



Sundram Fasteners Limited

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CIN : L35999TN1962PLC004943
WEBSITE : www.sundram.com

November 8, 2022

National Stock Exchange of India Limited (NSE)

Scrip Code - SUNDRMFAST
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

By NEAPS/Digital Exchange

BSE Limited (BSE)

Scrip Code - 500403
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 001

By Listing Centre

Dear Sir / Madam,

Disclosure under Regulation 30 and 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), we wish to inform you that the Board at its meeting held *today (November 8, 2022)* has approved the scheme of amalgamation between Sunfast TVS Limited and TVS Engineering Limited, wholly-owned subsidiaries with Sundram Fasteners Limited (SFL) and their respective shareholders, subject to requisite approvals.

The disclosures pursuant to the above mentioned Regulation are given hereunder:-

Particulars	Details
Transferor Companies	Sunfast TVS Limited (First Transferor Company) TVS Engineering Limited (Second Transferor Company)
Transferee Company	Sundram Fasteners Limited
Revenue from Operations of the Transferor Companies for the year ended March 31, 2022.	Sunfast TVS Limited: Rs. 0.24 Crores TVS Engineering Limited: Rs. Nil
Revenue from Operations of the Transferee Company for the year ended March 31, 2022.	Sundram Fasteners Limited: Rs 4,172.57 Crores
Area of business of the Transferee Company	The Transferee Company is engaged in the business of manufacture of high-tensile fasteners, powder metal components, cold extruded parts, hot forged components, radiator caps, automotive pumps, gear shifters, gears and couplings, hubs and shafts, tappets and iron powder, catering to our customers in automotive and industrial segments.
Area of business of the Transferor Companies	The First Transferor Company is engaged in the business catering to non-auto segments through job-work, establishing supply-chain and sourcing components. The Second Transferor Company is engaged in the business of undertaking the manufacturing activity in the realm of defence and aerospace components.



Particulars	Details
Cash Consideration [Or] Share Exchange Ratio / brief details of change in shareholding pattern, if any.	Since the Transferor Companies are wholly owned subsidiaries of the Transferee Company, upon the scheme being sanctioned by the Tribunal, all the equity shares held by the Transferee Company in the Transferor Companies shall be cancelled and extinguished. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies, upon the scheme becoming effective and therefore, the requirement of cash consideration does not arise.
Whether the transaction would fall within related party transaction? If yes, whether the same is done at arm's length?	<p>The Transferor Companies involved in the amalgamation are wholly owned subsidiaries of the Transferee Company and hence would fall under related party transaction. Since the Transferor Companies are wholly owned subsidiaries of the Transferee Company, upon the scheme being sanctioned by the Tribunal, all the equity shares held by the Transferee Company in the Transferor Companies shall be cancelled and extinguished. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies, upon the scheme becoming effective.</p> <p>In view of the Ministry of Corporate Affairs Circular dated July 17, 2014, the transaction would be treated as an exception under Section 188 of the Companies Act, 2013 and consequently, the related compliances / approvals in relation to the scheme are not applicable.</p>
Rationale for amalgamation	In order to achieve operational and management efficiency, optimal utilization of resources, achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity, the amalgamation is proposed.

Pursuant to Regulation 37 of the SEBI Listing Regulations, 2015, as amended from time to time, we *enclose* herewith the *draft* scheme of amalgamation between the Transferor Companies with the Transferee Company and their respective shareholders.

We request you to take the above information on record.

Thanking you,

Yours truly,

For SUNDRAM FASTENERS LIMITED

G Anand Babu

Manager – Finance & Company Secretary

Draft

SCHEME OF AMALGAMATION

OF

SUNFAST TVS LIMITED

("FIRST TRANSFEROR COMPANY")

AND

TVS ENGINEERING LIMITED

("SECOND TRANSFEROR COMPANY")

WITH

SUNDRAM FASTENERS LIMITED

("TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of Section 230 to 232 of the Companies Act, 2013)



I) PREAMBLE AND BACKGROUND

A) This Scheme of Amalgamation (hereinafter referred to as "the Scheme" or "this Scheme") is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (to the extent applicable) for the amalgamation of Sunfast TVS Limited and TVS Engineering Limited with Sundram Fasteners Limited. This Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.

B) The brief background of various entities is as follows:

- i. Sunfast TVS Limited ("**First Transferor Company**"), is a public limited company incorporated on 08th April, 2019 under the Companies Act, 2013 having CIN U74999TN2019PLC128635 and registered office at 98A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004. The First Transferor Company is engaged in the business of promoting the non-auto business segments through job-work, establishing supply-chain and sourcing components.
- ii. TVS Engineering Limited ("**Second Transferor Company**"), is a public limited company incorporated on 10th February, 2020 under the Companies Act, 2013 having CIN U29309TN2020PLC134322 and registered office at 98A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004. The Second Transferor Company is engaged in the business of manufacture of aerospace and defence components.
- iii. Sundram Fasteners Limited ("**Transferee Company**"), is a public limited company incorporated on 12th December, 1962 under the Companies Act, 1956 having CIN L35999TN1962PLC004943 and registered office at 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004. The Transferee Company is engaged in the business of manufacture of high-tensile fasteners, powder metal components, cold extruded parts, hot forged components, radiator caps, automotive pumps, gear shifters, gears and couplings, hubs and shafts, tappets and iron powder, catering to our customers in automotive and industrial segments. The equity shares of Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

II) RATIONALE AND PURPOSE OF THE SCHEME

The Board of Directors of Transferor Companies and Transferee Company believe that the proposed Scheme would, inter alia, have the following benefits:

1. The amalgamation will enable product diversification and growth to the Transferee company



2. This will facilitate expansion of the business of Transferor Companies by using the customer base of the Transferee Company.
3. As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the transferor as well as the transferee company.
4. Will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
5. Improves organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
6. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
7. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

III) Further, under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Transferor Companies and/or the Transferee Company. No compromise is offered under this Scheme to any of the creditors of the Transferor Companies and/or the Transferee Company. The liability towards the creditors of the Transferor Companies and/or the Transferee Company under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company in its ordinary course of business.

IV) PARTS OF THE SCHEME

The Scheme is divided into following parts:

- 1) Part I – Deals with the definitions of the terms used in this scheme, details of share capital of the parties, and date of operation of this Scheme
- 2) Part II– Deals with the amalgamation of Transferor Companies with the Transferee Company.
- 3) Part III– Deals with general clauses, terms and conditions applicable to the Scheme.



PART-I

DEFINITIONS, SHARE CAPITAL AND DATE OF OPERATION OF SCHEME

1. DEFINITIONS

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

1.1.1. "**Act**" or "**the Act**" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, and the rules and regulations made thereunder;

1.1.2. "**Applicable Law(s)**" means any statute, notification, bye laws, rules, regulations, guidelines, Circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;

1.1.3. "**Appointed Date**" means the April 01, 2023 or such other date as may be determined by the Board of Directors of the Transferor Companies and Transferee Company or such other date as may be fixed or approved by the Appropriate Authority, being the date with effect from which this Scheme shall be deemed to be effective;

1.1.4. "**Appropriate Authority**" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;

1.1.5. "**Board of Directors**" or "**Board**" shall mean the Board of Directors of Transferor Companies or Transferee Company, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;

1.1.6. "**Effective Date**" means the date on which the Scheme is sanctioned by the NCLT under Sections 230-232 of the Act. References in this Scheme to date of "coming into effect of the



Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date;

- 1.1.7. **"First Transferor Company"** means Sunfast TVS Limited having CIN U74999TN2019PLC128635 and registered office at 98A, VII Floor. Dr. Radhakrishnan Salai, Mylapore, Chennai – 600004
- 1.1.8. **"IT Act"** means the Income Tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.1.9. **"Governmental Authority" or "Government Body"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.1.10. **"NCLT" or "the Tribunal"** means the National Company Law Tribunal, Bench at Chennai in relation to the Transferor Companies and Transferee Company.
- 1.1.11. **"Parties"** shall mean the Transferor Companies and the Transferee Company collectively and **"Party"** shall mean each of them, individually;
- 1.1.12. **"Registrar of Companies"** means the Register of Companies in Chennai or as the case may be;
- 1.1.13. **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 19 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.1.14. **"Second Transferor Company"** means TVS Engineering Limited having CIN U29309TN2020PLC134322 and registered office at 98A, VII Floor. Dr. Radhakrishnan Salai, Mylapore, Chennai – 600004.
- 1.1.15. **"Stock Exchange"** means BSE Limited and National Stock Exchange of India Limited, where the equity shares of Transferee Company are listed;
- 1.1.16. **"Tax Laws"** means IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Companies and/or Transferee Company operate, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Goods and Service Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
- 1.1.17. **"Transferee Company"** means Sundram Fasteners Limited having CIN L35999TN1962PLC004943 and registered office at 98-A, Dr. Radhakrishnan Salai, 7th Floor, Mylapore, Chennai – 600004.
- 1.1.18. **"Transferor Companies"** shall mean the First Transferor Company and Second Transferor Company collectively.



1.1.19. **"Undertaking"** means and includes all the assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Companies of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation:

- i. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Companies, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks;
- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Companies;
- iii. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Companies, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- iv. all rights to use and avail of 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, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's 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 if any, by the Transferor Companies or in connection with or relating to the said Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Companies;
- v. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities if any, of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and



- arrangements and all other interests in connection with or relating to the Transferor Companies;
- vi. all licenses if any (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Companies;
- vii. all agreements, contracts, arrangements, understandings, engagements, if any [deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Companies;
- viii. all application monies, advance monies, earnest monies and/ or security deposits if any, paid or deemed to have been paid and payments against other entitlements of the Transferor Companies;
- ix. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Companies, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, 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) pertaining to the Transferor Companies;
- x. all intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Companies, whether or not recorded in the books of accounts of the Transferor Companies, and other intellectual rights of any nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former



customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Companies, whether used or held for use by it; and

xi. any and all permanent employees, who are on the payrolls of the Transferor Companies, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Companies, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Companies.

1.2. In this Scheme, unless the context otherwise requires:

1. Words denoting the singular shall include the plural and vice versa;
2. Headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
3. Reference to the word "include" or "including" shall be construed without limitation;
4. A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
5. Unless otherwise defined, the reference to the word "days" shall mean calendar days;
6. Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
7. Word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
8. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL OF PARTIES

3.1. The share capital of the First Transferor Company as on 30th September, 2022 is as follows:

Particulars	Amount (INR)
Authorized Capital	
10,00,000 Equity Shares of Rs. 10/- each	Rs. 1,00,00,000
Total	Rs. 1,00,00,000
Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of Rs. 10/- each	Rs. 1,00,000
Total	Rs. 1,00,000



Subsequent to 30th September, 2022, there has been no change in the authorized, issued, subscribed and paid up share capital of the First Transferor Company. The First Transferor Company is Wholly Owned Subsidiary of Transferee Company. The entire Issued, Subscribed and paid-up share capital of the First Transferor Company is held by Transferee Company. The First Transferor Company has become the wholly owned subsidiary on 8th April, 2019.

3.2. The share capital of the Second Transferor Company as on 30th September, 2022 is as follows:

Particulars	Amount (INR)
Authorized Capital	
20,00,000 Equity Shares of Rs. 10/- each	Rs. 2,00,00,000
Total	Rs. 2,00,00,000
Issued, Subscribed and Paid-up Capital	
20,00,000 Equity Shares of Rs. 10/- each	Rs. 2,00,00,000
Total	Rs. 2,00,00,000

Subsequent to 30th September, 2022, there has been no change in the authorized, issued, subscribed and paid up share capital of the Second Transferor Company. The Second Transferor Company is Wholly Owned Subsidiary of Transferee Company. The entire Issued, Subscribed and paid-up share capital of the Second Transferor Company is held by Transferee Company. The Second Transferor Company has become the wholly owned subsidiary on 10th February, 2020.

3.3. The share capital of Transferee Company, as on 30th September, 2022 is as follows:

Particulars	Amount (INR)
Authorized Capital	
25,00,00,000 Equity Shares of Re.1/- each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Capital	
21,01,28,370 Equity Shares of Re.1/- each	21,01,28,370
Total	21,01,28,370

Subsequent to 30th September, 2022, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company. The shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.



PART –II

AMALGAMATION OF TRANSFEROR COMPANIES WITH THE TRANSFEEE COMPANY

4. Transfer and Vesting of Undertaking

- 4.1. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Transferor Companies shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the Income Tax Act, without any further deed or act, subject to existing charges or *lis pendens*, if any thereon, in favour of banks/financial institutions.
- 4.2. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Companies, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.
- 4.3. All lease and license agreements, if any, entered into by the Transferor Companies with landlords, owners and lessors in connection with the use of the assets of the Undertaking, together with security deposit, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Companies.
- 4.4. Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Companies that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Companies and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the Act, without any further act,



instrument, deed, matter or thing.

- 4.5. In respect of movables other than those dealt with in Clause 4.4 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or deposittee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- 4.6. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking of Transferor Companies including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 4.7. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Companies.
PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Companies and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.
- 4.8. All staff, workmen and employees as detailed under Clause 1.1.17(xi) above in relation to the Transferor Companies shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Companies or the Transferee Company.
- 4.9. Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Companies is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to carry out or perform all such formalities or compliances referred to above on part of the Transferor Companies.
- 4.10. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the



Transferor Companies in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Companies and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.

- 4.11. All taxes, duties, cess payable by the Transferor Companies including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.
- 4.12. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.13. All the insurance policies registered in the name of the Transferor Companies which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Companies so as to ensure that all the rights and privileges under all such policies available to the Transferor Companies and / or to any other person/director/employee of such Transferor Companies, whether in the capacity of the policy holder or owner or insured or the beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Companies concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Companies shall be



borne by the Transferee Company and the Transferor Companies shall have no further obligations in this regard.

- 4.14. All the brands and trademarks (including logo and right to use the trademarks) of the Transferor Companies including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.
- 4.15. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Companies in all the states, to which the Transferor Companies are entitled to shall be available to and vest in the Transferee Company.
- 4.16. The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Companies.
- 4.17. It is hereby clarified that all assets and liabilities appearing in the books of account of each of the Transferor Companies as on the Appointed Date which are set forth in the closing balance sheet of the Transferor Companies as of the close of business hours on the Appointed Date shall be transferred to Transferee Company.
- 4.18. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances, if required, referred to above.

5. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 5.1. Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or Tribunal or Court authorities as the case be) by or against the Transferor Companies pending on the Effective Date shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- 5.2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might



have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.

- 5.3. In case of any litigation, suits, recovery proceedings which are to be initiated or may be intimated against the Transferor Companies, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 6.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Companies to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.
- 6.2. 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, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 6.3. On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangements.

7. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

- 7.1. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Companies shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferee Company;
- Carry on the business, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;
 - All the profits or income accruing or arising to the Transferor Companies or expenditure or losses incurred by the Transferor Companies shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and



- The Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- 7.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.
- 7.3. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:
- 7.3.1. With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Companies are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.
- 7.3.2. With effect from the Effective Date, the Transferee Company shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Companies or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Companies is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.
- 7.3.3. With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Companies are transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Transferee Company, the Transferee Company shall carry on and be deemed to have been carrying on all the business and activities of Transferor Companies in and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Companies. Further, during such period, Transferee Company can procure or use or manufacture, all material and product



including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Transferor Companies.

8. STAFF, WORKMEN AND EMPLOYEES

- 8.1. Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payrolls of the Transferor Companies, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Companies who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Companies, without any interruption of service as a result of this scheme. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Companies, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Companies for such purpose shall be treated as having been continuous. Further, the transfer of employees would be considered as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947 (or the corresponding provision in any successor legislation).
- 8.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Companies for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Companies.
- 8.3. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Companies, the past services of such employees with the Transferor Companies shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Companies will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of



absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 8.4. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Companies with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

9. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking under Clause 4 above, and the continuation of proceedings by or against the Transferee Company in Clause 5 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Companies, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

10. INTER-SE TRANSACTIONS

- 10.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.
- 10.2. Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

11. CANCELLATION OF SHARES

- 11.1. Since the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, upon the Scheme being sanctioned by the Hon'ble Tribunal and the transfer having been effected as provided hereinabove, all the equity shares held by the Transferee Company and its Nominees in the Transferor Companies shall be cancelled and extinguished as on the Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the Shareholders of the Transferor Companies upon this Scheme becoming effective.



12. ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEREE COMPANY

Upon the coming into effect of this Scheme, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS) 103 and/or any other applicable Ind AS prescribed under Section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles, as applicable.

13. COMPLIANCE WITH TAX LAWS

- 13.1. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act and other relevant provisions of the Income Tax Act.
- 13.2. All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Transferor Companies pending and / or arising at the Appointed Date and relating to the Transferor Companies shall be continued and / or enforced until the Effective Date as desired by 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 it would or might have been continued and enforced by or against the Transferor Companies.
- 13.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.
- 13.4. Any tax liabilities including but not limited to liabilities under the Income Tax Act, foreign tax credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Companies 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.
- 13.5. Any refund including but not limited to refund under the Income Tax Act, foreign taxes, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Companies due to the Transferor Companies consequent to the assessment made on the Transferor Companies 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.



- 13.6. On or after the Effective Date, the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), service tax law, VAT law, Goods and Service tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective. Nothing contained in this Scheme, shall restrict the Transferee Company to record assets and liabilities for income tax purpose in accordance with the principles enunciated under the Income Tax Act.
- 13.7. All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Companies in respect of their operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction of tax at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Companies / Transferee Company on payables to the Transferee Company / Transferor Companies on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any goods and service tax paid by the Transferor Companies / Transferee Company to the Transferee Company / Transferor Companies on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to have been paid by or on behalf of the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 13.8. After the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies including but not limited to obligation under the IT Act, customs law, goods and service tax law or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 13.9. Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Transferor Companies are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the



Transferee Company will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Companies. Further, licenses issued to the Transferor Companies by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company upon the Scheme becoming effective.

14. DISSOLUTION OF THE TRANSFEROR COMPANIES WITHOUT WINDING UP

Subject to an order being made by the under Section 230 to 232 of the Act, the Transferor Companies shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provision of the Act and the Rules made hereunder.

PART –III

GENERAL CLAUSES, TERMS AND CONDITIONS

15. DIVIDENDS

15.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and up to the Effective Date. The dividend, if any, shall be declared by the Transferor Companies only with the prior written consent of the Board of Directors of the Transferee Company.

15.2. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

16. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Companies as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have monetary limits approved under the provisions of the Act, or 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, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17. APPLICATIONS TO THE NCLT

All the Transferor Companies and the Transferee Company (to the extent necessary) shall with all reasonable dispatch, make applications to the NCLT, Chennai Bench since the registered office of Transferor Companies and Transferee Company is situated in Chennai. The jurisdiction of the Transferor Companies and Transferee Company is NCLT, Chennai Bench for sanctioning



this Scheme under Sections 230-232 of the Act for orders thereof for carrying this Scheme into effect.

18. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 18.1. Subject to approval of NCLT, the Parties through their Board of Directors including any Committee of Directors or other persons, duly authorised by the Board of Directors in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations or orders, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect. The shareholders approving the scheme shall be deemed to have given their consent to the proposed modification to the scheme without any further recourse to them.
- 18.2. If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Companies and Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and Transferee Company that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Companies and/or Transferee Company, in which case the Transferor Companies and/or Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Companies and/or Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part or provision.

19. SCHEME CONDITIONAL ON APPROVALS /SANCTIONS

- 19.1. The Scheme is conditional upon and subject to:
- i. the approval of the Scheme by the requisite majority of the respective members and such class of persons of Transferor Companies and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;
 - ii. sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Companies and the Transferee



- company;
- iii. approval of Appropriate Authorities (including Securities and Exchange Board of India) and receipt of 'No-Objection letter' from Stock Exchange where such approval or consent is necessary; and
 - iv. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

20. COSTS

All costs, charges, levies and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Companies and Transferee Company, respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company, unless otherwise determined by the Boards of Directors of the Transferor Companies and Transferee Company.

21. SEVERABILITY

- 21.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and/or Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- 21.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Transferor Companies and Transferee Company and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

22. EFFECT OF NON-RECEIPT OF APPROVALS

- 22.1. In the event of any of the said sanctions and approvals referred to in Clause 20 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Upon the termination of this Scheme as set out in above clause, no rights and liabilities shall accrue to or be incurred by respective Parties or their shareholders or creditors or employees or any other person. In such case, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.
- 22.2. The Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post the Amalgamation.



23. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Companies, Transferee Company, Governmental Authority and all concerned parties without any further act, deed, matter or thing.

24. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Undertaking of the Transferor Companies are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Transferor Companies will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

25. REMOVAL OF DIFFICULTIES

25.1. The Transferor Companies and the Transferee Company through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may 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 NCLT or of any directive or orders of any Appropriate 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; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

