

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
OF
MINDA I CONNECT PRIVATE LIMITED
(Transferor Company)
WITH
MINDA INDUSTRIES LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS
AND CREDITORS

(A) **BACKGROUND OF THE COMPANIES**

1. **Minda I Connect Private Limited**, the “**Transferor Company**” is a Private company incorporated on 30th Day of September, 2014 under the provisions of the Companies Act, 2013 bearing CIN U35900DL2014PTC272202, and is having its registered office at B-64/1 Wazirpur, Industrial Area, New Delhi - 110052. The Transferor Company is engaged *inter alia* in the business of development of software, hardware and designing, programming in automotive mobility and Information technology segment, Automation providing product and solution. .

2. **Minda Industries Limited**, the “**Transferee Company**”, is a public company incorporated on 16th Day of September, 1992 under the provisions of the Companies Act, 1956 bearing CIN L74899DL1992PLC050333, and is having its registered office at B-64/1, Wazirpur Industrial Area, New Delhi – 110 052. The Transferee Company is engaged *inter alia* in the business in India or abroad whether by itself or in collaboration whether Indian or Foreign the business of manufacturers, fabricators, assemblers and sub-assemblers processors, agents, importers, exporters, holders, stockists, distributors, buyers and sellers, dealer and suppliers of automobile parts and agricultural implements automotive and other gear transmissions axels, universal joints, springs, spring leaves, lighting kits tools attachments, jigs, fixtures, dies for engineering plastic goods manufacturing, autolights, electrical apparatus meter dynamos head lamps, sealed beams, components, parts accessories and fittings for the said articles and things used in connection with the manufacturer thereof, alloy springs, steel billets, flats and bars, pressed and other related items for motor cars, motors cycles, scooters, tractors, vans, jeeps lorries motor cars, motor cycles, scooters, mopeds, cycle, motor launches, aeroplanes and other vehicles and conveyance of all kinds and miners, shippers, suppliers of the thermplast and fibre glass, PVC and plastic products of all kinds, roofing and building materials of all kinds agricultural, sea and food products, fertilizers, iron and steel and its all types of products, metals minerals and its products, engineering goods electricals and electronic gadgets, games and toys of all description along with components devices, sole assemblies, accessories and materials used in their manufacture, components dyes, chemicals, pharmaceuticals, pigments, papers, cement, plastic, leather goods, handicrafts, processed foods, vegetables, fruits, dry-fruits, oil and cakes baby foods, milk and products thereof, dairies and its products, transport and handling agents, order suppliers, departmental stores, tobacco and tobacco products, cigarettes, jute and its products, hessian, textile including cotton, woolen, art silk, natural silk, readymade garments, hosiery, synthetics fibre and fabric and mixed fabrics, surgical, electronics and surgical, diamonds, precious stones, jewellery, artificial or otherwise pearls, pharmaceuticals electronics and surveying equipment and instruments, computer industry, television satellite, communication systems, radar equipment Computers, dry and inert cells, electrical goods and equipment, lamps tubes electronics industry, aeronautical industry, cable and plastic industry, furniture, musical items ceramics and refractories, glass, soaps, cosmetics, publishers, stationers and all types of commodities, computer spare parts, raw materials merchandise and goods and to act as sellers, purchasers and dealers of licences, release orders, permits, quotas and to enter into all sorts of agreements relating to the above and all other types of commodities and merchandise.

(B) RATIONALE OF THIS SCHEME

1. The Transferor Company and Transferee Company are engaged in auto component business and both companies are of the same group;
2. The Transferor Company is a developer of software, hardware and designing, programming in automotive mobility and information technology segment, automation providing products and solutions and consultancy services incidental thereto;
3. The Transferor Company is in business of development of software, hardware, designing, programming in automotive mobility and information technology segment and automation providing products. Transferor Company Brand – I Connect and Carot have been established as a leading telematics brand in India (HW and IT)
4. The Transferee Company desires to expand its business in automotive components and this amalgamation would lead to improved customer connect and enhanced market share across product segments relating to auto sector;
5. The Transferor Company's products like software, hardware, designing, programming in automotive mobility and information technology segment will synergize well with the product groups of the Company;
6. The amalgamation will help the Transferee Company in creation of platform for a new business / product and to act as a gateway for growth and will ensure better operation management and expansion of business operations;
7. By this amalgamation and through enhanced base of product offerings, the Transferee Company would serve as One-stop solution for wide range of components / products to the original equipment manufacturers (OEMs) and others;
8. The proposed amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme would enable companies to realise benefits of greater synergies between their businesses and avail of the financial, managerial, technical, distribution and marketing resources of each other towards maximising stakeholder value;
9. Opportunities for employees of the Transferee Company and Transferor Company to grow in a wider field of business;
10. Improvement in competitive position of the Transferee Company as a combined entity and also access to marketing networks/customers;
11. The Scheme enables the Transferee Company to have control over the operations of the Transferor Company;
12. The Scheme shall not in any manner be prejudicial to the interests of the concerned shareholders, creditors or general public at large.

(C) **OVERVIEW AND OPERATION OF THIS SCHEME**

This Scheme provides for Amalgamation of the Transferor Company with the Transferee Company and the consequent issue of equity shares by the Transferee Company in the manner set out in this Scheme.

(D) **PARTS OF THIS SCHEME**

This Scheme is divided into the following parts:

1. **PART I** deals with the definitions of the terms used in this Scheme and share capital details of the Parties (*defined hereunder*);
2. **PART II** deals with the amalgamation of the Transferor Company with the Transferee Company and issue of consideration thereof;
3. **PART III** 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 Applicable Laws; and (iii) the following expressions shall have the meanings ascribed hereunder:

“**Act**” means the Companies Act, 2013 to the extent of the provisions notified and the Companies Act, 1956 to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under law, made thereunder from time to time;

“**Appointed Date**” means the same date as the Effective Date or such other date that is mutually agreed in writing between the Transferor Company and the Transferee Company;

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

“**Appropriate Authority**” means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any

department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;

- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), the RBI (*as defined hereinafter*), SEBI (*as defined hereinafter*) and the Tribunal (*as defined hereinafter*); and
- (d) any Stock Exchange.

“Board” in relation to Transferor Company and the Transferee Company as the case may be, means the board of directors of such company, and shall include a 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 the amalgamation under this Scheme or any other matter relating thereto;

“Business Day” means a day (other than a Saturday, a Sunday or a public holiday) when commercial banks are open for ordinary banking business in Gurugram and Delhi, India;

“Effective Date” in relation to the scheme, means last of the dates on which the copy of the order of Hon’ble National Company Law Tribunal sanctioning the Scheme of Amalgamation are filed by the Transferor Company and the Transferee Company with the Registrar of Companies.

Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date.

“Eligible Members” means the shareholders of any of the Transferor Company who shall be eligible to receive Securities issued by the Transferee Company as consideration under this Scheme on the Record Date.

“Encumbrance” means (i) 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; (ii) 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, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;

“Hon’ble National Company Law Tribunal” or “NCLT” or “Hon’ble Tribunal” or “Hon’ble NCLT” means the Hon’ble National Company Law Tribunal at New Delhi having jurisdiction in relation to the Transferor Company and Transferee Company.

“Hon’ble National Company Law Appellate Tribunal” or “NCLAT” or “Hon’ble NCLAT” means the Hon’ble National Company Law Appellate Tribunal at New Delhi.

“**INR**” means Indian Rupee, the lawful currency of the Republic of India;

“**Parties**” shall mean collectively the Transferor Company and the Transferee Company and
“**Party**” shall mean each of them, individually;

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

“**Person**” shall mean any natural person, limited or unlimited liability company, corporation, one person company, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, society, association, any Appropriate Authority or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

“**RBI**” shall mean the Reserve Bank of India;

“**Record Date**” in relation to Part II means the Effective Date;

“**ROC**” means the Registrar of Companies, NCT of Delhi & Haryana. ;

“**Scheme**” means this Scheme of Amalgamation, with or without any modification approved or imposed or directed by the Tribunal;

“**SEBI**” means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

“**SEBI Circular**” means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March, 2017, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;

“**Stock Exchanges**” means BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”), as the case may be;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of direct or indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company or the Transferee Company or any other Person and all surcharges, education cess, penalties, charges, costs and interest relating thereto;

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

“**Transferee Company**” means **Minda Industries Limited**, a public listed company incorporated on 16th Day of September, 1992 under the provisions of the Companies Act, 1956, bearing CIN L74899DL1992PLC050333, and is having its registered office at B-64/1, Wazirpur Industrial Area, New Delhi – 110 052;

“**Transferee Company New Equity Shares**” means equity shares issued by the Transferee Company under Clause 10.1.1.

“**Transferor Company**” means **Minda I Connect Private Limited**, a private company, incorporated on 30th Day of September, 2014 under the provisions of the Companies Act 2013, bearing CIN U35900DL2014PTC272202 and is having its registered office at B-64/1 Wazirpur, Industrial Area, New Delhi DL 110052.

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;
- 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;
- 1.2.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively; and
- 1.2.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

2.1 The share capital of the Transferor Company as on 31stDecember 2019 is as follows:

Particulars	INR
Authorised Share Capital	
80,00,000 equity shares of INR 10 each	8,00,00,000
Total	8,00,00,000
Issued, Subscribed and Paid-up Capital	
73,37,841 equity shares of INR 10 each	7,33,78,410
Total	7,33,78,410

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

2.2 The share capital of the Transferee Company as on 31stDecember 2019 is as follows:

Particulars	INR
Authorised Share Capital	
31,75,00,000 equity shares of INR 2each	63,50,00,000
30,00,000 'A' Class 9% Cumulative Redeemable Preference Shares of INR 10 each	3,00,00,000
1,83,500 'B' Class 3% Cumulative Compulsory Convertible Preference Shares of INR 2,187 each	40,13,14,500
35,00,000 'C' Class 3% Cumulative Redeemable Preference Shares of INR 10 each	3,50,00,000
1,00,00,000 1% Non-Cumulative Fully Convertible Preference Shares of INR 10 each	10,00,00,000
Total	120,13,14,500
Issued, Subscribed and Paid-up Capital	
26,22,16,965 equity shares of INR 2 each	52,44,33,930
Total	52,44,33,930

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

The equity shares of the Transferee Company are listed on the Stock Exchanges namely Bombay Stock Exchange(BSE) and National Stock Exchange of India Limited (NSE).

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 18of this Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

- 4.1 With effect from the opening of business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income-tax Act, 1961, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:
- 4.2.1 all assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or actual and/ or constructive delivery or by paying over or endorsement and/ or delivery, the same may be so transferred and delivered by the Transferor Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;
- 4.2.2 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties) investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of the Transferee Company;
- 4.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold or under a license or permission to use (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall without any act or deed or conveyance being required to done or executed stand transferred to and be vested in the Transferee Company, as successor to the

Transferor Company. It is clarified that with effect from the Effective Date, the Transferee Company shall be liable to pay the rent and taxes and fulfil all obligations in relation to the immovable properties and the relevant owners, licensors and lessors in accordance with the terms of the relevant lease/ license or rent agreements. Further, any security deposits and advance/ prepaid lease/ license fee paid by the Transferor Company with respect to the immovable property shall accrue to the Transferee Company;

- 4.2.4 all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause4;
- 4.2.5 unless otherwise agreed to between the Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is party) related to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;
- 4.2.6 on and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and
- 4.2.7 without prejudice to the foregoing provisions of this Clause 4.2, the Transferor Company and the Transferee Company shall be entitled to execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person, to give effect to the above provisions.

5. PERMITS

With effect from the Appointed Date, all the Permits (including the licenses granted by any Governmental, statutory or regulatory bodies) held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company, and under the relevant license and/ or Permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

6. CONTRACTS, DEEDS ETC.

6.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the Appropriate Authority sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) of the Transferee Company. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Transferor Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Company' substituted party or beneficiary or obligor thereto. It being always understood that the Transferee Company shall be the successor in the interest of the Transferor Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.

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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other

documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

- 6.3 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as “Insured” in the policies as if the Transferee Company was initially a party thereto.

7. EMPLOYEES

- 7.1 On the Scheme becoming effective, all employees, whether temporary or permanent employees and including all employees on probation, trainees and interns of the Transferor Company in service on the Effective Date, shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of the Transferor Company are members shall be transferred to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company.

- 7.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.

- 7.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the employees of the Transferor Company will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

- 7.4 Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company.

8. LEGAL PROCEEDINGS

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the “**Proceedings**” for the purposes of this clause) by or against the Transferor Company is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by

reason of the amalgamation or of anything contained in this Scheme, but the Proceedings 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 this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company

9. TAXES/ DUTIES/ CESS ETC.

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

- 9.1 The unutilized credits relating to excise duties, custom duties, sales tax, service tax, VAT, goods and services tax and any other tax as applicable which remain unutilised in the electronic ledger of the Transferor Company shall be transferred to the Transferee Company upon filing of requisite forms. Thereafter the unutilized credit so specified shall be credited to the electronic credit ledger of the Transferor Company and the input and capital goods shall be duly adjusted by the Transferee Company in its books of accounts.
- 9.2 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, minimum alternative tax, wealth tax, if any, paid by the Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Minimum alternative tax credit available to the Transferor Company under the Income-tax Act, 1961, if any, shall be available to the Transferee Company.
- 9.3 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall stand vested in the Transferee Company.
- 9.4 The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT / GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income-tax Act, 1961, credit of dividend distribution tax, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 9.5 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

10. CONSIDERATION

- 10.1 Upon the Scheme coming into effect and in consideration of the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall to Eligible Member as on the Record Date, issue and allot securities to such Eligible Member, in the following ratio:
- 10.1.1 10 (Ten) fully paid equity share of INR 2(Indian Rupees Two) each of the Transferee Company for every 179 (One Hundred Seventy Nine) fully paid up equity shares of INR 10 (Indian Rupees ten) each of the Transferor Company held by the said Eligible Member;
- 10.2 The Securities issued to the members of the Transferor Company shall be fully-paid up and free of all liens, charges and Encumbrances, and shall be freely transferable in accordance with the articles of association of the Transferee Company.
- 10.3 The Securities issued to the members of the Transferor Company by the Transferee Company pursuant to this Clause 10 shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferor Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the securities shall be issued to such members in dematerialised form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the dematerialized securities to the account of such member. In the event the Transferee Company has received notice from any member that Securities are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue Securities in physical form to such member.
- 10.4 The Securities to be issued by the Transferee Company pursuant to this Clause 10 in respect of such of the equity shares of the Transferor Company which are held in abeyance under Section 126 of the Companies Act 2013 shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Transferee Company. In the event of any dispute in relation to the ownership of any equity shares of the Transferor Company, Transferee Company New Equity Shares shall be issued and allotted in respect of such shares (pursuant to this Clause 10), which shares (together with any fractional entitlements) shall be held in trust for and on behalf of the holder of the equity shares of the Transferor Company by the Transferee Company, pending settlement of dispute by order of Court or otherwise.
- 10.5 The Securities to be issued in lieu of the shares of the Transferor Company held in the unclaimed suspense account shall be issued to the unclaimed suspense account created for shareholders of the Transferee Company.
- 10.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Transferor Company as if such changes in

registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the Securities issued by the Transferee Company after the effectiveness of the Scheme under this Clause 10. The Board of Directors of the Transferor Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transaction period.

- 10.7 The Securities issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company. The Transferee Company New Equity Shares shall rank *par-ipassu* inter-se with the existing equity shares of the Transferee Company in all respects including dividends declared, voting and other rights, as permissible under Applicable Law. The issue and allotment of Securities of the Transferee Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 10.8 The Transferee Company shall, subject to Clause 18 of this Scheme and if necessary to the extent required, increase/ reclassify its authorized share capital to facilitate issue of Securities under this Scheme. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Transferee Company as required under Sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013.

11. ACCOUNTING TREATMENT BY THE TRANSFEE COMPANY IN RESPECT OF ASSETS AND LIABILITIES

The Amalgamation will be accounted in accordance with the “acquisition method” prescribed under the Indian Accounting Standard 103 (Business Combination) as notified under Section 133 of the Act, read together with Paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.

GENERAL TERMS & CONDITIONS

12. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

- 12.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board and any committees thereof, if any, of the Transferor Company shall without any further act, instrument or deed be and stand discharged. The name of the Transferor Company shall be struck off from the records of the RoC and the Transferee Company shall make necessary filings in this regard.
- 12.2 Upon coming into effect of this Scheme, the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

13. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEEE COMPANY

Unless otherwise stated herein below, with effect from the Appointed Date and up to and including the Effective Date:

- 13.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for the Transferee Company. Each of the Transferor Company hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 13.2 With effect from the date of the Board meeting of the Parties approving the Scheme and up to and including the Effective Date, each of the Parties shall preserve and carry on its business and activities with reasonable diligence, business prudence and in ordinary course consistent with past practices.
- 13.3 All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, tax losses, MAT Credit, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 13.4 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not vary the terms and conditions of employment of any of its employees, without the prior consent of the Transferee Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.
- 13.5 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not, without the prior written approval of the Board of Directors of the Transferee Company, make any change in its capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner.
- 13.6 Notwithstanding anything stated in this Scheme, upon the Scheme becoming effective, and if required, the Transferee Company is authorized to execute all such deeds and documents, whatsoever, that may be required and/or ought to have been executed by the Transferor Company, as if the Transferor Company were in existence.
- 13.7 From the Effective Date, the Transferee Company shall carry on and shall be entitled to carry on the business of the Transferor Company

14. PROPERTY IN TRUST

- 14.1 Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Transferor Company are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), regulatory bodies or otherwise, in favour of the Transferee Company, the Transferee 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 Authority(ies) and till such time as may be mutually agreed by Parties, the Transferor Company 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. It is further clarified that on the Effective Date, notwithstanding the Scheme being made effective, any asset/ liability identified as part of the Transferor Company pending transfer due to the pendency of any approval/ consent and/ or sanction shall be held in trust by the Transferor Company for the Transferee Company. Immediately upon receipt of such approval/ consent and/ or sanction such asset and/ or liability forming part of the Transferor Company shall without any further act/ deed or consideration be transferred/ vested in the Transferee Company, with all such benefits, obligations and rights with effect from the Effective Date. All costs, payments and other liabilities that the Transferor Company shall be required to bear to give effect to this Clause 14 shall be borne solely by the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

15. COMBINATION AND INCREASE OF AUTHORISED CAPITAL

- 15.1 Upon the Scheme becoming effective, the authorised share capital of the and Transferor Company cumulatively amounting to INR 8,00,00,000(Indian Rupees Eight Crores) will get amalgamated with that of the Transferee Company without payment of any additional fees, duties and Taxes as though the same have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the RoC and no separate procedure or instrument or deed shall be required to be followed under the Act. The stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee and/or Taxes by the Transferee Company for increase in the authorised share capital to that extent.
- 15.2 Consequent upon the Scheme becoming effective and upon combination of authorised share capital of the Transferor Company with the Transferee Company, the authorised share capital of the Transferee Company shall be as under:

Particulars	INR
Authorised Share Capital	
35,75,00,000 equity shares of INR 2each	71,50,00,000
30,00,000 'A' Class 9% Cumulative Redeemable Preference Shares of INR 10 each	3,00,00,000
1,83,500 'B' Class 3% Cumulative Compulsory Convertible Preference Shares of INR 2,187 each	40,13,14,500
35,00,000 'C' Class 3% Cumulative Redeemable Preference Shares of INR 10 each	3,50,00,000
1,00,00,000 1% Non-Cumulative Fully Convertible Preference Shares of INR 10 each	10,00,00,000
Total	128,13,14,500

- 15.3 In view of the consolidation of authorized share capital of the Transferor Company with the Transferee Company and subsequent increase of authorised share capital of the Transferee Company in terms of this Clause, the existing capital clause contained in the memorandum of association of the Transferee Company shall without any act, instrument or deed be and

stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

Memorandum of Association

“V. *The Authorised Share Capital of the Company is Rs. 128,13,14,500 consisting of Rs. 71,50,00,000/- Equity Share Capital divided into 35,75,00,000 equity shares of Rs. 2/- each, Rs. 3,00,00,000 ‘A’ Class 9% Cumulative Redeemable Preference Shares Capital divided into 30,00,000 ‘A’ Class 9% Cumulative Redeemable Preference Shares of Rs. 10/- each, Rs. 40,13,14,500 ‘B’ Class 3% Cumulative Compulsory Convertible Preference Shares Capital divided into 1,83,500 ‘B’ Class 3% Cumulative Compulsory Convertible Preference Shares of Rs. 2,187/- each, RS. 3,50,00,000 ‘C’ Class 3% Cumulative Redeemable Preference Shares Capital divided into 35,00,000 ‘C’ Class 3% Cumulative Redeemable Preference Shares of Rs. 10/- each, Rs. 10,00,00,000 1% Non-Cumulative Fully Convertible Preference Shares Capital divided into 1,00,00,000 1% Non-Cumulative Fully Convertible Preference Shares of Rs. 10/- each.*

- 15.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum of association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the memorandum of association of the Transferee Company as required under Sections 13, 61 and 64 of the Act and other applicable provisions of the Act.

16. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 16.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.
- 16.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the, Transferee Company may require to own the assets and/ or liabilities of the Transferor Company, and to carry on the business of the Transferor Company

17. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 17.1 On behalf of each of the Parties, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards of the Parties) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- 17.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Parties acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any

question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

18. CONDITIONS PRECEDENT

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

18.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

18.1.2 approval of the Scheme by the requisite majority of each class of shareholders of the Parties and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;

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

18.1.4 the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act for approving the Scheme, being obtained by the Parties;

18.1.5 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC by all the Parties; and

18.1.6 the requisite consent, approval or permission of the Appropriate Authority or any other Person, which by Applicable Law or contract, agreement, may be necessary for the effective transfer of business and/or implementation of the relevant parts of the Scheme.

18.2 Without prejudice to Clause 18.1 and subject to satisfaction or waiver of conditions mentioned in Clause 18.1 above, the Scheme shall be made effective in the order as contemplated below:

18.2.1 Part II of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 18.1 by the Boards of the Transferor Company, and the Transferee Company; and

18.3 It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Laws.

18.4 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons of the said companies, if any, pursuant to Clause 18.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Part II set out in this Scheme, related matters and this Scheme itself.

**PART III
GENERAL TERMS AND CONDITIONS**

**19. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION/
WITHDRAWAL OF THIS SCHEME**

- 19.1 Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.
- 19.2 Parties acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case any of Parties is declared insolvent.
- 19.3 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 18 months from the date of approval of the Scheme by the Boards of the Parties or within such period as may be mutually agreed upon, between the Parties through their respective Boards or their authorised representative, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.
- 19.4 In the event of revocation/ withdrawal under Clause 19.1 or above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.
- 19.5 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 Parties through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

20. COSTS AND TAXES

- 20.1 Parties have agreed to bear the costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme in the following manner:
- 20.1.1 the Transferee Company shall bear the stamp duty costs in connection with Part II of the Scheme, *inter se* as agreed amongst themselves;
- 20.1.2 all other costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be borne by the respective Parties.