

**SCHEME OF AMALGAMATION**

**OF**

**MTL NEW INITIATIVES PRIVATE LIMITED**

**(TRANSFEROR COMPANY)**

**WITH**

**MANJUSHREE TECHNOPACK LIMITED**

**(TRANSFeree COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**(UNDER SECTION 233 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013 READ WITH RULE 25 OF THE  
COMPANIES (COMPROMISE ARRANGEMENT AND  
AMALGAMATION) RULES, 2016)**



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## GENERAL

### I. Purpose of Scheme

This Scheme of Amalgamation ("**Scheme**") is presented under Section 233 and all other applicable provisions of the Act (defined herein after).

This Scheme is presented for amalgamation of M/s. MTL New Initiatives Private Limited with M/s. Manjushree Technopack Limited, wherein the entire business and undertaking(s) including the assets and liabilities of the Transferor Company (subject to transfer of any undertaking(s)/ business by the Transferor Company during the pendency of implementation of this Scheme, post obtaining requisite approvals from the Transferee Company) shall be transferred to and vest in the Amalgamated Company with effect from the Appointed Date. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

### II. Description of Companies

- a. MTL New Initiatives Private Limited [CIN: U25209KA2020PTC131209] ("**Transferor Company**") a company incorporated under the Companies Act, 2013 on 01/01/2020 and having its registered office at Plot No. 60E & F Bommasandra Industrial Area, Hosur Road, Bangalore - 560085, Karnataka. The Transferor Company is presently engaged in the business of manufacturing plastic products
- b. Manjushree Technopack Limited [CIN: U67120KA1987PLC032636] ("**Transferee Company**") a company incorporated under the Companies Act, 1956 on 13/11/1987, and



having its registered office at MBH Tech Park, 2nd Floor, Survey No 46P and 47 P, Begur Hobli Electronic City Phase-II, Bangalore - 560100, Karnataka. The Transferee Company is presently engaged in the business of manufacturing plastic products

### III. Rationale for the Scheme

This Scheme provides for amalgamation of the Transferor Company with the Transferee Company, with a view to achieve *inter alia* the following benefits:

1. The organizational and operational structure would be simplified on completion of Amalgamation pursuant to transfer and vesting of Undertakings and business of the Transferor Company into the Transferee Company.
2. Result in elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency and also to enable Companies to combine their managerial and operation strength, to build wider capital and financial base and to promote and secure overall growth;
3. Amalgamation in accordance with this Scheme will facilitate forward and backward integration of operations and complete the value chain for customers, stakeholders. The businesses of both Transferor Company and Transferee Company can be collectively carried on more economically.



4. The enhanced net worth of the Transferee Company after the Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.
5. Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire business and undertaking(s) of the Transferor Company (subject to transfer of any undertaking(s)/ business by the Transferor Company during the pendency of implementation of this Scheme, post obtaining requisite approvals from the Transferee Company) with the Transferee Company. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire business and undertaking(s) of the Transferor Company (subject to transfer of any undertaking(s)/ business by the Transferor Company during the pendency of implementation of this Scheme, post obtaining requisite approvals from the Transferee Company) with and into the Transferee Company pursuant to the provisions of Section 233 and other relevant provisions of the Act.



#### IV. Parts of the Scheme

The Scheme is divided into the following parts:

1. **Part A** - dealing with definitions of the terms used in this Scheme and sets out the share capital of MTL New Initiatives Private Limited and Manjushree Technopack Limited;
2. **Part B** - dealing with amalgamation of MTL New Initiatives Private Limited into Manjushree Technopack Limited; and
3. **Part C** - dealing with winding-up, the general terms and other conditions applicable to this Scheme and other matters consequential and integrally connected thereto.



## PART A

### 1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 **“Act”** or **“the Act”** means the Companies Act, 2013 and shall include rules, any statutory modification, re-enactment or amendments thereof from time to time.
- 1.2 **“Appointed Date”** means 1<sup>st</sup> September, 2023 or any date post may be approved by the Competent Authority (defined herein after), for amalgamation of the Transferor Company with the Transferee Company.
- 1.3 **“Board of Directors”** or **“Board”** means the board of directors of any of the Transferor Company and / or Transferee Company, as the case may be, and shall include a duly constituted committee thereof.
- 1.4 **“Central Government”** means the Government of India and vide notification no. S.O. 4090 (E) dated December 19, 2016 Central Government has delegated powers vested in it under Section 233 of the Companies Act, 2013 to the Regional Director, Ministry of Corporate Affairs having jurisdiction.
- 1.5 **“Competent Authority”** means the Central Government or jurisdictional National Company Law Tribunal constituted in accordance with the provisions of the Act or any other authority/(ies) having jurisdiction to sanction the Scheme.



- 1.6 **“Effective Date” or “Upon the Scheme becoming effective” or “On the Scheme becoming effective”** means the date or last of the dates on which the certified true / authenticated copies of the order of the Competent Authority sanctioning the Scheme are filed with the Registrar of Companies, Bengaluru by the Transferor Company and the Transferee Company who are parties to this Scheme.
- 1.7 **“Government Authority”** 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 over the territory of India.
- 1.8 **‘Input Tax Credit’** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and GST Input credit as defined in Central Goods & Service Tax Act, 2017 (‘CGST’), Integrated Goods & Service Tax Act, 2017 (‘IGST’) and respective State Goods & Service Tax laws (‘SGST’) and any other tax credits under any indirect tax law (including Goods & Services Tax Rules/ Act) for the time being in force.
- 1.9 **“Regional Director”** means Regional Director, South East Region, having jurisdiction over the Transferee Company.
- 1.10 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under clause 18 of this Scheme, as approved or directed by the Competent Authority.
- 1.11 **“Transferor Company” or “MNIPL”** means MTL New Initiatives Private Limited, a company incorporated under the Companies Act, 2013, and having its registered office at Plot No. 60E & F





Bommasandra Industrial Area, Hosur Road, Bangalore - 560085,  
Karnataka.

- 1.12 **“Transferee Company” or “MTL”** means Manjushree Technopack Limited, a company incorporated under the Companies Act, 1956, and having its registered office at MBH Tech Park, 2nd Floor, Survey No 46P and 47 P, Begur Hobli Electronic City Phase-II, Bangalore - 560100, Karnataka.
- 1.13 **“Tribunal”** means the National Company Law Tribunal (“NCLT”) and the National Company Law Appellate Tribunal (“NCLAT”) as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Scheme of arrangement, compromise or reconstruction of Companies under Sections 230 to 240 of the Companies Act, 2013 and rules thereof.
- 1.14 **“Undertaking”** shall mean and includes the whole of the undertaking and entire business on a going concern including:
- a) All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (freehold or leasehold), all plant and machinery, fixed assets, work in progress, current assets, reserves, provisions, funds, owned, leased, licenses, registrations, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions, remissions, remedies, subsidies, guarantees, bonds, rights and licenses, tenancy rights, premises, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes,



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facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, technology/ technical agreements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, non-compete fee, benefit and advantage, deposits including security deposits, reserves, preliminary expenses, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax and other credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, tax deducted at source, tax collected at source, value added tax, central sales tax, sales tax, CENVAT, excise duty, service tax, goods and service tax etc.), all losses (including but not limited to brought forward tax losses, tax unabsorbed depreciation, brought forward book losses, unabsorbed depreciation as per books), tax benefits and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date;

- b) All intellectual property rights including patents, designs, copyrights, trademarks, brands (whether registered or otherwise), records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company business activities and operations whether recorded in the books of Transferor Company or not;



- c) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Government, and in respect of set-off, carry forward of unabsorbed losses and/ or unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said statute(s) or under and in accordance with any law or statute, whether in India or anywhere outside India;
- d) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining those Transferor Company only as is vested in Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the merger and Transferee Company shall not be obliged to create any further or additional security thereof after the merger has become effective;



- e) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment; and
- f) All employees, as on the Effective Date, engaged by the Transferor Company at various locations.

It is intended that the definition of Transferor Company under this clause will enable the transfer of all property, assets, rights, duties, obligations, entitlements, benefits, employees and liabilities of Transferor Company into Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactments thereof from time to time.

## 2. SHARE CAPITAL

2.1 Details of the share capital of MNIPL as at March 31, 2022, is given below:

Authorized Capital	Amount (Rs.)
1,00,000 equity shares of Rs. 10 each	10,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
10,000 equity shares of Rs. 10 each fully paid-up	1,00,000



Subsequent to March 31, 2022, there has been no change in the share capital of MNIPL. The entire Paid-Up capital of MNIPL is held by MTL and its nominee.

- 2.2 Details of the share capital of MTL as at March 31, 2022, is given below:

Authorized Capital	Amount (Rs.)
1,50,00,000 equity shares of Rs. 10 each	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
1,35,47,700 equity shares of Rs. 10 each fully paid-up	13,54,77,000

Subsequent to March 31, 2022, the Company has increased its Authorized Share capital from Rs. 15,00,00,000 /- divided into 1,50,00,000 equity shares of Rs. 10 /- each to Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs. 10 /- each with effect from 30<sup>th</sup> September, 2022. There has been no change in the paid-up share capital of MTL. Accordingly the revised details of the share capital of MTL is as follows:

Authorized Capital	Amount (Rs.)
2,50,00,000 equity shares of Rs. 10 each	25,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
1,35,47,700 equity shares of Rs. 10 each fully paid-up	13,54,77,000

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

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



## PART B

### AMALGAMATION OF MNIPL WITH MTL

#### 4. AMALGAMATION OF MNIPL WITH MTL

4.1 Subject to the provisions of this Scheme in relation to modalities of Amalgamation, upon this scheme coming into effect on the Effective Date, the Transferor Companies, altogether with all its present and future properties, assets, investments, rights, obligations, liabilities, benefits and interest therein, whether known or unknown, shall amalgamate into and with Transferee Company, and all the present and future properties, assets, liabilities, investments, rights, obligations, liabilities, benefits and interest of the Transferor Companies shall become the property of, and integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by the Transferor Companies on their properties and assets in favour of lenders, as going concern, by operation of law pursuant to the vesting order of Competent Authority sanctioning this Scheme, without any further act or deed required by either of the above, in particular, the Transferor Companies shall stand amalgamated into and with the Transferee Company, in the manner described in subparagraph (a) to (n):

a) Upon this scheme coming into effect from the Appointed Date, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 233 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the Undertaking of Transferor





Company and to vest in the Transferee Company all the rights, title, interest or obligations therein;

- b) The mutation of the ownership or title, or interest in the immovable properties if any in favor of the Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof;
- c) All the movable assets including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 233 of the Act (as an integral part of the Undertaking of the Transferor Companies). The plant and machinery, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.
- d) In respect of all movables, other than those specified in sub-clause (b) and (c) above, including trade receivables, 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, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of the Act.
- e) In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee



Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement.

- f) All debts, liabilities (including deferred tax liability), duties, guarantees, indemnities and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet shall also, under the provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company on the same terms and conditions, as applicable, so as to become as from the Appointed Date the debts, liabilities, duties, guarantees, indemnities and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- g) However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the creditors, or lenders, as the case may be, or in favor of any other party to the contract or arrangement to which the Transferor Companies are a party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out all such formalities and compliances referred to above.
- h) The transfer and vesting of the Undertaking of the Transferor Companies as aforesaid shall be subject to the existing securities,





charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Companies.

- i) Provided however, that any reference in any security documents or arrangements (to which the Transferor Companies are a party) pertaining to the assets of the Transferor Companies offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to the Transferor Company as is vested in the Transferee Company by virtue of the aforesaid clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company. Further, the filing of the certified copy of the order sanctioning this Scheme with the relevant Registrar of Companies, shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.
- j) All existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses, refunds available and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source and advance tax), excise (including MODVAT/ CENVAT), customs, VAT, sales tax, service tax (including input credit), goods and service tax etc. which Transferor Company are entitled to shall be available to and vest in Transferee Company.
- k) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), granted by any Government body, local authority or by any other person and



availed of by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions as presently available to the Transferor Company.

- l) Upon coming into effect of this Scheme and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank account of the Transferor Company, in their names, in so far as may be necessary.
- m) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favor of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- n) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/ or consents held by the Transferor Company as required to carry on its operations shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favor of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company upon the Scheme coming into effect.



- 4.2 All registrations, benefits, incentives, exemptions etc. which the Transferor Company are eligible for and / or which are actually availed by the Transferor Company will be transferred to the Transferee Company upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and / or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc. as were availed by the Transferor Company.
- 4.3 The Transferee Company, under the provisions of this Scheme, is hereby authorized or be deemed to be authorized to execute all and any writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances in relation to the above mentioned clause(s), if required.
- 4.4 The amalgamation of the Transferor Company into the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B), Section 72A and other applicable provisions of the Income-tax Act, 1961. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B), section 72A and other applicable provisions of the Income-tax Act, 1961. At a later date, if any term or provision of the Scheme is found or interpreted to be inconsistent with any provision thereof, including resulting from an amendment of law or for any reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) , section 72A and other applicable provisions of



the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme.

4.5 The Transferee Company shall keep the records of the Transferor Company in terms of provisions of Section 239 of the Act, and the same shall not be disposed off without the prior permission of the Central Government.

4.6 Without prejudice to the generality of the Clauses mentioned above, the assets of the Transferor Company shall also include all permits, any other licences, approvals, clearances, authorities, quotas, allocations granted to the Transferor Company, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid Clauses, if any, all other rights and benefits, licences, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all contracts, government contracts, memoranda of understanding, project service agreements, prequalification, applications, bids, tenders, letters of intent, concessions, non- possessory contractual rights or any other contracts, development rights and all other interest in connection with or relation to the Transferor Company on the Effective Date shall stand transferred to the Transferor Company in accordance with the Applicable Laws.

## 5. CANCELLATION OF SHARES

5.1 The entire share capital of the Transferor Company is held by the Transferee Company (by itself and through its nominee) i.e.



Transferor Company is a wholly owned subsidiary of the Transferee Company. Upon this Scheme becoming effective, the shares held by the Transferee Company in the Transferor Company (either held in its own name or through its nominee) shall stand cancelled and extinguished in entirety without any further application, act or deed.

5.2 It is clarified that no new shares shall be issued or any payment shall be made in cash whatsoever by the Transferee Company in lieu of cancellation of such shares of the Transferor Company.

## 6. STAFF, WORKMEN & EMPLOYEES

6.1 On the Scheme becoming effective, all staff, workmen and employees (if any, including those on sabbatical / maternity leave) of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost to company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date. The position, rank and designation of the employees would however be decided by the Transferee Company.

6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any (hereinafter referred as "Fund or Funds"), created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds/trusts or in relation to





the obligation to make contributions to the said funds/trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds/trusts shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Company under such Fund or Funds shall be protected, subject to the provisions of law for the time being in force. It is clarified that, for the purpose of the said funds/trusts, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

- 6.3 In so far as the Fund or Funds created or existing for the benefit of the employees (including employee stock option schemes, if any) of the Transferor Company is concerned, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Company to the corresponding Fund or Funds set up by the Transferee Company.

## 7. LEGAL PROCEEDINGS

- 7.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this arrangement 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, 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.

7.2 It is further clarified that the Transferee Company shall ensure statutory compliance of all applicable laws and shall not be absolved from any statutory liability on approval of the Scheme.

7.3 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

## 8. CONTRACTS, DEEDS, ETC. AND POWER TO GIVE EFFECT TO THIS PART

8.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, instruments, registrations, licences, engagements, certificates, permissions, approvals, consents, concessions and incentives (minimum alternative tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax and other incentives), entitlements, sanctions, permits, benefits, rights arising from contracts, deeds, licences, instruments and agreements, if any, of whatsoever nature to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible and which have not lapsed and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto, notwithstanding the terms contained in such contracts, deeds, bonds,





agreements, licences, permits, registrations, approvals and other instruments etc.

8.2 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, the Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

8.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and sanctions which Transferee Company may require to own and operate the Undertakings of Transferor Company.

8.4 The above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.



## 9. TAXATION MATTERS

- 9.1 This Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) and Section 72A of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961 involving merger as aforesaid. 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, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and Section 72A of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961.
- 9.2 On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961, (including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law, goods and service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits, etc., and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 9.3 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the



Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.

9.4 Any tax liabilities under the Income-tax Act, 1961, Customs Act 1962, Service Tax laws, Goods and Service Tax Laws and other applicable State Value Added Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax, tax deducted at source and tax collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

9.5 Any refund under the Income-tax Act, 1961, Customs Act 1962, Service Tax laws, Goods and Service Tax Laws and other applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company 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.



9.6 All taxes/ credits including income-tax, tax on book profits, credit on Minimum Alternate Tax under section 115JAA of the Income-tax Act, 1961, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax or any other direct or indirect taxes as may be applicable, etc. paid or payable by the Transferor Company in respect of the operations and/ or the profits of the Undertaking before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction at source, collection at source, advance tax, MAT credit or otherwise howsoever, by the Transferor Company in respect of the 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 or tax collected at source by the Transferor Company/ Transferee Company on payables to Transferee Company/ the Transferor Company respectively 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.

9.7 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, customs law, state value added tax, Goods and Service tax laws 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.

9.8 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax,



tax on book profits, service tax, applicable state value added tax, goods and service tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.

- 9.9 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, tax collected at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

## 10. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- 10.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company.





- 10.2 The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company.
- 10.3 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and/or the Transferor Company, if any, appearing in the books of the Transferee Company and/or the Transferor Company shall stand cancelled and there shall be no further obligation in that behalf.
- 10.4 The value of all the investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation.
- 10.5 The surplus/deficit, if any arising after taking the effect of clause 10.1, clause 10.2, and clause 10.4, after adjustment of clause 10.3 shall be transferred to Capital Reserve in the financial statements of the Transferee Company and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- 10.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 10.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of



merger of the Transferor Company, as stated above, as if the merger had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

10.8 For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Transferor Company are completed.

10.9 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

**11. REORGANISATION OF AUTHORIZED CAPITAL OF THE TRANSFEREE COMPANY AND AMENDMENT OF OBJECT CLAUSE IN MEMORANDUM OF ASSOCIATION**

11.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and any additional fee/ stamp duty (including fees and charges to the jurisdictional Registrar of Companies) payable under the applicable law shall be paid by the Transferee Company. The Transferee Company shall file an application with the Registrar of Companies, Bengaluru along with the Scheme to be registered, indicating the revised authorized capital and pay the prescribed fees due on revised capital in terms of provisions of Section 233(11) of the Act.

11.2 Upon this Scheme coming into effect and with effect from the Appointed Date and consequent to transfer of the existing authorised





share capital of Transferor Company, Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act by deleting the existing Clause and replacing it with the following:

*“V. The Authorised Share Capital of the Company is Rs. 25,10,00,000 (Rupees Twenty-five Crores Ten Lakhs only) divided into 2,51,00,000 (Rupees Two Crore Fifty-one Lakh only) equity shares of Rs. 10 each.”*

11.3 Further in order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferee Company shall be amended to include the main objects contained in the memorandum of association of each of Transferor Company as maybe required.

11.4 It is hereby clarified that the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for purposes of effecting the aforementioned amendment and that no further resolution under Section 13 and Section 61 or any other applicable provisions of the Act, would be required to be separately passed.

## **12. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE**

During the period from the Appointed Date to the Effective Date:

12.1 The Transferor Company shall carry on and be deemed to have carried on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of



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its entire businesses and Undertaking(s) (subject to transfer of any undertaking(s)/ business by the Transferor Company during the pendency of implementation of this Scheme, post obtaining requisite approvals from the Transferee Company) for and on account of and in trust for the Transferee Company.

12.2 The Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence.

12.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

12.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to Government Authority 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 Company.

### 13. SAVING OF CONCLUDED TRANSACTIONS

13.1 Subject to the terms of this Scheme, the transfer and vesting of the assets and liabilities of the Transferor Company under clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor



Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**14. DECLARATION OF SOLVENCY:**

14.1 The Board of Directors of Transferor Company do solemnly affirm and declare that the Transferor Company and Transferee Company are capable of meeting their total liabilities and total value of their assets is not less than the value of their liabilities.

14.2 The Board of Directors of Transferor Company and Transferee Company do solemnly affirm and declare that the Company is capable of meeting its total liabilities and will be able to pay all its debts which fall due during the period of 12 months from the effective date of the merger and total value of the assets is not less than the value of its liabilities.

**PART C**

**WINDING-UP, THE GENERAL TERMS AND CONDITIONS  
APPLICABLE TO THIS SCHEME AND OTHER MATTERS  
CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO**

**15. DISSOLUTION**

15.1 On the Scheme becoming effective, the Transferor Company shall without any further act or deed, matter or thing, stand dissolved, without being wound-up.

15.2 Even after the Scheme becomes effective, the Transferee Company as applicable shall be entitled to operate all bank accounts relating to Transferor Company and realize all the monies and complete and



enforce all pending contracts and transactions in the name of Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligation of Transferor Company to the Transferee Company under this Scheme is formally effected by the parties concerned.

## 16. CONDITIONALITY OF THE SCHEME

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

- i. The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- ii. The approval by the requisite majority of the members / creditors of the Transferor Company and the Transferee Company as may be directed by the Competent Authority;
- iii. The sanction of the Competent Authority being obtained under Section 233 and any other applicable provisions of the Act, on behalf of the Transferor Company and the Transferee Company;
- iv. The certified copies of the orders of the Competent Authority sanctioning the Scheme are filed with the jurisdictional Registrar of Companies; and
- v. Compliance with such other conditions as may be imposed by the Competent Authority.



## 17. APPLICATION TO COMPETENT AUTHORITY

17.1 The Transferor Company and the Transferee Company shall, with all reasonable despatch, make and file applications/ petitions under Sections 233 and other applicable provisions of the Act to the Competent Authority for seeking approval of the Scheme and for such other orders as the Competent Authority may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto and for dissolution of the Transferor Company without being wound-up.

## 18. MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 The Transferor Company and the Transferee Company through unanimous approval by their respective Board of Directors may make and / or consent of all persons concerned, to any modifications / amendments to the Scheme or to any conditions or limitations that the Competent Authority and/or Tribunal or any other authority under law may deem fit to approve or direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Company and the Transferee Company by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any authority or otherwise, however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

## 19. EFFECT OF NON-RECEIPT OF APPROVALS

19.1 In the event any of the approvals or conditions enumerated in the Scheme are not obtained or complied with, or for any other reason,



the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Competent Authority and/or Tribunal, the Scheme stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19.2 In the event of revocation under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company 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 in accordance with the Applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed.

19.3 Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors of the Transferor Company and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have an adverse implication(s) on the Transferor Company or the Transferee Company.





## 20. POWER TO WITHDRAW SCHEME AT ANYTIME

20.1 In the event of any condition or amendment or modification that may be imposed by the Regional Director or NCLT or any Competent Authority, or if the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Company or Transferee Company decides, they shall be at liberty to withdraw from the Scheme unconditionally.

## 21. SEVERABILITY

21.1 If any part of this scheme is invalid, ruled illegal by any court / governmental authority, or unenforceable under present or future laws, then it is the intention of the Transferee Company and the Transferor Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferee Company or any of the Transferor Company, in which case the Transferee Company and Transferor Company may, through mutual consent and acting through their respective board of directors, attempt to bring about appropriate modification to this scheme, as will best preserve for each of them, the benefits and obligation of this scheme, including but not limited to such part.

## 22. REPEAL AND SAVINGS

22.1 The Transfer of assets, Liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the





Transferee Company on or before the Effective Date, to the end and intend that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deed and things done or executed by Transferor Company.

### 23. COSTS, CHARGES AND EXPENSES

23.1 All taxes including duties (including the adjudication charges/ fees and stamp duty, if any, applicable in relation to this Scheme), levies and all other similar expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.



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A handwritten signature in black ink, written over a horizontal line. An arrow points from the signature towards the stamp to its left.