

SCHEME OF AMALGAMATION

(by way of merger by absorption)

OF

UNI-DESIGN JEWELLERY (INDIA) PRIVATE LIMITED

(TRANSFEROR COMPANY)

WITH AND INTO

UNI DESIGN ELITE JEWELLERY PRIVATE LIMITED

(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS

(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013

READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS

AND AMALGAMATIONS) RULES 2016 THEREUNDER

INCLUDING ANY STATUTORY MODIFICATIONS OR

RE-ENACTMENTS THEREOF, IF ANY)

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**INTRODUCTION**

This Scheme of Amalgamation (“Scheme”) provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

The Scheme is carved out into following parts:

- (i) Preamble- Background and Description of Companies.
- (ii) Part I- Definitions and Share Capital.
- (iii) Part II- Amalgamation of the Transferor Company with the Transferee Company.
- (iv) Part III- Changes to the Share Capital of the Transferor Company and the Transferee Company.
- (v) Part IV- General Terms and Conditions applicable to this Scheme.

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**PREAMBLE**

**A. BACKGROUND AND DESCRIPTION OF THE COMPANIES WHICH ARE PARTIES TO THE SCHEME**

- (i) Uni-Design Jewellery (India) Private Limited is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 vide Corporate Identification Number (“CIN”) U36912MH2000PTC126428 having its registered office at D/7-1, Asian House, Road No. 16, Near Suncity Hotel, Andheri (East), Mumbai 400093 (hereinafter referred to as the “Transferor Company”).
- (ii) Uni Design Elite Jewellery Private Limited is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 vide CIN U67120MH1995PTC088974 having its registered office at 401 & 402, Seepz++, Building No.2, Andheri (East), Mumbai 400096. (hereinafter referred to as the “Transferee Company”).

**B. RATIONALE OF THE SCHEME**

- i. The Transferor Company has inter alia the business of Jewellery and real estate renting, whereas Transferee Company is engaged in the business of Jewellery business for export purpose.
- ii. Transferor has expertise into the Jewellery business mainly in domestic/ market, whereas Transferee has expertise into the export market. The merger of Transferor company into the Transferee company shall expand the scope of business for the transferee company and use the expertise, resources and technology available with the Transferor Company for expanding its reach into local market for the maximization of value for the shareholders.
- iii. The Amalgamation of Transferor Company into the Transferee Company, pursuant to this Scheme (as defined hereinafter) would, inter alia, result in the following benefits for the Transferor Company and the Transferee Company:
  - (a) attracting different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the business.

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- (b) The Scheme will result in cost saving for both the companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, optimisation of cost and higher profitability levels for the Transferee Company
- (c) Both the businesses carry certain kind of recognition, brand and intellectual proprietary value before various stakeholders; hence both Transferor and Transferee will be able to enhance a unified brand and will enable simplification of operational structure
- (iii) The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Transferor Company and the Transferee Company.

**C. PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

- (i) PART I deals with the definitions of capitalized terms used in this Scheme and the details of the share capital of the Transferor Company and the Transferee Company;
- (ii) PART II deals with amalgamation of transferor with Transferee Company
- (iii) Part III- Changes to the Share Capital of the Transferor Company and the Transferee Company.
- (iv) PART IV deals with the general terms and conditions that would be applicable to this Scheme.

**PART I**

**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant

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Applicable Laws; and (iii) the following expressions shall have the meanings ascribed hereunder:

- (a) **“Act or The Act”** means the Companies Act, 2013 and shall include rules and regulations made thereunder and any statutory modifications, amendment and/ or re-enactment thereof, from time to time and for the time being in force.
- (b) **“Applicable Laws”** means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-laws, approval of any governmental authority, directive, guideline, policy, clearance, requirement, or other governmental, restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;
- (c) **“Appointed Date”** means April 01, 2022 or such other date as may be fixed or approved by Hon’ble National Company Law Tribunal (“NCLT / Tribunal”) or any other Appropriate Authority (as defined hereinafter);
- (d) **“Appropriate Authority”** means:
  - (i) The government of any jurisdiction (including any central, state, municipal or local government or political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
  - (ii) Any governmental, quasi- governmental, or private body or agency lawfully, exercising, or entitled to exercise, any administrative, executive, judicial, legislative, licensing, competition, tax, importing, or other governmental, or quasi – governmental authority including (without limitation), Reserve Bank of India (“RBI”), Regional Director, Registrar of Companies, Official Liquidator and the Tribunal;
- (e) **“Board or Board of Directors”** in relation to each of the companies forming part of the Scheme, means the Board of Directors of such company, and shall include any committee of Directors or any person authorized by the Board of Directors or such committee of Directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.

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- (f) **“Effective Date”** means the day on which Scheme is approved by the Tribunal or the Appointed Date, whichever is earlier. Reference in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;
- (g) **“Encumbrance”** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term “Encumber” shall be construed accordingly;
- (h) **“Existing Equity Shares – Transferee Company”** means the equity shares of the Transferee Company in existence on the date immediately preceding the Effective Date;
- (i) **“Income Tax Act”** means the Income-tax Act, 1961;
- (j) **“INR”** means Indian Rupee, the lawful currency of the Republic of India;
- (k) **“Parties”** means collectively the Transferor Company and the Transferee Company and “Party” shall mean each of them, individually;
- (l) **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law and includes all rights of way associated with laying and operationalising of infrastructure for business of Transferor Company under Applicable Law or otherwise;
- (m) **“Person”** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- (n) **“Record date”** means the date to be fixed by the respective Board of Directors or the committee thereof, if any, the Transferee Company for

the purpose of determining the members of Transferor Company to whom new equity shares will be allotted pursuant to the scheme.

- (o) **“RoC”** means the Registrar of Companies having jurisdiction over the Transferor Company, and the Transferee Company, as the case may be;
- (p) **“Scheme”** or **“this Scheme”** means this Scheme of Amalgamation as modified from time to time;
- (q) **“Taxation”** or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and service or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and service tax or otherwise or attributable directly or primarily to the Transferor Company, or the Transferee Company, as the case may be or any other Person and all penalties, charges, costs and interest relating thereto;
- (r) **“Tax Laws”** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;
- (s) **“Transferee Company”** means UNI DESIGN ELITE JEWELLERY PRIVATE LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having corporate Identification No. U67120MH1995PTC088974 and having its registered office at Office - 401 & 402, SEEPZ++, Building No.2, Andheri (East), Mumbai MH 400096 IN;
- (t) **“Transferee Company Equity Shares”** means the equity shares of the Transferee Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Transferee Company pursuant to this Scheme and having such rights and on such terms, as may be mutually agreed between the Transferor Company and the Transferee Company which shall be incorporated in the articles of association of the Transferee Company;
- (u) **“Transferor Company”** means Uni-Design Jewellery (India) Private Limited, a company incorporated under the provisions of the Companies

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Act, 1956, having its registered office at D/7-1, Asian House, Road No. 16, Near Suncity Hotel, Andheri (East), Mumbai 400093.

(v) **“Tribunal”** means the relevant bench of the National Company Law Tribunal having jurisdiction over the Transferor Company, and the Transferee Company, respectively; and

(w) **“Undertaking”** means the undertaking and entire business of Transferor Company and shall include (without limitation):

a. all properties of the Transferor Company of every description wherever situated (whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present, future or contingent) including but not limiting to all its current assets, loans and advances, funds, cash on hand, balances in any accounts (including but not limited to bank accounts including all rights, benefits and entitlements pertaining to these accounts such as 3 year track record etc.), stock-in- trade (if any), machinery, land (whether freehold or leasehold), buildings, offices, furniture, fixtures, office equipment, appliances, accessories, vehicles, computers, advances including any retention money with clients / customers, if any, claims whether recognized or not, licenses, if any, including approvals of various regulatory bodies/local authorities, lease, permissions, copy rights, trade marks logos, brands whether registered or not and other intellectual property rights, incentives if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions including the rights to appoint trustees, directors in relation to any of the trusts or the Transferor Company;

b. all records, files, papers, information, computer programs, manuals, data, catalogues, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company;

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- c. the liabilities and obligations of every description including all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, which shall be deemed to be the debt, liabilities, duties and obligations of Transferee Company as the case may be, and 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, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this Scheme; and
- d. Without prejudice to the generality of sub-clause (a) and (b) above, the Undertaking of the Transferor Company shall include reserves, assets, including rights, privileges, powers and authorities, movable and immovable properties, wheresoever situate including ownership rights/ tenancy rights in respect of office, place of business or any other immovable properties of the Transferor Company, any type of licenses, permits, authorizations, rights, trade marks, patents and other industrial and intellectual properties, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements (including franchise agreements) and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, waiver, exemptions, advantages, benefits and approvals.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

1.2.2 headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information and convenience only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;

1.2.3 The words "include" and "including" are to be construed without limitation;

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1.2.4 reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule of this Scheme;

1.2.5 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and

1.2.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively.

This Scheme of Amalgamation provides for:

## 2. SHARE CAPITAL

2.1 The share capital structure of the Transferor Company (Uni Design Jewellery (India) Pvt. Ltd.) as on March 31, 2021 is as follows:

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
40,05,000 5% Non-cumulative Redeemable Preference Shares of Rs.10/- each	4,00,50,000
<b>Total</b>	<b>5,00,50,000</b>
<b>Issued, Subscribed and paid up Capital</b>	
9,90,000 Equity Shares of Rs.10/- each	99,00,000
27,03,800 5% Non-cumulative Redeemable Preference Shares of Rs.10/- each	2,70,38,000
<b>Total</b>	<b>3,69,38,000</b>

2.2 The share capital structure of the Transferee Company (Uni-Design Elite Jewellery Pvt. Ltd.) as on March 31, 2021 is as follows:

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
39,80,000 4% Non-cumulative Redeemable Preference Shares of Rs.10/- each	3,98,00,000
10,000 5% Non-cumulative Redeemable Preference	1,00,000

Shares of Rs.10/- each	
<b>Total</b>	<b>4,99,00,000</b>
<b>Issued, Subscribed and paid up Capital</b>	
9,90,000 Equity Shares of Rs.10/- each	99,00,000
36,10,000 4% Non-cumulative Redeemable Preference Shares of Rs.10/- each	3,61,00,000
3,000 5% Non-cumulative Redeemable Preference Shares of Rs.10/- each	30,000
<b>Total</b>	<b>4,60,30,000</b>

### **3. DATE OF TAKING EFFECT AND OPERATIVE DATE AND IMPLEMENTATION OF THIS SCHEME:**

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

### **PART II – AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

#### **4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

Upon the Scheme becoming effective and with effect from the appointed date, all properties, assets, liabilities, reserves & surplus of the Transferor Company shall pursuant to the provisions of section 230 to 232 and other applicable provisions, if any, of the act in accordance with Section 2(1B) of the Income Tax Act, 1961, and pursuant to the order of Hon'ble NCLT or other appropriate authority, if any sanctioning the Scheme, shall without any further act, deed, matter or thing, stand transferred to and vested in or deemed to be transferred to With effect from the Appointed Date, the "Undertaking" of Transferor Company shall, stand transferred to and vested in or deemed to be transferred to and vested in Transferee Company, as a going concern and in the following manner:

4.1 Without prejudice to the generality of the above said Clause:

4.1.1 With effect from the commencement of business on the appointed date and subject to the provisions of the scheme in relation to the modalities of transfer and vesting, entire undertaking, business in all properties and assets whether movable or immovable or tangible or intangible wherever situated and also all other assets, capital, work in progress, current assets, movable assets, all investments in India or out of India if any, powers, authorities allotments, approvals, and consents, licenses, registrations, contracts, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control or or vested in or granted in favor of or enjoyed by the transferor company, including but without being limited to, all licenses, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trademark, brands, copy rights, patents, quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, tax registration and tax credits (such as advance income tax, withholding tax credit, input tax credit of goods and service tax and minimum alternate tax {MAT} credit), contracts, engagements, arrangements, all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by Transferor company, approvals, clearances, environmental clearances, occupancy certificate, approval from fire department, approval for water, electricity and sewerage, clearances by airport authority, approval from irrigation department, approval from forest department, approval from underground water authority, approval from National Highway authority, approval from high tension department, authorizations, certifications, quality certifications, utilities, electricity connections, electronic and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreement, and all other interest rising to the transferor company (hereinafter collectively referred to as "the Said Assets"), shall, without any further act, instrument or deed and without payment of any duty or other charges, be transferred to and vested in the Transferee Company as a going concern pursuant to the applicable provision of the Act for all the estate, right, title and the interest of the Transferor Company therein so as to become the property of the Transferee Company.

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- 4.1.2 Notwithstanding, what is provided hereinabove, it is expressly provided that in respect to such of the said asset as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any further order of the Hon'ble NCLT or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 4.1.3 With effect from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for or not in Books of Accounts of the Transferor Company shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 4.1.4 The assets/ undertaking of the Transferor Company, if any, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to the Transferee Company upon the Scheme coming into effect.
- 4.1.5 For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of the Transferor Company in any leasehold properties, if any, including all the leases, of the Transferor Company shall without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and it shall be presumed that the same were executed by the Transferee Company.
- 4.1.6 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to and executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the

obligations and duties there under and the rights and benefits under the same shall be available to the Transferee Company.

4.1.7 To the extent there are inter-corporate loans, liabilities, duties, debts and claims (including receivables), if any, due or which may hereafter become due, between the Transferor Company and the Transferee Company or vice versa, the obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the Books of Accounts and records of the Transferee Company and if required, the reduction/cancellation of such loans, debts and claims (including receivables) shall be reflected in the Books of Accounts and records of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of such loans, liabilities, duties, debts and claims (including receivables), due or which may hereafter become due, between the Transferee Company on the one hand and the Transferor Company on the other hand.

4.1.8 With effect from the Appointed Date and subject to the provisions of this Scheme, all debts, liabilities, guarantees, indemnities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the Books of Accounts and whether disclosed or undisclosed in the Financial Statements of the Transferor Company shall also stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the applicable provisions of the Act so as to become as and from the Appointed Date, the debts, liabilities, guarantees, indemnities, contingent liabilities, duties and obligations of the Transferee Company without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this clause.

4.1.9 All investments including the investments made by Transferor Company in the capital of other companies whether as shares, scrips, stocks, bonds, debentures, debenture stock, units, mutual funds, or pass through certificates and other accrued benefits thereto shall stand transferred to and be vested in and transferred to and/ or be deemed to have been and stand transferred to and vested in Transferee Company, without any further act or deed done by Transferor Company and/ or Transferee Company;

- 4.1.10 All assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior the Effective Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of the section 230 to 232 and other applicable provisions of the Act, without further act, instrument or deed, be and stand transferred to and vested in Transferee Company upon coming into effect of this Scheme pursuant to the provisions of the section 210 to 232 of the Act and other applicable provisions if any, of the Act.
  
- 4.1.11 Upon this Scheme becoming effective, the past record of the Transferor Company relating to their respective business, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of Transferor Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients, Governmental / Quasi Government or otherwise, wherever applicable.
  
- 4.1.12 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of Transferor Company as on the Appointed Date, deemed to be transferred to Transferor Company, have been discharged by the Transferor Company after the Appointed Date and prior the Effective Date, such discharge shall be deemed to have been for and on account of Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the appointed date but prior to effective date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter, or thing shall stand transferred to Transferee Company and shall become the liabilities and obligations of the Transferee Company on same terms and conditions as were applicable to Transferor Company. Transferee Company shall undertake to meet, discharge, and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such loans and liabilities have, arisen in order to give effect to the provisions of this Clause.



- 4.1.13 Loans, advances and other obligations (including any guarantee, letter of credit, letter of comfort or any other instrument or arrangements which may give rise to the contingent liability in whatever form), if any due or which may at any time in future become due between Transferor Company and Transferee Company, shall stand discharged and there shall be no liability in that behalf on either party.
- 4.1.14 The transfer and vesting of the Undertaking shall be subject to the existing securities, mortgages, charges, hypothecation, encumbrances or liens, if any, subsisting over or in respect of title property and assets or any part thereof of the Transferor Company.
- 4.1.15 Any loans, advances and other facilities sanctioned to the Transferor Company by their bankers and financial institutions from the Appointed Date till the Effective Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized either partly or fully by the Transferor Company and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.
- 4.1.16 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexure under the relevant labour laws, Income tax, sales tax including value added tax, service tax, Goods and Services Tax and other applicable tax laws, and to claim refunds and/ or credits for dues and/ or taxes paid and/ or deprecation benefits, if any, as may be required consequent to implementation of this Scheme.
- 4.1.17 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 as desired by the Transferee Company. As and from the Effective Date, such tax

proceedings/ appeals 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, as the case may be. These proceedings/ appeals shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation (i.e. merger by way of absorption) of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 4.1.18 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes (whether in the form of dues, cesses, fees, levies, or by whatever name called allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for such taxes (including advance tax and tax deducted at source) as on the date immediately preceding the Appointed Date shall also be transferred to the account of the Transferee Company.
- 4.1.19 Any refunds, input credits, benefits, incentives, grants, subsidies etc. under the Income Tax Act, 1961, the Goods and Services Tax Act, 2017 or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 4.1.20 All taxes, benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Company under Income Tax, Sales tax, Service tax, Goods and Services tax etc. or any tax deduction/ collection at source, tax credits, benefits of CEN VAT credits, benefits of input credits relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to NCLT. The benefit of all taxes paid including minimum alternate tax under Income Tax Act,

unabsorbed deprecation, carry forward of losses as well as set-off of losses thereof shall be available to the Transferee Company as would have been available to the Transferor Company upon the sanction of the scheme by the NCLT.

**5. CONSIDERATION AND CANCELLATION OF SHARES OF TRANSFEROR COMPANY**

- 5.1 Upon this Scheme coming into effect and in consideration of the Merger of Transferor Company in Transferee company, including the transfer and vesting of the Undertaking in Transferee Company, Transferee Company shall without any further application, act, instrument or deed, issue and allot equity shares ("New Equity Shares") to the Equity Shareholders of Transferor Company, whose names are recorded in the register of members of Transferor Company, as on the Record Date, in the ratio ("Share Exchange Ratio") as given in Para 5.3.
- 5.2 The valuation of the equity shares of the Transferor Company and Transferee Company has been carried out by obtaining an enterprise valuation on the basis of Discounted Cash Flow method from the Registered Valuer.
- 5.3 0.143366 equity shares having face value of Rs. 10/- (Rupees Ten Only) each credited as fully paid up equity shares of Transferee Company to the Shareholders of Transferor Company for every 1 (one) equity share of the face value of Rs. 10/- (Rupees Ten Only) fully paid up and held by such equity shareholder of Transferor Company whose names are recorded in the Register of Members of Transferor Company as on Record Date. "Alternatively the transferee Company shall issue one share of Rs. 10/- (Rupees Ten Only) each credited as fully paid up equity shares of Transferee Company for each 6.975155 shares of Transferor Company having face value of Rs. 10/- (Rupees Ten Only) each as fully paid up and held by such equity shareholder of Transferor company whose names are recorded in the Register of Members of Transferor Company as on Record Date".
- 5.4 The new equity shares to be issued to the members of Transferor Company pursuant to Clause 5.3 above shall be in multiples of 1. Any fractional equity shares shall be rounded-off to the next higher multiple of one.
- 5.5 To the extent the shares of the Transferor Company are held by the Transferee Company as on effective Date shall stand cancelled/

extinguished without any further application, act, instrument or deed for cancellation thereof by the Transferee Company.

- 5.6 The shares to be issued in terms of Clause 5.2 above shall be subject to the provisions of Memorandum and Articles of Association of the Transferee Company. The new Equity Shares shall rank pari-passu in all respects with the existing Equity Shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 5.7 Upon the Scheme becoming effective, share certificates, if any, representing the shares held amongst the Transferor Company and the Transferee Company shall be cancelled without any further application, act, instrument or deed for cancellation thereof by the Transferee Company.
- 5.8 The issue and allotment of Shares by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme, is an integral part of this Scheme. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 and 62 of the Company Act, 2013 and other applicable provisions, if any, for issue of fresh shares in term of this Scheme.

## 6. ACCOUNTING TREATMENT

Upon the Scheme coming into effect from the Appointed Date, Transferee Company shall account for the amalgamation of Transferor Company in its books of accounts as per IND AS 103 of the Accounting Standards prescribed under Companies (Accounting Standard) Rules, 2006 read with section 133 of the Act and more particularly as specified here under:-

- 6.1 In preparing the Transferee Company's financial statements, the assets and liabilities of the Transferor Company should be incorporated at an amount as prescribed under Appendix C of IND-AS103 at the date of Amalgamation.
- 6.2 Inter-company balances, if any shall stand cancelled.
- 6.3 The amount of investment in the Transferor (amalgamating) company appearing in the books of the Transferee (Amalgamated) Company shall stand cancelled.

- 6.4 Where in any case, the requirements of the relevant statute for recording the statutory reserves in the books of the Transferee Company are to be complied with, statutory reserves of the Transferor Company will be recorded in the financial statements of the Transferee Company. The corresponding debit will be presented as a separate line item under a suitable account head. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account shall be reversed.
- 6.5 The identity of the reserves of the Transferor (amalgamating) company shall be preserved and they shall appear in the books of Transferee Company in the same form and manner, in which they appeared in the books of Transferor company, prior to this Scheme becoming effective.
- 6.6 Comparative accounting period presented in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger, as if the merger had occurred from the date of share transfer which represents the date from which the Transferor Company and the Transferee Company are under common control, in the financial statements in accordance with Appendix C of the Indian Accounting Standard, IND AS 103, 'Business Combinations'.
- 6.7 The Transferee (Amalgamated) Company shall credit its Share Capital with aggregate face value of new equity shares to be issued to shareholders of Transferor (amalgamating) company as per clause 5.3 of the Scheme.
- 6.8 In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee Company the accounting policies followed by Transferor will prevail and the difference shall be adjusted in Retained Earnings of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 6.9 The difference between the net assets transferred to Transferee company pursuant to clause 6.1 as reduced by reserves recorded as per clause 6.5 above and after giving effect to the adjustments mentioned in clause 6.3 and 6.4 shall be transferred to capital reserve in the books of Transferee company.

**7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- 7.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds including debentures, agreements, arrangements and other instruments of whatsoever nature (including all tenancies, leases, licenses and other assurances in favour of any of the Transferor Company or powers or authorities granted by or to the Transferor Company), to which the Transferor Company is the party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favor of the Transferee Company and may be enforced as fully and effectually, as if the Transferee Company had been a party thereto.
  
- 7.2 All contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments, permits, rights, entitlements, statutory licenses, permissions, or approvals, or consents held by Transferor Company required to carry on it's respective operations or to the benefit of which, Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favor of Transferee Company and may be enforced as fully and effectually without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned herewith in favor of Transferee Company as if, instead of Transferor Company, Transferee Company had been a party.
  
- 7.3 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by any of the Transferor Company on or after the Appointed Date.
  
- 7.4 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the secured creditors of the Transferor Company or in favor of any other party to any contract or arrangement to which any of the Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme be

deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement and carry out all such formalities or compliance referred to above on the part/behalf of the Transferor Company to be carried out or performed.

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

**8. LEGAL PROCEEDINGS AND OTHER RESOLUTIONS**

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated or discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

**9. STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANY**

All the employees of the Transferor Company in service, if any, on the date immediately preceding the date on which the Scheme takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in Services and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date.

Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or

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in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

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

**10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEE COMPANY**

With effect from the Appointed Date and until occurrence of the Effective Date:-

- 10.1 Transferor Company undertakes to carry on and shall be deemed to have carried on all their respective business activities and stand possessed of their properties and assets, for and on account of and in trust for Transferee Company.
- 10.2 All profits accruing to Transferor Company and all taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, taxes, or losses as the case may be, of the Transferee Company.
- 10.3 Transferor Company shall carry on it's respective business, with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letter of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, in any of its properties/ assets, except : (a) when the same is expressly provided in this Scheme; or (b) when the same is in the ordinary course of business as carried on by it as on the date of filling of this Scheme in Hon'ble NCLT; or (c) when a prior written consent of Transferee Company has been obtained in this regard;



- 10.4 Except by mutual consent of the Board of Directors of Transferor Company and Transferee Company and subject to changes pursuant to commitments, obligations, or arrangements prior to the Appointed Date or as part of this Scheme, pending sanction of this Scheme by Hon'ble NCLT, Transferor Company shall not make any changes in the capital structure either by any increase (by issue of equity shares, bonus shares, preference shares, convertible debentures or otherwise), decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner, which would have the effect of re-organisation of capital of Transferor Company;
- 10.5 Transferor Company shall not vary or alter, except in the ordinary course of their respective business or pursuant to any pre-existing obligations undertaken prior to the date of approval of the Scheme by the Board of Directors of Transferor Company, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or their employees except with the written concurrence of Transferee Company;
- 10.6 Transferor Company shall not amend its Memorandum of Association and/ or their Articles of Association, except with the written concurrence of Transferee Company.
- 10.7 Any corporate action by Transferor Company on or after the Appointed Date until the Effective Date shall, upon the Scheme became effective, be treated as having been taken by the Transferee Company without any further application, act or deed etc. and shall be dealt with accordingly.
- 10.8 Till such times, the names of the Bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary.

**11. TREATMENT OF TAXES/ DUTIES/CESS ETC.**

- 11.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by Transferor Company (including under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws}, Central Sales Tax Act, 1956, Value Added Tax Act, 2005, Service Tax under Finance

Act, 1994 and Goods and Service Tax Act, 2017 and all other Applicable Laws), accruing and relating to Transferor Company from the Appointed Date onwards, including but not limited to tax deducted at source, any refund and claims shall, for all purposes, be treated as tax deducted at source or refunds and claims, as the case may be, of Transferee Company.

- 11.2 Upon this Scheme becoming effective, all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, tax credit etc.), central, customs, value added tax, sales tax, service tax, Goods and Services Tax laws, etc. relating to Transferor Company shall be available to and vest in Transferor Company, without any requirement of any further act or deed.
- 11.3 It is expressly clarified that upon the Scheme becoming effective all taxes payable by Transferor Company from the Appointed Date onwards shall be treated as the tax liability of Transferee Company. All credits for tax deduction at source on income of Transferor Company shall be given to Transferee Company. Similarly, all obligation for deduction of tax at source on any payment made by or to be made by Transferee Company shall be made or deemed to have been made and duly complied with if so made by Transferor Company. Similarly any advance tax payment required to be made by specified due dates in the tax laws shall also be deemed to have been made correctly -if so made by Transferor Company.
- 11.4 All taxes of any nature, duties, cess or any other like payment or deductions made by Transferor Company to any statutory authorities such as income tax, goods and service tax etc. or any tax deduction or collection at source, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been on account of or paid by Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by Hon'ble NCLT and upon relevant proof and documents being provided to the said authorities.
- 11.5 Upon the Scheme becoming effective, Transferee Company is also expressly permitted to revise income tax, withholding tax and other statutory returns and filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to

claim refunds, advance, tax credit (including the Minimum Alternate Tax ("MAT") credit), withholding tax credit, sales tax/ value added tax refunds, service tax refunds, other tax refunds, etc. pursuant to provisions of the Scheme. Transferee Company shall be entitled to refund and/ or set off all amounts paid by Transferor Company or Transferee Company under tax laws or any other disputed amount under appeal, if any, upon this Scheme being effective.

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

12.1 Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company.

12.2 If any such resolutions have any monetary or other limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, imposed under the like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

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

The transfer and vesting of the assets, liabilities and obligations of Transferor Company, pursuant to this Scheme, and the continuance of the legal proceedings by or against Transferee Company shall not affect any transactions or proceedings already completed by Transferor Company, on and after the Appointed Date, to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of Transferor Company, as acts, deeds and things done and executed by and / or on behalf of Transferee Company.

## **14. COMPLIANCE WITH SECTION 2(1B) OF THE IT ACT**

The provisions of this Scheme as they relate to the merger of Transferor Company into and with Transferee Company have been drawn up to comply with the conditions section 2(18) of the Income Tax Act, 1961, if any relating to "merger" as defined under section 2(1B) of the Income Tax Act, 1961, if any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions

of the said section of the Income Tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961 and such modification, however, will not affect the other parts of the Scheme.

#### **15. DISSOLUTION OF TRANSFEROR COMPANY**

On the Scheme becoming effective and filing of certified true copy of Order of Hon'ble NCLT sanctioning the Scheme with the jurisdictional Registrar of Companies, the Transferor Company shall stand dissolved without being wound up.

### **PART III**

#### **CHANGES TO THE SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY**

#### **16. RE-ORGANISATION/ RE-CLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY**

Upon this Scheme becoming effective, in part or in whole, and as an integral part of the Scheme, the paid-up equity share capital of the Transferee Company shall be reclassified as under: -

*From:*

*Rs. 99,00,000 divided into 9,90,000 Equity shares having face value of Rs. 10 each.*

*To:*

*Rs. 1,13,19,320 divided into 11,31,932 Equity shares having face value of Rs. 10 each*

#### **17. INCREASE IN AUTHORIZED SHARE CAPITAL OF TRANSFEREE COMPANY**

- 17.1 Upon this Scheme become effective, without any specific provisions, applicability, rules and regulation under the Act, the Authorized Share Capital of the Transferee Company shall stand increased in the following manner:

Type	No. of Shares	Face Value	Amount
Equity Shares of Rs. 10 each	20,00,000	10	2,00,00,000/-
4% non-cumulative redeemable Preference shares of Rs. 10 each	39,80,000	10	3,98,00,000/-
5% non-cumulative redeemable Preference shares of Rs. 10 each	40,15,000	10	4,01,50,000/-
<b>TOTAL</b>	<b>99,95,000</b>		<b>9,99,50,000/-</b>

- 17.2 It is clarified that the approval of the shareholders/ members of the Transferor Company to this Scheme shall be deemed to be their consent/ approval to the re-classification of the authorized share capital envisaged under Clause 17.1 above as required under Sections 13, 61 and other applicable provisions of the Companies Act, 2013.

**18. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH THE AUTHORISED SHARE CAPITAL OF THE TRANSFEE COMPANY**

Upon this Scheme becoming effective and pursuant to the reclassification/ reorganization of the authorized share capital of the Transferor Company as set out in this Scheme but prior to the issuance and allotment of shares by Transferee Company under Clause 5 above, the authorized share capital of the Transferor Company, shall be deemed to be consolidated with the authorized share capital of the Transferee Company without any requirement of a further act, deed, resolution or writing (including payment of

stamp duty and / or fees payable to the relevant Registrar of Companies). Such that upon the effectiveness of this Scheme, the resultant authorised share capital of the Transferee Company shall comprise of equity share capital of Rs. 2,00,00,000/- (Rs. Two Crores Only) consisting of 20,00,000 (Twenty Lacs) equity shares of Rs. 10/- (Rs. Ten Only) each and 4% Non-cumulative redeemable preference shares of Rs. 3,98,00,000/- (Rs. Three Crores Ninety Eight Lacs only) consisting of 39,80,000 (Thirty Nine Lacs Eighty Thousand) preference shares of Rs. 10/- (Rs. Ten Only) each and 5% Non-cumulative redeemable preference shares of Rs. 4,01,50,000/- (Rs. Four Crores One Lac Fifty Thousands Only) consisting of 40,15,000 (Forty Lacs Fifteen Thousands only) preference shares of Rs. 10/- (Rs. Ten only) each, which is more specifically tabulated below:

Type	No. of Shares	Face Value	Amount
Equity Shares	20,00,000	10	2,00,00,000/-

Authorized Preference Share Capital shall be as below:

Type	No. of Shares	Face Value	Amount
4% non-cumulative redeemable Preference shares of Rs. 10 each	39,80,000	10	3,98,00,000/-
5% non-cumulative redeemable Preference shares of Rs. 10 each	40,15,000	10	4,01,50,000/-

Issue of new equity shares of the Transferee Company in the ratio of 0.143366 shares in Transferee Company for each equity shares of Transferor Company having face value of Rs. 10/- (Rupees Ten Only) shall be as below:

Type	No. of Shares	Face Value	Amount
Equity Shares	1,41,932	10	14,19,320/-

**Issued capital of the Transferee Company post-merger shall be as below:**

Type	No. of Shares	Face Value	Amount
Equity Shares	11,31,932	10	1,13,19,320/-
4% non-cumulative redeemable Preference shares of Rs. 10 each	36,10,000	10	3,61,00,000/-
5% non-cumulative redeemable Preference shares of Rs. 10 each	7,800	10	78,000/-

## 19. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

19.1 It is clarified that the approval of the Scheme by the members and/or creditors of the Transferee Company shall be deemed approval of the Alteration of the Memorandum of Association and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Act. The Transferee Company shall file amended copy of Memorandum & Articles of Association with the concerned Registrar of Company.

19.2 Pursuant to the consolidation and increase of authorised capital pursuant to Clause 17 above, the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and

amended, such that Clause V of the memorandum of association shall be appropriately changed:

- 19.3 On this Scheme becoming effective, the shareholders and creditors, wherever applicable, if any, of the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme and no separate resolution under the Act shall be required to pass.

**PART IV - GENERAL TERMS AND CONDITIONS**

**20. CONDITIONALITY OF THE SCHEME**

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

- 20.1 This Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/ or creditors (wherever applicable) of the Transferor Company and the Transferee Company as may directed by Hon'ble NCLT;
- 20.2 The approval or sanction of this Scheme by Hon'ble NCLT under Sections 230-232 of the Act in favor of the Transferor Company and the Transferee Company;
- 20.3 The certified/ authenticated copies of the orders of the Hon'ble NCLT sanctioning the Scheme being filed by each of the Transferor Company and the Transferee Company with the Registrar of Company.
- 20.4 All other approvals, sanctions or consents of any Governmental Authority or any statutory authorities as may be required by law for the implementation of Scheme being obtained;

**21. APPLICATION TO HON'BLE NCLT**

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



All costs, charges, taxes including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation (i.e. merger by way of absorption) of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company only. This includes, but not limited to, legal and professional fees paid to Company Secretaries, Chartered Accountants, Advocates, other professionals, fees paid on issue of shares, registration fees, stamp paper charges etc.

**25. DIRECTORS OF THE TRANSFEROR COMPANY**

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

**26. INDEMNIFICATION**

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

**27. SEVERABILITY**

If any part/ transaction/ provision of this Scheme cannot be proceeded with or is found to be unworkable for any reason whatsoever including non-receipt of any approval or unenforceable under the present or future Laws, then subject to decision of Transferor Company and Transferee Company, as the case may be, such part/ transaction/ provision shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

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

## **22. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 22.1 Subject to approval of Hon'ble NCLT, the Transferor Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Hon'ble NCLT and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 22.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and is authorized to give all such directions as may be necessary including directions for settling any question, doubt or difficulty whatsoever that may arise.
- 22.3 In the event that any conditions are imposed by any Hon'ble NCLT and/or any other competent authority which the Transferor Company and/ or the Transferee Company find un acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw the Scheme.

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

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

## **24. COST CHARGES AND EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges, taxes including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation (i.e. merger by way of absorption) of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company only. This includes, but not limited to, legal and professional fees paid to Company Secretaries, Chartered Accountants, Advocates, other professionals, fees paid on issue of shares, registration fees, stamp paper charges etc.

## **25. DIRECTORS OF THE TRANSFEROR COMPANY**

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

## **26. INDEMNIFICATION**

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

## **27. SEVERABILITY**

If any part/ transaction/ provision of this Scheme cannot be proceeded with or is found to be unworkable for any reason whatsoever including non-receipt of any approval or unenforceable under the present or future Laws, then subject to decision of Transferor Company and Transferee Company, as the case may be, such part/ transaction/ provision shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

