

SCHEME OF AMALGAMATION
 OF
 MONSANTO INDIA LIMITED
 (THE TRANSFEROR COMPANY OR "MIL")
 WITH
 BAYER CROPSCIENCE LIMITED
 (THE TRANSFEREE COMPANY OR "BCSL")
 AND
 THEIR RESPECTIVE SHAREHOLDERS

A) PREAMBLE

This Scheme of Amalgamation (the "Scheme" or this "Scheme" as defined hereinafter) provides for amalgamation of 'Monsanto India Limited' with 'Bayer CropScience Limited' pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013. This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

B) DESCRIPTION OF COMPANIES

1. 'Monsanto India Limited' (hereinafter referred to as the "Transferor Company" or "MIL") was incorporated on December 8, 1949 as a private limited company with the name and style of "Monsanto Chemicals Of India Private Limited" in the State of Maharashtra under the Companies Act, 1913. Subsequently, name of the Transferor Company was changed to "Monsanto Chemicals Of India Limited" on July 1, 1978. With effect from July 21, 2000, the name of the Transferor Company was finally changed to "Monsanto India Limited" and is currently having its Registered Office at Ahura Centre, 5th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra. The Corporate Identity Number (CIN) of the Transferor Company is L74999MH1949PLC007912. The Transferor Company is in the business interalia of production and sale of agricultural inputs, namely, chemicals and hybrid seeds. The equity shares of the Transferor Company are listed on BSE Limited and the National Stock Exchange of India Limited.




2. 'Bayer CropScience Limited' (hereinafter referred to as the "Transferee Company" or "BCSL") was incorporated as "Bayer-Agrochem Private Limited" on September 9, 1958 in the State of Maharashtra as a private limited company under the Companies Act, 1956. Subsequently, name of the Transferee Company was changed to "Bayer (India) Limited" on May 21, 1963. Further, the name of the Transferee Company was changed to "Bayer CropScience Limited" on April 5, 2004. The Transferee Company is currently having its Registered Office at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) 400 607, Maharashtra. The Corporate Identity Number (CIN) of the Transferee Company is L24210MH1958PLC011173. The Transferee Company is in the business interalia of manufacturing, selling, marketing of pesticides and pest control products, distribution of seeds and the provision of services in the field of agriculture. The equity shares of the Transferee Company are listed on BSE Limited and are also permitted to be traded on National Stock Exchange of India Limited.

C) **BACKGROUND AND OVERVIEW OF THE SCHEME**

The global acquisition of Monsanto Company, a company incorporated under the laws of Delaware, United States of America ("Monsanto Co.") by Bayer Aktiengesellschaft, Germany ("Bayer AG" or the "Acquirer") was completed on June 07, 2018 (the "Primary Transaction"). Upon the completion of the Primary Transaction Monsanto Co. became a wholly owned subsidiary of Bayer AG. Prior to the completion of the Primary Transaction, Monsanto Co. directly as well as indirectly held 72.14% voting share capital in MIL. As a consequence of completion of the Primary Transaction on June 07, 2018, the Acquirer indirectly acquired 72.14% of the fully diluted voting rights in MIL, the Transferor Company herein, resulting in change in control of MIL, the Transferor Company herein.

Pursuant to the indirect acquisition of voting rights and control by the Acquirer over MIL as a result of the Primary Transaction, it was mandatory for the Acquirer to make an open offer to the minority shareholders of MIL under the relevant regulations of SEBI (Substantial Acquisition of Shares & Takeover Regulations, 2011) (the "SAST Regulations"). Consequently, the Acquirer and BCSL,



a publicly listed and the Transferee Company herein (as a Person acting in Concert) jointly made an Open Offer (the "Open Offer") to all the public shareholders of MIL to acquire upto 4,488,315 (Four Million, Four Hundred and Eighty Eight Thousand Three Hundred and Fifteen) equity shares representing 26% of the voting share capital of MIL at the price of INR. 2,926.87 per equity share to be paid in cash in accordance with the Regulations. The Open Offer opened on August 24, 2018 and was closed on September 06, 2018. Based on the tender offer submissions by the minority shareholders of MIL, BCSL, the Transferee Company acquired and now holds 7.82% shareholding in MIL, the Transferor Company. Both the Transferor and the Transferee Companies are commonly controlled subsidiaries of Bayer AG, the Acquirer.

D) RATIONALE FOR THE SCHEME

This Scheme provides for the amalgamation of Transferor Company with Transferee Company pursuant to Section 230 to 232 of the Act (defined hereunder) and other applicable provisions of the Act with the view to achieve the following benefits to the stakeholders and the shareholders:

- a. Combined business under "BAYER" brand with complementary agriculture offerings and geographical footprint leading to stronger market presence, to be best suitable for long term growth market like India;
- b. Access to globally combined research and development technology platform for faster and more efficient development of innovative solutions for farmers;
- c. Merger shall result in consolidation of the respective operations served by one platform thereby leveraging the capability of the merged entity;
- d. The Transferor Company and the Transferee Company to operate businesses that complement each other, the combination to result in stronger consolidated revenue and profitability, with diversification in product portfolio thereby reducing business risks for mutual benefit of the shareholders of the Companies;
- e. Ensuring a streamlined group structure by reducing the number of legal entities in the group structure in India, and thereby



eliminating administrative duplications and consequently reducing the administrative costs of maintaining separate companies; and

- f. Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the Companies, thereby contributing to the future growth of the merged entity.
- E) Under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured of the Transferor and/or the Transferee Company. No compromise is offered under this Scheme to any of the creditors of the Transferor and/or the Transferee Company. The liability of the creditors of the Transferor and/or the Transferee Company, under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company in its ordinary course of business.

F) **PARTS OF THIS SCHEME :**

This Scheme is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Company, as applicable and the cancellation of shares of the Transferee Company held in the Transferor Company;
- (iv) **Part IV** deals with the accounting treatment for this Scheme in the books of the Transferee Company;



- (v) **Part V** deals with the conduct of business until this scheme becomes effective and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

PART - I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **"Act" or the "Act"** means the Companies Act, 2013 (including any statutory modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the amalgamation;
- 1.2 **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, circulars, master circulars, ordinances, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;
- 1.3 **"Appointed Date"** means April, 1, 2019 or such other date as may be fixed by the National Company Law Tribunal;
- 1.4 **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India, Regional Director, Official Liquidator, Registrar of Companies and National Company Law Tribunal;



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- 1.5 **"Board of Directors" or "Board"** means the board of directors of the Transferor Company or the Transferee Company, as the context may require, and shall include a committee duly constituted by such board of directors;
- 1.6 **"BSE"** means BSE Limited;
- 1.7 **"Effective Date" or "Coming into effect of this Scheme" or "upon the Scheme becoming effective" or "effectiveness of the Scheme"** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by the Transferor Company and the Transferee Company with the jurisdiction Registrar of Companies and if filed by the Transferor Company and the Transferee Company on different dates, then the later of those dates;
- 1.8 **"IT Act"** means the Income Tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.9 **"IND-AS"** means the accounting standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- 1.10 **"Intellectual Property Rights"** means rights of any patent, plant varieties protection (PVP), copyright, trademark or service mark, trade secret, trade dress and packaging material and styles, logos, colour schemes, product registrations owned by or licensed to the Transferor Company or any other proprietary rights protection legally available under common law or otherwise.
- 1.11 **National Company Law Tribunal" or "Tribunal" or "NCLT"** means the National Company Law Tribunal Bench at Mumbai including National Company Law Appellate Tribunal 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 232 of the Companies Act, 2013;



- 1.12 **"NSE"** means the National Stock Exchange of India Limited;
- 1.13 **"Record Date"** means the date fixed by the Board of Directors or a committee duly constituted by the Board, if any, of the Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom new equity shares will be allotted by the Transferee Company according to the Share Exchange Ratio determined by the Independent Valuers pursuant to Clause 5 of the Scheme;
- 1.14 **"Registrar of Companies"** means the Registrar of Companies, Maharashtra at Mumbai;
- 1.15 **"Scheme" or "the Scheme" or "this Scheme"** means the Scheme of Amalgamation in its present form or with any modification(s) and amendments made under Clause 20 of this Scheme as approved or directed by the NCLT;
- 1.16 **"SEBI"** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.17 **"SEBI Circular"** means the circular issued by the SEBI, being Circular Ref. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.18 **"SGST, CGST and IGST"** means the State Goods and Services Tax, the Central Goods and Services Tax and Integrated Goods and Services Tax;
- 1.19 **"Share Exchange Ratio"** means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 5;



- 1.20 "Stock Exchanges" collectively means BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE');
- 1.21 "Tax(es)" means the advance tax, the tax deducted at source, deferred tax payment, the income tax under IT Act (including Minimum Alternate Tax) and any such direct taxes or indirect taxes such as Sales tax, excise duty, entry tax, custom duty, service tax, luxury tax, VAT, SGST, CGST, IGST and such indirect tax as may be applicable to the Transferor and Transferee Companies;
- 1.22 "Transferor Company" or "MIL" means 'Monsanto India Limited', a company incorporated under the Companies Act, 1956, having Corporate Identity Number: L74999MH1949PLC007912, and having its Registered Office at Ahura Centre, 5th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra.
- 1.23 "Transferee Company" or "BCSL" means 'Bayer CropScience Limited', a company incorporated under the Companies Act, 1956, having Corporate Identity Number: L24210MH1958PLC011173, and having its Registered Office at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) 400 607, Maharashtra.
- 1.24 "Undertaking" means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):
- I. All the assets, investments, properties, rights, titles and benefits, whether movable or immovable properties, both on freehold basis and leasehold basis, including but not limited to real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, provisions, funds, statutory licenses, registrations, approvals, consents, permissions, sanctions, grants, subsidy(ies), permits, no-objections, authorizations, benefits, incentives, tax credits, tax refunds and all other interest, rights,



titles, liberties, claims, actionable claims, insurance claims, insurance policies, authorities, allotments and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, all intangible assets, goodwill (recognised or otherwise) and Intellectual Property Rights of any kind and nature, copyrights, trademarks, trade names, brand names, patents, patent rights, logos, designs, domain names, technical knowhow, formulations, molecules, germplasm, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephone, telex, facsimile, internet and other communication facilities, connections, installations and equipments, utilities, electricity, electronic and all other services of every kind, nature and description whatsoever, tenancy rights, premises, hire purchase and lease arrangements, lending arrangements, all plant and machinery and office equipment, contracts, engagements, arrangements, powers, authorities, permits, benefit and advantage, deposits, advances, receivables, dues, funds, cash, bank balances, accounts (including demat accounts with depository participants) and all other rights, benefits of all agreements, assets held in trust, subsidies, grants, tax credits [including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, minimum alternate tax, taxes deducted at source, etc., Goods and Service Tax (GST) credit], GST (TDS), advance licenses, whether in physical, electronic form in connection/relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted or to be granted in favour of or enjoyed by the Transferor Company;

- II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;



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- III. All 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 business activities and operations of the Transferor Company;
- IV. All permanent employees engaged by the Transferor Company as on the Effective Date;
- V. All agreements, contract, memoranda of understanding, approval, authorisation, concession consents, engagements, arrangements, securities arrangements (to the extent provided herein), authorities, allotments, quotas, rights, entitlements, export/import incentives and benefits including license, advance licenses, MEIS (Merchandise Exports from India Scheme), all kinds of duty drawbacks, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits / privileges, guarantees, reversions, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, of the Transferor Company, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and benefits including but not limiting to all other interests in connection with or relating thereto;
- VI. All brand names, trademarks, trade names, patents and domain names, whether owned and/or licensed; applications and authorizations of products, including without limiting hybrids, varieties, germplasm, herbicides, with governmental authorities in any jurisdiction, filings, dossiers copyrights, industrial designs, trade secrets, know-how; ongoing research projects, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures,



product registrations, trials and other data, applications and authorizations, recognition and other intellectual property (in India or outside India) and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;

VII. All Intellectual Property Rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;

VIII. All benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including SGST, CGST and IGST credits, GST (TDS) refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax, MEIS, entry tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, MAT Credit (Minimum Alternate Tax credit), deductions, exemptions and benefits under the IT Act, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, and other applicable laws, rules, regulations, bye-laws or under the Act as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1 The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2018 is as under:



Particulars	Amount in INR
Authorised Capital	
20,000,000 Equity Shares of INR.10/- each	200,000,000
TOTAL	200,000,000
Issued, Subscribed and Paid-up Capital	
17,262,748 Equity Shares of INR.10/- each, fully paid up	172,627,480
300* Equity Shares of INR.10/- each, fully paid up	3,000
TOTAL	172,630,480

* The Transferor Company has not allotted a total of 300 Equity Shares, which are part of its total issued and subscribed equity share capital without voting rights attached to it. These 300 Equity Shares are a subject matter of pending disputes /court proceedings between the concerned shareholders. Pursuant to this Scheme being sanctioned by the Tribunal, the Transferee Company shall abide by the court orders when passed in so far as the allotment of shares is concerned subject to Applicable Law.

Subsequent to March 31, 2018 and until the date of the Scheme being approved by the Board of Directors, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company. The shares of the Transferor Company are listed on the Stock Exchanges.

2.2 The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2018 is as under:

Particulars	Amount in INR
Authorised Capital	
46,300,000 Equity Shares of INR.10/- each	463,000,000
TOTAL	463,000,000



<u>Issued, Subscribed and Paid-up Capital</u>	
34,333,593 Equity Shares of INR.10/- each fully paid up	343,335,930
TOTAL	343,335,930

Subsequent to March 31, 2018 and until the date of the Scheme being approved by the Board of Directors, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company. The shares of the Transferee Company are listed on BSE and permitted to trade on NSE.

3. DATE OF TAKING EFFECT

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 NCLT or any other statutory authority, or made as per Clause 20 of this Scheme, shall become effective from the Appointed Date, but shall become operative from the Effective Date.

PART II
MERGER OF THE TRANSFEROR COMPANY
WITH THE TRANSFEREE COMPANY

4. VESTING OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANY

4.1 With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company as a going concern, along with all debts, liabilities and obligations (including obligations to hold assets in trust) of every kind, nature and description of, the Transferor Company, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to become as from the Appointed Date the undertaking of the Transferee Company and to vest in the Transferee



Company with all the rights, title, interest or obligations, of the Transferor Company therein. In so far as various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person or enjoyed or availed by the Transferor Company shall vest with and be available with the Transferee Company on the same terms and conditions.

- 4.2 Without prejudice to the generality of Clause 4.1 above, all the assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to be and shall under the provisions of Section 230 to 232 and all other applicable provisions, if any of the Act, without any further act, instruments or deed, be and stand transferred to and vested in an be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Section 230 to 232 of the Act.
- 4.3 Without prejudice to the generality of Clause 4.1 above, it is expressly provided that such of the assets of the Transferor Company that are tangible and movable including cash in hand, etc., shall with effect from the Appointed Date and subject to the provisions of this Scheme, be transferred by physical or constructive delivery and/or endorsement and delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company upon such delivery.
- 4.4 Without prejudice to the generality of Clause 4.1 above, movable assets, other than those specified in Clause 4.3 above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits of the Transferor Company shall with effect from the Appointed Date and subject to provisions of this Scheme, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors and the debtors shall be obliged to make payment to the Transferee Company. The Transferee Company may, if required,



give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Company.

- 4.5 All lease and licence agreements, if any, entered into by the Transferor Company with landlords, owners and lessors in connection with the use of the assets of the Undertaking of the Transferor Company, together with security deposit, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company.
- 4.6 All immovable properties of the Transferor Company, if any, including land together with the building and structures standing thereon and rights and interest in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee company on the same terms and conditions, subject to the applicable law, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent, taxes and fulfil all obligation in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall upon this Scheme becoming effective be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by



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the Tribunal and upon the coming into effect of this Scheme in accordance with the terms thereof.

- 4.7 Until the owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Company under the relevant agreement, deed lease and/or licence, as the case may be and Transferee Company shall keep a record and account of such transactions.
- 4.8 For purposes of taking on record the name of the Transferee Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Boards of Directors of the Transferor Company and the Transferee Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license (as the case may be) by the Transferor Company in favour of the Transferee Company.
- 4.9 It is further clarified that if the terms of any assets (tangible or intangible), owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights of the Transferor Company are such that they cannot be transferred or assigned or endorsed in the name of the Transferee Company and / or any of the concerned authorities specifically direct the Transferee Company to make a fresh application, in such scenario, the Transferee Company shall comply with the necessary directions including but not limited to making a fresh application or such other application as may be directed by the concerned authority for the desired transfer of the assets (tangible or intangible), owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights in the name of the Transferee Company. If any of assets (tangible or intangible), owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights are



not transferred in the name of Transferee Company due to any reason whatsoever the Board of Directors, officers or any of the employees of the Transferor Company shall not be held liable for any act, matter, deed or thing arising therefrom.

4.10 All the assets, investments including investments in shares and any other securities, actionable claims, and properties which are acquired by the Transferor Company on or after the Appointed Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Sections 230 to 232 and all other applicable provisions if any of the Act, without any further act or execution of any instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.

4.11 With effect from the Appointed Date, any statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of the Transferor Company 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 concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions registrations or other licenses and consents shall vest in and shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme. If the terms of the statutory licenses, permissions, approvals, quotas or consents of the Transferor Company are such that they cannot be transferred or assigned or endorsed in the name of the Transferee Company and / or any of the concerned authorities specifically direct the Transferee Company to make a fresh application, in such scenario, the Transferee Company shall comply with the necessary directions including but not limited to making a fresh application or such other application as may be directed by the concerned authority for the desired transfer of the licenses, permissions, approvals, quotas,



consents in the name of the Transferee Company and pending the requisite fresh permissions, approvals, consents etc., the Transferee Company shall, to the extent permissible under law, be allowed to continue to use the existing approvals, consents, permissions etc. issued in the name of Transferor Company. If the licenses, permissions, approvals, quotas, consents are not transferred in the name of Transferee Company and the licenses, permissions, approvals, quotas, consents of the Transferor Company are continued to be used due to any reason whatsoever, the Board of Directors, officers or employees of the Transferor Company shall not be held liable for any act, matter, deed or thing arising therefrom.

4.12 Since each of the permissions, approvals, consents, sanctions, remissions, rights, incentives, concession and other authorizations of MIL shall stand transferred by the order of the NCLT to BSCL, BSCL shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning authorities.

4.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have 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 in so far as may be necessary including for presentation and disposition of cheques, and pay orders that have been issued in the name of the Transferor Company. Upon the Scheme being sanctioned and taking effect, the Transferee Company shall be entitled to maintain and operate all bank accounts and demat accounts related to the Transferor Company and all cheques, letters of credit and other negotiable instruments, drafts, payment orders, instrument slips, direct and indirect tax balance and/or payment advice of any kind or description issued in favour of the Transferor Company, either before or Appointed Date, or in future, may be deposited with the bank/depositary participant to the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee



Company and the same shall be accepted by bankers of and credited to the account of Transferee Company. The bankers of Transferee Company should honour cheques issued by the Transferor Company for payment after the Effective Date. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, pay orders, received or presentation for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme.

4.14 With effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations (including obligations to hold assets in trust) of every kind, nature and description of the Transferor Company, shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Scheme becoming effective shall, without any further act, deed, matter or thing be and stand transferred to the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, subject to applicable law and shall become the liabilities and obligations of the Transferee Company which undertakes to meet, discharge and satisfy the same 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 and obligations have arisen in order to give effect to the provisions of this Clause. It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Transferee Company as part of this Scheme is modified by virtue of the Scheme.

4.15 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company has been discharged by the Transferor Company, after the Appointed Date, such discharge shall be deemed to have been for, on behalf of and on account of the Transferee Company.



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4.16 Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all such instruments or documents or do all the acts, deeds and things as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

4.17 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any land, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date.

4.18 Without prejudice to the provisions of Clauses 4.1 to 4.12, with effect from the Appointed Date, all inter-se transactions between the Transferor Company and the Transferee Company shall be considered as intra-se transactions for all purposes. Further, it is clarified that any taxes in the form of income-tax, tax deduction at source, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions, shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise its return to give effect to the same, wherever applicable.

4.19 Without prejudice to the generality of the applicable provisions of the Scheme, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including



withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds of any excess tax paid arising out of amalgamation or otherwise, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses, etc., pursuant to the provisions of this Scheme.

- 4.20 All the acts done by the Transferor Company after the Appointed Date shall be done in trust for and on behalf of the Transferee Company.
- 4.21 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deed or writing shall stand modified and/or superseded by the foregoing provisions.

PART III

5. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 5.1 Upon the coming into effect of this Scheme and its consideration thereof, the Transferee Company shall without any further application, act or deed, issue and allot ('Share Exchange Ratio');

"2 (Two) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 3 (Three) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date. No allotment of any shares to the Transferee Company shall be made against those 7.82% of the total equity shares held by it in the Transferor Company. The equity shares so held by the Transferee Company shall stand cancelled and be extinguished in terms of Clause 6.1 of this Scheme as hereinafter provided."



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- 5.2 If necessary, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase its authorised share capital by such amount as it stands to the credit of the Transferor Company by creation of at least such number of equity shares as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 5.3 Where new equity shares are to be allotted to the heirs, executors or administrators or, as the case may be, to the successors and deceased shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of Transferee Company.
- 5.4 The equity shares so allotted by the Transferee Company to the shareholders of the Transferor Company will in all respect rank *pari passu* with the existing equity shares of the Transferee Company for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to dividend declared by the Transferee Company before the Effective Date.
- 5.5 Upon the coming into effect of this Scheme, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company whose names shall appear on the register of members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and shall be of no effect from such issue and allotment.
- 5.6 For the purpose of the clause 5.1 above, (a) no fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, and all such fractional entitlements shall be allotted to any of the director or officer of the Transferee Company as a trustee(s) for sale at the prevailing market price and



- the entire net proceeds subject to taxes shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements and (b) joint shareholders shall be treated as a single shareholder.
- 5.7 The new equity shares of the Transferee Company issued in terms of Clause 5.1 of this Scheme will be listed and/or admitted to trading on the Stock Exchanges where the shares of the Transferee Company are listed and/or permitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange.
- 5.8 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Transferee Company or a Committee thereof, the new equity shares issued to the shareholders of the Transferor Company by the Transferee Company shall be issued in dematerialised form by the Transferee Company, provided that details of the depository accounts of the shareholders of the Transferor Company are made available to the Transferee Company by the Transferor Company at least 10 (ten) working days prior to the Effective Date. In the event such details are not available with the Transferee Company, it shall issue the new equity shares to the shareholders of the Transferor Company in physical form. The new equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing /trading are provided by the relevant stock exchange.
- 5.9 The issue and allotment of the equity shares as provided under this Scheme, is an integral part and therefore, shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under section 62 of the Act any other applicable provisions of the Act, as may be applicable, and such other statues and regulations as may be applicable were duly complied with except for making necessary filings under the Act to effectuate such issuance.

6. **CANCELLATION OF SHARES**

- 6.1. Upon the Scheme being effective, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, 1,350,000 equity shares held by the Transferee Company i.e. approximately 7.82% of the total equity shares of the Transferor Company, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Transferee Company shall be made against those 7.82% of the total equity shares of the Transferor Company.
- 6.2. The Transferor Company shall ensure that the 'Minimum Public Shareholding' under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'LODR') and applicable circulars thereunder, is maintained. The Transferor Company may apply, if and to the extent required, to the SEBI for seeking relaxation of the requirement of maintaining the 'Minimum Public Shareholding' under Regulation framed by the SEBI including requirements mandated under rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 38 of the LODR.

7. **CONSOLIDATION OF AUTHORISED CAPITAL**

- 7.1. Upon the effectiveness of this Scheme, the authorised share capital of the Transferor Company shall be merged with that of the Transferee Company. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 7.2. Consequently, Clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13, 230 to 232 of the Act and other applicable provisions of the Act, as set out below:

"The Authorised Share Capital of the Company is INR. 66,30,00,000 (Rupees Sixty Six Crores Thirty Lakhs only) consisting of



6,63,00,000 (Six Crores Sixty Three Lakhs) equity shares of INR.10/- (Rupee Ten Only) each.

Further, Article 4 of the Articles of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 14, 230 to 232 and other applicable provisions of the Act, as set out below:

"The Authorised Share Capital of the Company is INR. 66,30,00,000 (Rupees Sixty Six Crores Thirty Lakhs only) consisting of 6,63,00,000 (Six Crores Sixty Three Lakhs) equity shares of INR.10/- (Rupee Ten Only) each.

- 7.3 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for effecting the consequential alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 16, 61, 62 and 64 of the Act and other applicable provisions of the Act. In accordance with Section 232 (3) (i) of the Act, the stamp duties and fees (including registration fees) paid on the authorised share capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of Transferee Company and there would be no further requirement for any payment of stamp duty and/or fee by the Transferee Company for the increase in the authorised capital to that extent.

PART IV

8. ACCOUNTING TREATMENT

- 8.1 Upon the Scheme becoming effective the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix-C of IND-AS 103 (Business Combinations of entities under common control) as under:



- 8.1.1 All the assets, and liabilities in the books of the Transferor Company shall be recorded by the Transferee Company in its books of accounts at their respective carrying amounts as appearing in the books of the Transferor Company. No adjustment shall be made to reflect fair values, or recognise any new assets or liabilities.
- 8.1.2 The identity of reserves shall be preserved and shall appear in the financial statements of the Transferee Company, in the same form, in which they appeared in the financial statements of the Transferor Company.
- 8.1.3 The carrying amount of investments in the equity shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled pursuant to Clause 6.1 of this Scheme and there shall be no further obligation in that behalf.
- 8.1.4 The excess of (a) the face value of the new shares issued and allotted plus any additional consideration in the form of cash pursuant to Clause 5.1; and (b) the carrying amount of investments cancelled pursuant to Clause 8.1.3 over the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 8.1.1 shall be transferred to Revenue Reserves (General Reserve and/ or Retained earnings).
- 8.1.5 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Company and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
- 8.2 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same will be quantified and adjusted in the Revenue Reserves (General Reserve and/ or Retained earnings) of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.
- 8.3 On the Scheme becoming effective, the financial statements of the Transferee Company (including comparative period presented in the



financial statements of Transferee Company, if required) shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period; whichever is later.

PART V
GENERAL TERMS AND CONDITIONS

9. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE

9.1 With effect from the Appointed Date and up to the Scheme becoming effective and unless otherwise approved by the Transferee Company:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on its business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
- (c) The Transferor Company shall carry on its business and activities with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with applicable law, and shall not, without the prior consent in writing of the Transferee Company, alter or diversify their respective businesses nor venture into any new business, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.

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- (d) The Transferor Company shall not vary the terms and conditions of employment of any of the employees except, consistent with past practice, in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.
- (e) All Taxes (including, without limitation, income tax, minimum alternate tax, tax deducted at source, sales tax, goods and service tax, excise duty, customs duty, service tax, VAT, entry tax etc.) paid or payable by the Transferor Company in respect of the operation and/or the profits of the Undertaking of the Transferor Company 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, minimum alternate tax, tax deducted at source, sales tax, goods and service tax, excise duty, customs duty, service tax, VAT, entry tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Undertaking of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceeding, be dealt with accordingly.

9.2 The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

10. STAFF, WORKMEN & EMPLOYEES

10.1 All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Scheme becoming effective shall, on and from the date Scheme becoming effective, become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of



the transfer and on terms and conditions not less favourable (on the overall basis) than those on which they are engaged by the Transferor Company immediately preceding Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

- 10.2 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees so transferred for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.



11. LEGAL PROCEEDINGS

11.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising on or after the Appointed Date and relating to the Transferor Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company if this Scheme had not been made.

11.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 11.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against the Transferee Company to the same extent as would or might have been continued and enforced by or against the Transferor Company to the exclusion of the Transferor Company.

12. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

12.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Company, shall continue in full force and effect against or in favour of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

12.2 With effect from the Appointed Date, any transferable statutory licenses, no-objection certificates, permissions, approvals or consents required to carry on operations of the Transferor Company shall stand vested in the Transferee Company without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of undertakings of the Transferor Company



pursuant to the Scheme. The benefit of all transferable statutory and regulatory permissions, 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 pursuant to the Scheme.

- 12.3 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under 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 a 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 authorized to execute any such writings on behalf 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.

13. ASSIGNMENT OF ALL INTELLECTUAL PROPERTY RIGHTS

On and with effect from the Appointed date, the Transferor Company hereby assigns and shall be deemed to have assigned to the Transferee Company, without any further act, deed, document, or consideration and free and clear of any lien or encumbrance, the Transferor Company's entire right, title and interest (within India and all foreign jurisdictions) to any and all Intellectual Property Rights including works of authorship, created, conceived, developed or reduced to practice by the Transferor Company (alone or with others) which (i) are related to the Transferor Company's current or anticipated business, activities, products, or services, (ii) result from any work performed by Transferor Company, or (iii) are created, conceived, developed or reduced to practice with the use of Transferor Company's property, including any and all Intellectual Property Rights therein ("Work Product"). Any Work Product which falls within the definition of work made for hire shall be considered a work made for hire, the copyright in which vests initially and exclusively in the Transferor Company. The Transferor Company



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waives any rights to be attributed as the author of any Work Product and any droit morale (moral rights) in Work Product.

14. **TAX**

The amalgamation of the Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Sections 2(1B), 47, 72A and 79 and any other application provisions of the IT Act.

14.1 Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company, including any refunds, claims or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, dividend distribution tax, CENVAT credit, goods and services tax credits, GST (TDS) other indirect tax credits and other tax receivables) shall be treated as the tax liability, refunds, claims, or credits, as the case may be, of the Transferee Company, and any tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reductions, which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.

14.2 The provisions of this Scheme as they relate to the amalgamation of the Transferor Company into the Transferee Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act or any other Sections of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the IT Act, shall prevail and the provisions of this Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme.



14.3 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Goods and Services Tax Act, 2017, any other Tax laws, service tax, luxury tax, entry tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

14.4 All Taxes (including income tax, tax deducted at source, minimum alternate tax, dividend distribution tax, wealth tax, sales tax, customs duty, SGST, CGST and IGST, entry tax, luxury tax etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, customs duty, SGST, CGST and IGST, entry tax, luxury tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from 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.

14.5 Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

14.6 Upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, CGST returns, SGST returns, IGST returns and to claim refunds / credits, pursuant to the provisions of this Scheme.



- 14.7 Without prejudice to the generality of the above, all benefits including under the income tax (including benefits available to SEZ units u/s 10AA of the IT Act, MAT credit and TDS credit), sales tax, excise duty, entry tax law, customs duty, service tax, luxury tax, VAT, SGST, CGST and IGST etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.
- 14.8 The service tax, VAT under the pre GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and / or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be, service tax, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax, CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for, service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.

15. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4 above and the continuance of legal proceedings by or against the Transferor Company under Clause 11 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or 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 done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

16. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the effectiveness of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company, and that 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 said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17. PROFITS AND DIVIDENDS

17.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Transferor Company and the Transferee Company.

17.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and the Transferee Company as the case may be.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of this Scheme, the Transferor Company shall stand dissolved without winding up and the Board of Directors and any Committee thereof shall ceased to function and shall be discharged from its obligations. Upon such dissolution of the Transferor Company without winding up, no person shall make and /or assert claims, demands or proceed against any director or officer or employee of the Transferor Company, for any acts, deeds and things done or decisions taken by or on behalf of the Transferor Company while carrying out the business and activities of the Transferor Company in ordinary course and, on and after the



Effective Date the Transferee Company shall accept all such acts, deeds and things done or decisions taken by the Transferor Company, as acts, deeds and things done or decisions taken by and on behalf of the Transferee Company. Upon the scheme becoming effective, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies.

19. **APPLICATION TO NCLT**

The Transferor Company and the Transferee Company shall make necessary Applications / Petitions under Sections 230 to 232 of Act and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

20. **MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 20.1 The Transferor Company and the Transferee Company, with approval of their respective Board of Directors and any Committee thereof may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions /deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors and any Committee thereof to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and/or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and/or impose. The aforesaid powers of the Transferor Company and the Transferee Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any Committee or any person authorised in that behalf by the concerned Board of Directors, subject to approval of NCLT or any other authorities under the applicable law.

- 20.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors and any Committee thereof of the Transferee Company or the Transferor may determine and give such directions, including directions for settling any question of doubt or difficulty that may arise and such determination



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or directions, as the case may be, shall be binding on all the parties, in the same manner and as if the same were specifically incorporated in the Scheme.

20.3 If any provision in this Scheme shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention and understanding of the Transferor and the Transferee Companies.

21. CONDITIONALITY OF THE SCHEME

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

- 21.1 The Transferor and the Transferee Companies filing the Scheme approved by their respective Board of Directors with the designated Stock Exchanges fixed by the Board of Directors of the Transferor and Transferee Companies respectively, in terms of the SEBI Circular and receiving a 'no objection' and/or 'observation' letter.
- 21.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors, if required, of the Transferor Company and the Transferee Company, as may be directed by the NCLT or any other appropriate authority as may be applicable.
- 21.3 Approval of the shareholders of Transferor Company and the Transferee Company through e-voting and/or any other mode as may be required under any Applicable Law and the SEBI Circular. 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 Transferor Company and 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 the Securities Contracts (Regulation) Rules, 1957;



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- 21.4 The requisite sanctions and approvals of any Government authority including Stock Exchanges, SEBI, as may be required by law, in respect of the Scheme being obtained;
- 21.5 The sanction of this Scheme by the NCLT under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of the Transferor Company and the Transferee Company; and
- 21.6 Certified or authenticated copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, by the Transferor Company and the Transferee Company.

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

- 22.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/or the Scheme not being sanctioned by NCLT or such other competent authority and/or the order not being passed as aforesaid before December 31, 2019 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 22.2 The Transferor Company and the Transferee Company through their respective Boards, shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.



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22.3 In the event of revocation /withdrawal under Clauses 22.1 and 22.2 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 as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, the Transferor Company and the Transferee Company shall bear its own costs, unless otherwise mutually agreed.

23. **COSTS, CHARGES & EXPENSES**

All costs, duties, levies, charges and expenses payable by the Transferor Company and the Transferee Company in relation to or in connection with this Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by the Transferee Company.

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