computers, communication facilities, vehicles, furniture, fixtures and office equipment,



factory buildings, other buildings, plant and equipment, moulds, railway sidings, data processing equipment, all rights, title, interests, covenants, undertakings and rights appurtenant to the immovable property, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether or not recorded in the books of accounts of the Transferor Company, freehold or leasehold or under leave and license or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, appliances, equipment, whether leased or otherwise, fixed assets, current assets (including without limitation, all inventories, stock-in trade or stock-in transit, tools, plants, merchandise, raw materials, supplies, finished goods and wrapping) together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

- (b) any and all of its investments (including shares whether in dematerialised or physical form, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities), including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, receivables, including dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates;
- (c) any and all of its licenses (including the licenses granted by any Governmental Authority for the purpose of carrying on its business or in connection therewith), certification marks license issued by Bureau of Indian Standards in terms of the Ductile Iron Pressure Pipes and Fittings (Quality Control) Order, 2009, permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority, organizations or companies, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the



books of account and tax refunds) and all other rights, claims and powers, of whatsoever nature;

- (d) any and all of its debts, borrowings and Liabilities, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);
- (e) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sale orders, purchase orders, operation and maintenance contracts, equipment purchase agreements or other instruments of whatsoever nature and description to which the Transferor Company is a party, and other assurances in favour of the Transferor Company or powers or authorisations granted by or to it;
- (f) all insurance policies;
- (g) any and all of its permanent staff and employees, who are on its payrolls, including those employed at its offices and branches, including liabilities of the Transferor Company, with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, in terms of its license, at its respective offices, branches or otherwise;
- (h) concessions, subsidies, tax deferrals, exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits/ holidays and exemptions including the right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law, if any, liberties and advantages, tax related assets, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of accumulated losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits



etc., under the IT Act, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under Applicable Law;

- (i) any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, balance lying in the investor's service fund and investor protection fund; all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the Transferor Company, directly or indirectly;
- (j) all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;
- (k) amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
- (l) all intellectual property rights (whether proprietary or non-proprietary), applications (including hardware, software, licenses, source codes and scripts), registrations, trademarks, trade names, computer programmes, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) used by or held for use by the Transferor Company in the business, activities and operations carried on by the Transferor Company;
- (m) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company; and
- (n) all legal or other proceedings of whatsoever nature which are capable of being continued by or against the Transferor Company under the Applicable



Law.

5. INTERPRETATION

5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Law, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

5.2 In this Scheme, unless the context otherwise requires:

- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders;
- (iv) words in the singular shall include the plural and *vice versa*;
- (v) words “include” and “including” are to be construed without limitation;
- (vi) terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;
- (vii) a reference to “writing” or “written” includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;
- (viii) reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;
- (ix) reference to the Recital or Clause shall be a reference to the Recital or Clause of this Scheme; and
 - (a) references to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or



consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.



PART II

CAPITAL STRUCTURE AND DATE OF TAKING EFFECT

1. SHARE CAPITAL OF THE TRANSFEROR COMPANY

1.1 The share capital of the Transferor Company as at September 30, 2020 is as under:

Particulars	Amount in Rupees
Authorised Capital	
37,50,00,000 equity shares of INR 10 each	375,00,00,000
Total	375,00,00,000
Issued, Subscribed and Paid-up	
3,15,77,500 equity shares of INR 10 each	31,57,75,000
Total	31,57,75,000

1.2 The equity shares of the Transferor Company are listed on the Stock Exchanges.

2. SHARE CAPITAL OF THE TRANSFEREE COMPANY

2.1 The share capital of the Transferee Company as at September 30, 2020 is as under:

Particulars	Amount in Rupees
Authorised Capital	
7,50,00,000 equity shares of INR 10 each	75,00,00,000
20,00,00,000 non-convertible redeemable preference shares of INR 100 each	2000,00,00,000
Total	2075,00,00,000
Issued, Subscribed and Paid-up	
4,51,00,000 equity shares of INR 10 each	45,10,00,000
0 non-convertible redeemable preference shares of INR 100 each	0
Total	45,10,00,000

2.2 The equity shares of the Transferee Company are listed on the Stock Exchanges.

3. DATE OF TAKING EFFECT

3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Competent Authority or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date.

3.2 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:

- (a) the amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part III of this Scheme shall be deemed to have



taken effect;

- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme;
- (c) issue and allotment of fully paid up New Shares to the shareholders of the Transferor Company as on the Record Date in accordance with Part III of this Scheme; and
- (d) dissolution of the Transferor Company without winding up.



AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY

1. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY

1.1 With effect from the Appointed Date and upon this Scheme becoming effective, the Transferor Company along with all its assets, liabilities, contracts, employees, licenses, records, approvals, etc. being integral parts of the Transferor Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 to 232 of the Act, the IT Act and other Applicable Law if any, in accordance with the provisions contained herein.

1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

1.2.1 Transfer of Assets

(a) all assets of the Transferor Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

(b) all other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been



transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, 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 said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Transferee Company and be paid or made good or held on account of the Transferee Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Company and all the rights, title and interest of the Transferor Company in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company;

- (c) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof;
- (d) without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Company is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease



agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company in any properties including leasehold/ licensed properties of the Transferor Company including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder;

- (e) from the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date;
- (f) the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and
- (g) all estate, assets, rights, title, claims, interest, investments and properties of the Transferor Company as on the Appointed Date, including accretions and appurtenances, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company.

1.2.2 Transfer of Liabilities and Encumbrances

- (a) all Liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or



disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

- (b) where any of the Liabilities incurred before the Appointed Date by the Transferor Company, deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;
- (c) all debentures, bonds, notes or other securities of the Transferor Company whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- (d) all public deposits, debentures or bonds of the Transferor Company shall be distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company;
- (e) all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred



to the Transferee Company. Provided that if any assets of the Transferor Company have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

- (f) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company shall be transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required; and
- (g) it is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

1.2.3 Transfer of Employees

- (a) all the permanent staff and employees of the Transferor Company who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company, shall also be taken into account.
- (b) it is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and



employees of a Transferor Company are concerned (collectively, referred to as the “**Funds**”), the Funds in its entirety, or such proportion of the Funds which are attributable/referable to the Employees being transferred on the Effective Date, as the case may be, shall be transferred to the similar funds created and/or nominated by the Transferee Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Transferee Company, maintained as separate funds by the Transferee Company. Pending the transfer as aforesaid, the contributions may be continued to be deposited in the existing relevant funds of the Transferor Company. Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferee Company for the erstwhile Fund(s) of the Transferor Company; or (b) merge the pre-existing Funds of the Transferor Company with other similar funds of the Transferee Company;

- (c) Further to the transfer of Funds as set out herein above, for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the transferred Employees will be treated as having been continuous for the purpose of the said Funds.
- (d) In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such transferred Employees.
- (e) the Transferee Company undertakes to continue to abide by any agreement(s) / settlement(s) entered into with any labour unions/ employees by the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

1.2.4 Legal Proceedings

- (a) any pending suits/appeals, applications, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted any



time in the future, if such proceedings are capable of being continued by or against the Transferee Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented;

- (b) in case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and shall prosecute or defend such proceedings; and
- (c) the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, which are capable of being continued by or against the Transferee Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company.

1.2.5 Taxes, Duties/ Cess etc.

- (a) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- (b) all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under



the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.

1.2.6 **Transfer of Contracts, Deeds etc.**

- (a) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Company is a party, or to the benefit of which, the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Company will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. The Transferee Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company; and
- (b) on and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company, in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.



1.2.7 Transfer of Benefits, Licenses, Permits etc.

- (b) all the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of the Transferor Company for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
- (c) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes;
- (c) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto and the Transferee Company shall be liable for compliance with all the conditions



governing such consents, permits, approvals, etc as stated above It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- (d) all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company;
- (e) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company;
- (f) all registrations, goodwill and licenses, appertaining to the Transferor Company, if any, shall be transferred to and vested in the Transferee Company; and
- (g) benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

- 1.3 The Transferor Company and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or



Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

- 1.4 The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 1.5 The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.
- 1.6 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Company into the Transferee Company by virtue of Part III of the Scheme itself, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company. The Transferee Company will, if necessary, also be a party to the above.
- 1.7 In order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Company, without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Transferee Company after the Effective Date.

2. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 2.1 The Amalgamating Companies have agreed that during the period between the approval of the Scheme by the respective Boards of the Amalgamating Companies and up to the Effective Date, the business of the Amalgamating Companies shall be



carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.

- 2.2 Except with the prior written consent of the Board of Directors of the Transferee Company, or except as specifically contemplated in this Scheme (including Part III of this Scheme), pending sanction of this Scheme, the Transferor Company shall not: (i) sell, alienate, charge, hypothecate, encumber or otherwise deal with or dispose of the assets or any business or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business; (ii) undertake any new business or substantially expand its existing business; (iii) declare dividend, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date; (iv) make any change in its share capital structures either by way of any increase, decrease, reduction, reclassification, sub-division or consolidation or in any other manner, which would have the effect of re-organisation of capital of the Transferor Company; and (v) vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation.

For avoidance of doubt, it is clarified that the Transferor Company may sell, dispose of or restructure any of its assets or business or any part thereof in terms of this Clause 2.2 of Part III, with the prior consent of the Transferee Company.

- 2.3 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of the properties and assets pertaining to the Transferor Company, for and on account of and in trust for the Transferee Company;
 - (b) the Transferor Company hereby undertakes to hold its said assets with utmost prudence in the ordinary course of business until the Effective Date;
 - (c) all profits and income accruing to the Transferor Company, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of the Transferor Company shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
 - (d) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company;
 - (e) all assets and properties comprised in the Transferor Company as on the date immediately preceding the Appointed Date, whether or not included in



the books of the Transferor Company and all assets and properties relating thereto, which are acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company; and

- (f) any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and discharged on behalf of the Transferee Company.

2.4 Inter-Se Transactions

2.4.1 With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including, *inter alia*, any transactions in the nature of sale or transfer of any goods, materials or services, between the Amalgamating Companies. 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 Amalgamating Companies.

2.4.2 With effect from the Effective Date, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Companies shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

3. DISSOLUTION OF TRANSFEROR COMPANY

3.1 Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up, without any further act, instrument or deed.

4. CHANGES IN SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION

4.1 Increase of Authorised Share Capital of Transferee Company

- (a) As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of the Transferor Company shall stand transferred to and be amalgamated/combined with the authorized share capital of the Transferee Company. The fees or stamp duty, if any, paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital, and the Transferee Company shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the relevant



Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Act.

(b) Clause V of the memorandum of association and Clause 6 of the articles of association of the Transferee Company shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be altered as follows:

(i) Clause V of the memorandum of association of the Transferee Company shall, without any further act, instrument or deed, be substituted by the following clause:

“The authorized share capital of the Company is Rs. 2,450,00,00,000 (Rupees two thousand four hundred and fifty crore) divided into 45,00,00,000 (forty-five crore) equity shares of Rs. 10 each and 20,00,00,000 (twenty crore) non-convertible redeemable preference shares of Rs. 100 each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, provided that the Company shall always have the power to issue shares at a premium and redeemable preference shares, to increase or to reduce its capital and to divide the shares in the capital for the time being, into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be permissible by law and as may be determined by or in accordance with the Articles of Association of the Company for the time being in force and to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may be permitted by law and/or as may be provided in the Articles of Association of the Company for the time being in force.”

(ii) Clause 6 of the articles of association of the Transferee Company shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

“The authorised share capital of the Company is Rs. 2,450,00,00,000 (Rupees two thousand four hundred and fifty crore) divided into 45,00,00,000 (forty-five crore) equity shares of Rs. 10 each and 20,00,00,000 (Twenty crore) non-convertible redeemable preference shares of Rs. 100 each provided that the Company may always increase or reduce, sub-divide or consolidate its share capital by such amount as it thinks expedient and issue shares at a premium subject to the provisions of the Companies Act, 2013.”

(c) In the event, the authorized share capital of the Transferee Company undergoes any change prior to the Effective Date, the clauses specified in



this Scheme to replace the existing Clause V of the memorandum of association and Clause 6 of the articles of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.

- (d) The approval of this Scheme by shareholders of the Transferee Company under Sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority, shall be deemed to have been an approval under Sections 13, 14, 61, 62 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

4.2 Change in Object Clause

- (a) With effect from the Appointed Date and upon the effectiveness of the Scheme, the main object clause of the memorandum of association of the Transferee Company shall be deemed to be altered and amended, without any further act, instrument or deed to include the objects as required for the purpose of carrying on the business activities of the Transferor Company, pursuant to the applicable provisions of the Act. Accordingly, the following clauses shall be added to the main objects of the memorandum of association of Transferee Company:

- i. *To manufacture, produce, buy, sell, exchange, work, alter, improve, import, export and otherwise deal in pig iron and its products, steel and steel billets, metal and metallised products including steel, ferrous and non-ferrous alloys, rolled products both hot rolled and cold rolled, sheet metal (ferrous and non-ferrous) wire, wire mesh, wirecloth and to carry on trade or business of rolling mill and foundries and other metallurgical products; and*
- ii. *To manufacture, produce, buy, sell, trade, exchange, work, alter, improve, import, export and otherwise deal in ductile iron pipes, fittings and their accessories of any diametrical dimensions and its joint and by-products.*

- (b) Under the accepted principle of single window clearance, it is hereby provided that the amendments pursuant to this Clause 4.2 of Part III shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of the Transferee Company and shall not be required to pass separate resolutions under the applicable provisions of the Act.

5. PAYMENT OF CONSIDERATION

- 5.1 Upon coming into effect of this Scheme and in consideration of the amalgamation of the Transferor Company into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to the



shareholders of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company) ("**Eligible Member**") in the following ratio ("**Share Exchange Ratio**"):

"12 (twelve) fully paid up equity shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every 10 (ten) fully paid up equity shares of Rs. 10/- each held in the Transferor Company."

The shares to be issued by the Transferee Company to the Eligible Members of the Transferor Company in accordance with this Clause 5.1 of Part III shall be hereinafter referred to as the "**New Shares**".

6. ISSUANCE MECHANISM

- 6.1 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board 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.
- 6.2 Where New Shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased shareholders or legal representatives of the shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.
- 6.3 The New Shares of the Transferee Company to be allotted and issued to the Eligible Members of the Transferor Company as provided in Clause 5.1 of Part III above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company after the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 6.4 The Transferee Company shall complete all formalities, as may be required, for allotment of the New Shares to the Eligible Members of the Transferor Company as provided in this Scheme within reasonable time from the Effective Date. It is clarified that the issue and allotment of New Shares by the Transferee Company to the Eligible Members of the Transferor Company as provided in the Scheme, is an



integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Sections 42 and 62 or any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.

- 6.5 The New Shares to be issued by the Transferee Company shall be issued in dematerialized form to those Eligible Members who hold shares of the Transferor Company in dematerialized form, into the account in which shares of the Transferor Company are held or such other account as is intimated in writing by the Eligible Members to the Transferor Company and/ or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. All those Eligible Members who hold shares of the Transferor Company in physical form shall also receive the New Shares to be issued by the Transferee Company, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to the Transferor Companies and/ or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any Eligible Member who holds shares of the Transferor Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any Eligible Member do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company may allot physical shares to such shareholder, as may be permitted under Applicable Law.
- 6.6 No shares shall be allotted in respect of fractional entitlements by the Transferee Company, to which, the Eligible Members of the Transferor Company may be entitled on the basis of the Share Exchange Ratio. The Board of the Transferee Company shall, at its absolute discretion, decide to take any or a combination of the following actions:
- (a) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of the Transferee Company in this behalf who shall hold the shares in trust on behalf of the Eligible Members of the Transferor Company entitled to fractional entitlements with the express understanding that such person shall sell the shares of the Transferee Company so allotted at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the members of the Transferor Company in proportion to their respective fractional entitlements. In case the number of such New Shares to be allotted to a person authorized by the Board of the Transferee Company by virtue of consolidation of fractional entitlements is a fraction, it shall be rounded off to the next higher integer;
 - (b) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant Eligible Members of the Transferor Company; or



- (c) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Amalgamating Companies.
- 6.7 In the event that the Amalgamating Companies restructure their share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio and the stock options, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 6.8 Upon this Scheme becoming effective and upon the New Shares of the Transferee Company being allotted and issued by it to the Eligible Members, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, Transferee Company may, instead of requiring the surrender of the share certificates of Transferor Company, directly issue and dispatch the new share certificates of Transferee Company in lieu thereof.
- 6.9 The New Shares to be issued by the Transferee Company pursuant to Clause 5.1 of Part III above in respect of such shares of the Transferor Company, the allotment or transfer of which is held in abeyance under the provisions of Section 126 of the Act or which the Transferee Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.
- 6.10 All New Shares allotted and issued shall be listed and/ or admitted to trading on the Stock Exchanges, where the equity shares of the Transferee Company are listed and/ or admitted to trading; subject to the Transferee Company obtaining the requisite statutory approvals pertaining to their listing. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the Applicable Law or regulations for the Transferee Company with the formalities of the said Stock Exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme.

7. ACCOUNTING TREATMENT

7.1 IN THE BOOKS OF THE TRANSFEREE COMPANY

Notwithstanding anything contrary contained in any other clause in the scheme, the Transferee Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard (Ind AS) 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act. Accordingly, the financial



information in the financial statements of the Transferee Company in respect of prior periods will be restated as if the business combination had occurred from the beginning of the preceding period presented in the financial statements, irrespective of the actual date of the combination and such restatement shall not be considered or treated to be a revision of financial statements in terms of the provisions of Section 131 of the Act.

7.2 IN THE BOOKS OF THE TRANSFEROR COMPANY:

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



GENERAL TERMS AND CONDITIONS

1. PROVISIONS APPLICABLE TO PART III

1.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part III of the Scheme;
- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme;
- (c) issuance and allotment of New Shares to the shareholders of the Transferor Company as on the Record Date, without any further act, instrument or deed, in accordance with Part III of this Scheme; and
- (d) dissolution of the Transferor Company without winding up.

2. COMPLIANCE WITH LAWS

2.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 of the Act, for the purpose of the merger of the Transferor Company into and with the Transferee Company.

2.2 The amalgamation of the Transferor Company into and with the Transferee Company in accordance with this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:

- (a) all the properties of the Transferor Company, immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of this amalgamation;
- (b) all the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of this amalgamation; and
- (c) shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) will become shareholders of the Transferee Company by virtue of the amalgamation.

2.3 This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as specified under the tax laws, including Section 2 (1B) and other relevant sections of the IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason



whatsoever, the provisions of Section 2(1B) of the IT Act, as amended, shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Amalgamating Companies, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

- 2.4 Upon this Scheme becoming effective, the Transferee Company is expressly permitted to prepare and/or revise their financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits/holidays under the IT Act, etc., and for matters incidental thereto, on and from the Appointed Date, if required to give effect to the provisions of this Scheme. The order of the jurisdictional National Company Law Tribunal sanctioning the Scheme shall be deemed to be an order of the Competent Authority permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.

3. CONSEQUENTIAL MATTERS RELATING TO TAX

- 3.1 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 3.2 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 3.3 All taxes (including but not limited to advance tax, self-assessment tax, regular tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax etc.), paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims/credits, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits, export benefits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs etc., as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound to transfer to the account of



and give credit for the same to the Transferee Company upon coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.

- 3.4 All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B, etc. of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company.
- 3.5 Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferee Company or Transferor Company on *inter se* transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to Transferee Company for set-off against its liability under the IT Act and any excess tax so paid shall be eligible for refund together with interest.
- 3.6 The accumulated losses and the allowance for unabsorbed depreciation of the Transferor Company shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company in accordance with Section 72A of the IT Act. Further, the brought forward losses and unabsorbed depreciation as per books of account of the Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax if any payable by the Transferee Company.
- 3.7 Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, taxes withheld/ paid in a foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.

4. SAVING OF CONCLUDED TRANSACTIONS

- 4.1 The transfer of assets, properties and liabilities and the continuance of proceedings by or against the Transferor Company under Clause 1.2 of Part III of the Scheme above shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed Date until 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 Company in respect thereto as done and executed on behalf of the Transferee Company.

5. DIVIDENDS

- 5.1 The Transferor Company shall be entitled to declare and pay dividends, whether interim and/or final, to its shareholders prior to the Effective Date, subject to the prior approval of the Board of Directors of the Transferee Company.

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 Amalgamating Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Amalgamating Companies, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Amalgamating Companies.

6. INTERPRETATION

- 6.1 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of Applicable Law at a later date, whether as a result of any amendment of Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the Applicable Law shall prevail. Subject to obtaining the sanction of the Competent Authority, if necessary, under Applicable Law, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the Competent Authority if necessary, vest with the Board of Directors of the Amalgamating Companies.

7. APPLICATION TO THE COMPETENT AUTHORITY

- 7.1 The Amalgamating Companies shall make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Competent Authorities for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.
- 7.2 Upon this Scheme becoming effective, the shareholders of the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

8. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 8.1 The Amalgamating Companies, acting through their respective Board of Directors may, jointly and as mutually agreed in writing, assent to/make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the Competent Authority under Applicable Law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e., the Board of Directors), or modify, vary or withdraw this Scheme prior to the Effective Date, in any manner at any time.
- 8.2 In case, post approval of the Scheme by the Competent Authority, there is any ambiguity in interpreting any Clause of this Scheme, or otherwise, the Board of Directors of the Amalgamating Companies shall have complete power and discretion to take the most sensible interpretation so as to render the Scheme operational.
- 8.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between or amongst the Amalgamating Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.



- 8.4 If any part of this Scheme is invalid, ruled illegal or rejected by the Competent Authority or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Amalgamating Companies 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 either the Transferor Company or Transferee Company, in which case the Amalgamating Companies, acting through their respective Boards of Directors, 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, which is invalid, ruled illegal or rejected by the Competent Authority or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

9. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

- 9.1 The effectiveness of the Scheme is conditional and is subject to the following conditions being met:

- (a) the Scheme being approved by the requisite majority of each classes of members and/or creditors (where applicable) of the Amalgamating Companies in accordance with the Act and as may be directed by the Competent Authority;
- (b) the Scheme being approved by the **PUBLIC shareholders** of the Amalgamating Companies through e-voting in terms of para 9 (a) of part I of Annexure I of the SEBI Circular and the Scheme shall be acted upon only if votes cast by the **public shareholders** in favour of the Scheme are more than the number of votes cast by the **public shareholders** against it;
- (c) the Competent Authority having accorded its sanction to the Scheme;
- (d) receipt of no-objection letters by the Amalgamating Companies from the Stock Exchanges in accordance with the LODR Regulations and the SEBI Circulars in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Amalgamating Companies, each acting reasonably and in good faith; and
- (e) receipt of such other sanctions and approvals including sanction of the central government and any other Governmental Authority as may be required by Applicable Law in respect of the Scheme.

- 9.2 The Scheme shall not come into effect unless the aforementioned conditions are satisfied, and in the event of such non-satisfaction of the conditions specified herein above, the Scheme shall become null and void and be of no effect.

- 9.3 In the event the Scheme fails to take effect or it becomes null and void, no rights and liabilities of whatsoever shall accrue to or be incurred *inter se* the Amalgamating Companies or their respective shareholders or creditors or employees or any other person.

10. REMOVAL OF DIFFICULTIES

- 10.1 The Amalgamating Companies through mutual consent and acting through their respective Boards, jointly may agree in writing to:



- (a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of Competent Authority or of any directive or orders of any Governmental Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law;
- (b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect; and
- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time, subject to Applicable Law.

11. COSTS, CHARGES & EXPENSES

- 11.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Companies arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto on or prior to the Effective Date shall be borne by the respective Amalgamating Companies.
- 11.2 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Companies arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto after the Effective Date shall be borne by the Transferee Company.

12. RESIDUAL PROVISIONS

- 12.1 Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Transferor Company until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.
- 12.2 The Amalgamating Companies shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Board of Directors of the Amalgamating Companies prior to the Effective Date. In such a case, each of the Amalgamating Companies shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme except as provided in Clause 9.2 of Part IV, any one of the Amalgamating Companies shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other Amalgamating Companies; or (b) unless such withdrawal is in accordance with any written agreement entered into between the Amalgamating Companies.

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