

SCHEME OF AMALGAMATION

OF

ACL Mobile Limited....

Transferor Company 1

AND

ACL Technologies Private Limited....

Transferor Company 2

WITH

Sinch Cloud Communications Services India Private Limited....

Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013**

PREAMBLE

This Scheme of Amalgamation (the **Scheme**) is presented under Sections 230 to 232 of the Companies Act, 2013, the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) for the amalgamation of (i) **ACL Mobile Limited**; and (ii) **ACL Technologies Private Limited** with **Sinch Cloud Communication Services India Private Limited** with effect from the Appointed date (*defined hereinafter*) and upon effectiveness of the Scheme on the Effective Date (*defined hereinafter*). In addition, the Scheme also provides for various other matters, consequential or otherwise, integrally connected therewith.

A. Description of the Companies

1. **ACL Mobile Limited**, is a public company incorporated under the Indian Companies Act, 1956 with its registered office at 104-107 Hemkunt Tower 98, Nehru Place, New Delhi 110019, India (**Transferor Company 1/ ACL Mobile**) having CIN: U00000DL2000PLC105516. The Transferor Company 1 is a leading enterprise communications service provider in India. It is engaged in the business of providing communication based solutions to businesses through (i) short messaging services (SMS), including SMS alerts, SMS short codes and long codes; (ii) voice services, including voice alerts and virtual mobile numbers; and (iii) omnichannel market automation platform and services; and (iv) Internet Protocol (**IP**) Based messaging services including WhatsApp for business and SOIP (SMS over IP). The Transferor Company 1 has filed an application for conversion into a private company on 12 February 2021.
2. **ACL Technologies Private Limited**, is a company incorporated under the Indian Companies Act, 1956, with its registered office at 104-107 Hemkunt Tower 98, Nehru Place, New Delhi 110019, India having CIN: U72900DL2000PTC105180 (**Transferor Company 2/ ACL Technologies** and collectively with Transferor Company 1, the **Transferor Companies**). The Transferor Company 2 is a wholly owned subsidiary of Transferor Company 1 (Transferor Company 1 and Transferor Company 2 hereinafter individually referred to as **Transferor Company** and collectively as **Transferor Companies**). The Transferor Company 2 is engaged in providing support services for communication based solution business to Transferor Company 1.
3. **Sinch Cloud Communication Services India Private Limited**, is a company incorporated under the Indian Companies Act, 2013, with its registered office at Private Cabin No TX B001 Basement Bhanti Solitaire Plot No 29, Sector 19D, behind Satra Plaza, Vashi Navi Mumbai, Thane MH 400705, India (**Transferee Company/ Sinch Communications**) having CIN: U74999MH2017FTC294709. The Transferee is a subsidiary of Sinch Mobile AB, which is headquartered in Stockholm, Sweden. Sinch Communications is engaged in the business of providing communication platform services to large enterprises. It is one of the leading platform as a service (**PAAS**) service providers that enable businesses to engage with their customers via numerous communication platforms.

4. The Transferee Company 2 is an indirect/ step-down wholly owned subsidiary of Transferee Company wherein 100% of its share capital is held by Transferor Company 1 which is a direct wholly owned subsidiary of the Transferee Company since 15 December 2020.

B. Description of the Scheme

1. This Scheme (as defined hereunder) provides, *inter alia*, for the amalgamation of the Transferor Companies with the Transferee Company, by way of merger by absorption and dissolution of the Transferor Companies without winding up. The amalgamation of the Transferor Companies into the Transferee Company shall be in full compliance with the conditions relating to “amalgamation” as provided under Section 2(1B) and other related provisions of the Income Tax Act, 1961 such that, *inter alia*:
 - (i) all the properties of the Transferor Companies, immediately before the amalgamation, shall become the properties of the Transferee Company, by virtue of the amalgamation.
 - (ii) all the liabilities of the Transferor Companies, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of the amalgamation.

C. Rationale of the Scheme

The Transferee Company had acquired the shares of the Transferor Company 1 in two main tranches: (i) 80.75% shares on 1 September 2020; and (ii) 13.93% shares on 2 November 2020. Pursuant to a buyback of the balance 5.31% of the shares of the Transferor Company 1 on 15 December 2020, the Transferor Company 1 became a wholly owned subsidiary of the Transferee Company.

The Transferor Company 2 is a wholly owned subsidiary of the Transferor Company 1, which in turn under this Scheme is a wholly owned subsidiary of the Transferee Company. Further, the Transferee Company and the Transferor Companies are engaged in similar businesses. Hence, the boards of directors of the Transferor Companies and the Transferee Company are of the opinion that the Scheme is in their companies’ best interest as well as their respective shareholders, creditors and other stakeholders of the Transferor Companies and the Transferee Company, and will lead to enhanced operational synergies in their business activities. The amalgamation of the Transferor Companies with the Transferee Company would *inter-alia* have the following benefits:

- *The Scheme will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances, reduction of costs and optimal utilization of common resources.*
- *The Scheme will lead to consolidation of business(es) to ensure more focused operational efforts and synergies, efficient functioning, and reduced overhead expenses.*
- *The Scheme will provide for greater integration and financial strength, and will improve the competitive position of the combined entity.*

In view of the above, the Scheme will be beneficial and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Companies and the Transferee Company. The boards of directors of the Transferee and the Transferor Companies have accordingly formulated this Scheme pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013.

D. Parts of the Scheme

The Scheme is divided into following three parts:

1. **Part I** – Definitions, Interpretation and Share Capital;
2. **Part II** – Amalgamation of Transferor Companies with Transferee Company;
3. **Part III** - Dissolution of the Transferor Companies and General Clauses, Terms and Conditions Applicable to the Scheme.

PART I

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the Preamble shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the Preamble), shall have the following meanings:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013 as may be in force at the relevant time and as may be amended, re-enacted and/or substituted from time to time, including any rules, regulations, notifications and guidelines issued thereunder;
- 1.2. **“Amalgamated Undertaking(s)”** means and includes the entire businesses of the Transferor Companies, as a going concern and shall include (without limitation):
 - (i) all assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent, in possession or reversion, of whatsoever nature and wherever situated) of the Transferor Companies, including underlying movable and immovable properties, investments of all kinds, securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, factories) work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;
 - (ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, tax deferrals, tax credits, other claims under tax laws, incentives (including Tax incentives), benefits, tax exemptions, tax refunds (including those pending with any tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever, authorities, consents, deposits, privileges, exemptions available to the Transferor Companies, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;

- (iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements or other instruments (including all such contracts with customers and vendors, tenancies, and other assurances in favour of any of the Transferor Companies or powers or authorities granted by or to any of the Transferor Companies) of whatsoever nature along with any contractual rights and obligations, to which any of the Transferor Companies is a party or to the benefit of which any of the Transferor Companies may be eligible and which are subsisting or having effected immediately before the Appointed Date;
- (iv) all intellectual property rights including patents, patent applications, copyrights, trade and service names, service marks, trademarks, domain names, internet registrations, designs and other intellectual property of any nature whatsoever, goodwill, belonging to or utilized for the business and activities of any of the Transferor Companies;
- (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by any of the Transferor Companies;
- (vi) all devices including but not limited to all terminal and other equipment, hardware, computers, mobile equipment, servers, machinery, and tools belonging to or utilized for the business and activities of any of the Transferor Companies;
- (vii) all present and contingent future liabilities of the Transferor Companies including all debts, loans, (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and
- (viii) all Employees of the Transferor Companies and the employee benefit funds of the Transferor Companies, if any.

It is intended that the definition of Amalgamated Undertaking under this Clause would enable the transfer of all properties, assets, rights, duties and liabilities of each of the Transferor Companies into the Transferee Company pursuant to this Scheme.

- 1.3. “**Applicable Law(s)**” means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, by-law, approval of any Governmental Authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;

- 1.4. **“Appointed Date”** means 1 September, 2020 or such other date as may be approved by the Board of Directors of the Transferor Companies and the Transferee Company or such other date as may be fixed or approved by the Hon’ble National Company Law Tribunal or such other competent authority;
- 1.5. **“Board of Directors”** or **“Board”** in relation to ACL Mobile, ACL Technologies and Sinch Communications, as the case may be, means the respective board of directors of such company, and shall include any committee(s) duly constituted and authorized or individuals authorized for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;
- 1.6. **“Clause”** and **“Sub Clause”** means relevant clauses or sub clauses set out in the Scheme;
- 1.7. **“Effective Date”** means the last of the dates on which all the conditions, matters and filings referred to in Clause 20 hereof have been fulfilled or waived and on which the certified copy or authenticated copy of the order sanctioning this Scheme passed by the Hon’ble NCLT is filed by ACL Mobile, ACL Technologies and Sinch Communications with the ROC. Any references in this Scheme to the “date of coming into effect of this Scheme” or “Effectiveness of the Scheme” or “date of taking effect” shall mean the Effective Date;
- 1.8. **“Employees”** means all the permanent employees of the Transferor Companies who are on their respective pay-rolls as on the Effective Date;
- 1.9. **“Encumbrance”** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge (whether fixed or floating), commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same; a contract to give or refrain from giving any of the foregoing; any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and any adverse claim as to title, possession or use and the term “Encumber” shall be construed accordingly and the term “Encumbered” shall be construed accordingly;
- 1.10. **“Government Authority(ies)”** means (i) the government of India; (ii) any entity, authority or body exercising executive, legislative, judicial, regulatory, or administrative functions or pertaining to government, including any government owned industrial development body, governmental authority, agency, department, board, commission or instrumentality, or any subdivision thereof, any statutory body or commission to the extent that the rules, regulations and standards, requirements, procedures or orders of such entity, authority or body have the force of Applicable Law; (iii) any court, tribunal or judicial body; and (iv) any securities exchange or body or authority regulating such securities exchange;

- 1.11. **“IT Act”** means the Income-Tax Act, 1961 as may be in force at the relevant time and as may be amended and/or substituted from time to time, including any rules, regulations, notifications and guidelines issued thereunder;
- 1.12. **“National Company Law Tribunal” or “NCLT” or “The Tribunal”** means the benches of the Hon'ble National Company Law Tribunal situated at New Delhi and Mumbai or any other relevant bench of the Hon'ble National Company Law Tribunal constituted under Section 408 read with Section 419 of the Act, having jurisdiction over ACL Mobile, ACL Technologies and Sinch Communications to sanction the Scheme;
- 1.13. **“National Company Law Appellate Tribunal” or “NCLAT”** means the principal bench of the Hon'ble National Company Law Appellate Tribunal situated at New Delhi constituted under Section 410 of the Act, having jurisdiction over appeals against the orders of the NCLT.
- 1.14. **“Registrar of Companies” or “ROC”** means ROC Delhi and ROC Mumbai, as applicable;
- 1.15. **“ROC Delhi”** means the Registrar of Companies, Delhi and Haryana;
- 1.16. **“ROC Mumbai”** means the Registrar of Companies, Mumbai, Maharashtra;
- 1.17. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form as submitted to the NCLT with any modification(s) made under Clause 23 of the Scheme as approved or directed by the NCLT or such other competent authority, as may be applicable;
- 1.18. **“Tax” or “Taxes”** means any and all taxes (direct or indirect), surcharges, fees, levies, cess, duties, tariffs, imposts and other charges of any kind in each case in the nature of the foregoing, imposed by any Governmental Authority (whether payable directly or by withholding), including income tax, taxes on windfall or other profits, gross receipts, property, sales, severance or branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, central goods and services tax, state goods and service tax, integrated goods and service tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, securities transaction tax, and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto);
- 1.19. **Interpretation**
- 1.18.1 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 modification or re-enactment thereof for the time being in force.
- 1.18.2 In this Scheme (unless the context otherwise requires):

- (i) a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- (ii) the singular shall include the plural and vice versa, and references to one gender shall include all genders;
- (iii) the headings are inserted for convenience only and shall not affect the construction of this Scheme;
- (iv) the word “including” means “including without limitation” and the words “include” or “includes” have similar meanings;
- (v) references to a person include any individual, firm, body corporate (whether or not incorporated), trust, government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having a separate legal personality);
- (vi) reference to any statute or any statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (after the execution Date) for the time being in force, as well as any subordinate legislation made from time to time under such statute;

2. **Date of Taking Effect and Operative Date**

Each part of the Scheme set out herein in its present form or with any modification(s) or amendment(s) made under Clause 20 of the Scheme shall, unless otherwise specified, be effective from the Appointed Date, but shall be operative from the Effective Date.

Notwithstanding anything to the contrary contained in this Scheme, for the purposes of Section 232(6) of the Act, the Scheme shall be deemed to come into effect from the Appointed Date as defined under clause 1.4 of this Scheme and for which purpose, no other date, but for the Appointed Date, would be relevant.

3. **Share Capital**

- 3.1 The share capital of the Transferor Company 1 as per the unaudited balance sheet as on 30 June 2021 is as under:

Particulars	Amount (INR)
Authorized Capital	
70,00,000 Equity Shares of INR 10/- each	7,00,00,000
Total	7,00,00,000
Issued and Paid-up Capital	
26,72,545 Equity Shares of INR 10/- each, fully paid up	2,67,25,450

Total	2,67,25,450
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Subsequent to 30 June 2021, there has been no change in the share capital of Transferor Company 1.

There are no existing commitments, obligations or arrangements by the Transferor Company 1 as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

The equity shares of the Transferor Company 1 are not listed on any stock exchanges in India. The entire issued and paid up capital of the Transferor Company 1 is held by the Transferee Company and its nominee shareholder.

- 3.2 The share capital of Transferor Company 2 as per the unaudited balance sheet as on 30 June 2021 is as under:

Particulars	Amount (INR)
Authorized Capital	
5,00,000 Equity Shares of INR 10/- each	50,00,000
Total	50,00,000
Issued and Paid-up Capital	
10,070 Equity Shares of INR 10/- each, fully paid up	1,00,700
Total	1,00,700

Subsequent to 30 June 2021, there has been no change in the share capital of Transferor Company 2.

There are no existing commitments, obligations or arrangements by the Transferor Company 2 as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

The equity shares of the Transferor Company 2 are not listed on any stock exchanges in India. The entire issued and paid up capital of the Transferor Company 2 is held by the Transferor Company 1 and its nominee shareholder.

- 3.3 The share capital of Transferee Company as per the unaudited balance sheet as on 30 June 2021 is as under:

Particulars	Amount (INR)
Authorized Capital	
15,90,00,000 Equity Shares of INR 10/- each	1,59,00,00,000

Total	1,59,00,00,000
Issued and Paid-up Capital	
10,60,10,000 Equity Shares of INR 10/- each, fully paid up	1,06,01,00,000
Total	1,06,01,00,000

Subsequent to 30 June 2021, there has been no change in the share capital of Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities. The equity shares of the Transferee Company are not listed on any of the stock exchanges in India.

4. MAIN OBJECTS

4.1 The Main Objects of the Transferor Company 1 as on the date of filing of this Scheme are *inter alia*, as follows:

- (i) To conceive, develop and design website, hosting, maintenance and domains and web servers, develop web application software, creation and administration of e-commerce sites and providing consultancy on web related business.
- (ii) To conceive, design, develop, sell and trade clients and server software solutions for internet , financial, banking, mutual fund, general administration, process simulation and any other custom and software.
- (iii) To conceive, design, develop, sell and trade system software including operating systems compiles and interpreters.
- (iv) To carry on the business of consultants, agents, sub-agents, liaison, agent/ liaison sub-agents for India and foreign clients/ principals for the above mentioned activities.

4.2 The Main Objects of the Transferor Company 2 as on the date of filing of this Scheme are *inter alia* as follows:

- (i) To conceive, develop and design website, hosting, maintenance and domains and web servers, develop web application software, creation and administration of e-commerce sites and providing consultancy on web related business.
- (ii) To conceive, design, develop, sell and trade system software including operating systems compiles and interpreters.
- (iii) To conceive, design, develop, sell and trade clients and server software solutions for internet , financial, banking, mutual fund, general administration, process simulation and any other custom and software.

- (v) To carry on the business of consultants, agents, sub-agents, liaison, agent/ liaison sub-agents for India and foreign clients/ principals for the above mentioned activities.
 - (vi) To provide Messaging products and services and Value Added services for various communication media like GSM, CDMA & TDMA telecom networks, Wi-Fi Network, Wide Area Networks & Local Area Network etc. by entering into partnerships with various infrastructure & and service providers.
- 4.3 The Main Objects of the Transferee Company as on the date of filing of this Scheme are *inter alia*, as follows:
- (i) To carry on the business in India or outside India of providing services of cloud communication, internet based voice calls, data communication, internet business phone system, voice services and private branch exchange.
 - (ii) To do all any of the act or things as mentioned in the main object either as principals, contractors or otherwise and either alone or in conjunction with others.

PART II

AMALGAMATION OF TRANSFEROR COMPANIES WITH TRANSFEE COMPANY

SECTION 1- TRANSFER AND VESTING

5. Upon the Scheme coming into effect, and with effect from the Appointed Date, the entire Amalgamated Undertaking of the Transferor Companies shall stand vested in the Transferee Company, as a going concern, so as to become the undertaking of the Transferee Company, without the requirement for any further act, instrument, deed, matter or thing.
6. **Vesting of Assets**
- (a) Without prejudice to the generality of Clause 5 above, upon the Scheme becoming effective and with effect from the Appointed Date, all the estate, tangible and intangible assets (including but not limited to brands, trademarks, patents designs, copyrights), properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Amalgamated Undertaking of whatsoever nature and where so ever situate shall, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act or deed, stand transferred to and vested in the Transferee Company.
 - (b) Without limitation, upon the Scheme becoming effective and with effect from the Appointed Date, all the immovable properties (whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto), together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies including floor space index, transferable development rights shall, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act, instrument or deed, stand transferred to and be vested in the Transferee Company, as a

going concern. Without prejudice to the aforesaid, the Transferee Company shall be entitled to and exercise all rights and privileges attached to the immovable properties and shall be liable to pay ground rent, Taxes and to fulfill all obligations in relation to or applicable to such immovable properties. The Transferee Company shall under the provisions of this Scheme be deemed to be authorized to execute, if required, such instruments, deeds and writing on behalf of the Transferor Companies and to implement or carry out all such procedures or compliances to give effect to the provisions of this Scheme. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate Government Authorities upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Companies shall be deemed to be the title of the Transferee Company. It is clarified for the removal of doubt that the Transferee Company shall be entitled to execute such deeds, agreements, conveyance and/or documents as may be required to ensure mutation of the title to the immovable properties in favour of the Transferee Company by the appropriate Government Authorities upon the Scheme becoming effective.

- (c) Without prejudice to the provisions of Clause 6(a) and 6(b) above, upon the Scheme becoming effective, all movable property or incorporeal property or property otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery shall, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act, deed or notified or instrument of conveyance, stand transferred to and vested in the Transferee Company.
- (d) In respect of such of the assets and properties belonging to the Transferor Companies (other than those referred to in Clause (a), (b) and (c) above) including sundry debtors, receivables, refunds, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act, deed or notified or instrument of conveyance, stand transferred to and vested in the Transferee Company.
- (e) All other assets, rights, title, interest, investments and properties of the Transferor Companies as on the Appointed Date, whether or not included in their respective books, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act, deed or notified or instrument of conveyance, stand transferred to and vested in the Transferee Company.
- (f) All the profits or Taxes (including advance tax, tax deducted at source, foreign tax credits and minimum alternative tax credit entitlement (**MAT Credit**), tax losses, unabsorbed depreciation, indirect tax credits or refunds due, existing or future incentives, un-availed credits and exemptions, Goods and Services Tax (**GST**) set off or any costs, charges, expenditure accruing to the Transferor Companies or expenditure or losses arising or

incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, Taxes (indirect tax credits or refunds due, GST set off, or any costs, charges, expenditure or losses of Transferee Company, as the case may be upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

- (g) Upon the Scheme becoming effective and with effect from the Appointed Date, all the profits and income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred (including the effect of Taxes, if any, thereon) by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or expenditure or losses of taxes of the Transferee Company, as the case may be. It is clarified that all assets and receivables, whether contingent or otherwise, of the Transferor Companies as on the Appointed Date, whether provided for or not, in their books of account and all other assets or receivables which may accrue or arise on or after the Appointed Date shall be deemed to be the assets and receivables or otherwise, as the case may be of the Transferee Company.
- (h) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, Tax deferrals, exemptions, goodwill and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges (including Tax benefits and exemptions) enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on, before or after the Appointed Date, (whether recorded in books of accounts or not), including Tax benefits, Tax refunds and exemptions, shall, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act, deed or notified or instrument of conveyance stand transferred to and vested in the Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Government Authorities as may be necessary in this regard.

7. **Bank Accounts**

- (a) 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 Companies, have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in their respective names in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of any of Transferor Companies, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. To the extent such collection is made in the name of any of the Transferor Companies, it shall also without any further act or

deed be and stand transferred to the Transferee Company. It is hereby expressly clarified that any legal proceedings by or against any of the Transferor Companies, in relation to the cheques or other negotiable instruments, payment orders received, or as the case may be, continued by or against the Transferee Company after the coming into effect of this Scheme.

8. Contracts, Deeds, etc.

- (a) Upon the coming into effect of this Scheme with effect from Appointed Date, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of intent, undertaking, policies including licenses, lease arrangements/ agreements and other instruments of whatsoever nature, to which any of the Transferor Companies is a party or to the benefit of which any of the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the concerned Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Amalgamated Undertaking occurs by virtue of this Scheme itself, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Companies to be carried out or performed.
- (c) Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date, all certificates, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- (d) Upon the Scheme becoming effective and with effect from the Appointed Date, all insurance policies, if any, registered in the name of the Transferor Companies shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Section 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or deemed to have been transferred to and vested in and be available to the benefit of the Transferee

Company and accordingly, all insurance providers shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Companies.

- (e) It is hereby clarified that all transactions during the period between the Appointed Date and the Effective Date would be duly reflected in the financial statements of Transferee Company, upon the coming into effect of this Scheme.

9. **Transfer and Vesting of Liabilities**

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and liabilities of the Transferor Companies including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Companies of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the “**Liabilities**”) shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the concerned Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 9, unless otherwise specifically required.
- (b) Where any such debts, liabilities, duties and obligations of any of the Transferor Companies as on the Appointed Date have been discharged by the concerned Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- (c) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by any of the Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws, if any, and without any further act, deed or notified or instrument of conveyance stand transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between any of the Transferor Companies and the Transferee Company or between the Transferor Companies inter se, shall stand discharged

and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations amongst the Transferor Companies and the Transferee Company with effect from the Appointed Date.

- (e) Upon the Scheme becoming effective, the secured creditors of each of Transferor Companies shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the concerned Transferor Company (to whom such creditors had advanced the facilities), as existing immediately prior to the amalgamation of Transferor Companies with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Companies with the Transferee Company, the secured creditors of the Transferor Companies shall not be entitled to any further security over the properties, assets, rights, benefits and interest of the Transferee Company, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in the future in relation to any new indebtedness that may be incurred by the Transferee Company after the sanction of the Scheme. For this purpose, no further consent from the existing secured creditors shall be required and sanction of the Scheme shall be considered as a specific consent towards the same.
- (f) The present Scheme is not a Scheme of compromise or arrangement with the creditors of either the Transferor Companies or the Transferee Company and the Scheme will not affect the rights of the creditors as all the creditors will be paid in full as and when their respective amounts fall due in the usual course of business by the Transferee Company in full.

10. **Encumbrances**

- (a) The transfer and vesting of the assets comprised in the Amalgamated Undertaking to the Transferee Company under Clause 5, Clause 6, Clause 7 and Clause 8 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Companies have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (c) Any reference in any security documents or arrangements (to which any of the Transferor Companies is a party) to the Transferor Companies and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme and shall not extend to any of the assets or to any of the other units or

divisions of the Transferee Company unless otherwise expressly provided. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, 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.

- (d) Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (e) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- (f) Subject to necessary consents being obtained, if required, the provisions of this Clause 10 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, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

11. **Employees of Transferor Companies**

- (a) Upon this Scheme becoming effective, all staff, executives, workmen and other employees of the Transferor Companies (collectively referred to as “**Employees**”) as on the Effective Date, shall be deemed to have become Employees of the Transferee Company without interruption of service or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company and on the basis of continuity of service with reference to the Transferor Companies from the Appointed Date or their respective joining date, whichever is later on the same terms and conditions and shall not be less favorable than those on which they are engaged by the concerned Transferor Company. The services of such Employees with the Transferor Companies up to the Effective Date shall be taken into account for the purpose of all benefits to which the Employees may be eligible under the Applicable Laws. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past service of such Employees with the Transferor Companies and such benefits to which the Employees are entitled in the concerned Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (b) Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Employees, if any, made by any of the Transferor Companies from the Appointed Date to the Effective Date, shall be deemed to be made by Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.
- (c) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall be

entitled to the employment policies and shall be entitled to avail of any schemes and benefits (including employee stock options, if any) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company from the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into or deemed to have been entered into by the Transferor Companies with their respective employees.

- (d) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Companies for their respective Employees or to which any of the Transferor Companies is contributing for the benefit of its Employees (collectively referred to as the “**Funds**”) are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. If the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant Funds of the Transferor Companies.
- (e) In relation to those Employees for whom the Transferor Companies are making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the concerned Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the concerned Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

12. **Legal, Taxation and other Proceedings**

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

- (c) In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against any of the Transferor Companies, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.
- (d) Without prejudice to the provisions of Clauses 5 to 12 , with effect from the Appointed Date, all inter-party transactions between any of the Transferor Companies and the Transferee Company or between the Transferor Companies inter se shall be considered as intra-party transactions for all purposes from the Appointed Date.

SECTION 2 - CONDUCT OF BUSINESS

13. From the Appointed Date until the Effective Date:

- (a) the Transferor Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all their estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- (b) the Transferor Companies shall carry on their business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of their assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
- (c) all profits and income accruing or arising to the Transferor Companies, and losses and expenditure arising or incurred by them (including Taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including Taxes), as the case may be, of the Transferee Company;
- (d) any of the rights, powers, authorities or privileges exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- (e) all Taxes paid or payable by the Transferor Companies in respect of the operations and/or the profits of the Transferor Companies before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the Tax payment (including, without limitation, income tax, central goods and service tax, state goods and service tax of respective states, integrated goods and service tax, sales tax; excise duty, customs duty, service tax, VAT, CENVAT credit, input tax credit, etc.), whether by way of deduction at source, advance tax, tax collected at source, minimum alternate tax credit, dividend distribution tax, taxes withheld or paid in foreign country, or otherwise howsoever, by the

Transferor Companies in respect of the profits or activities or operation of the Transferor Companies 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 proceedings, be dealt with accordingly.

- (f) The Transferee Company shall be entitled, pending the sanction of the 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 to carry on the business of each of the Transferor Companies and give effect to the Scheme.

SECTION 3 - CANCELLATION OF SHARE CAPITAL OF TRANSFEROR COMPANIES

14. Consideration

14.1 Upon the Scheme coming into effect, all the shares of the (i) Transferor Company 1 held by the Transferee Company (either directly and/or through nominees); and (ii) the Transferor Company 2 held by the Transferor Company 1 (either directly and/or through nominees) shall stand cancelled without any further application, act or deed.

14.2 Since the Transferor Company 1 is a direct wholly owned subsidiary of the Transferee Company and Transferor Company 2 is a direct wholly owned subsidiary of the Transferor Company 1, the entire paid up share capital of the Transferor Companies is directly and beneficially held by the Transferee Company, no new shares of the Transferee Company shall be issued and allotted in respect of the shares of the Transferor Companies that are held directly or indirectly by the Transferee Company.

14.3 Combination of Authorised Share Capital

14.3.1 Upon the Scheme becoming effective, the authorised share capital of each of the Transferor Companies shall stand carried forward and merged with the authorised share capital of the Transferee Company, without any further act, deed, resolution or writing on the part of the Transferee Company (including payment of stamp duty and/or fees payable to the Registrar of Companies). Upon the Scheme coming into effect, the office of the Registrar of Companies shall immediately take note of the consolidation of authorised share capital of the Transferor Companies and enhance the authorised share capital of the Transferee Company accordingly in its records. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the alteration of the memorandum and articles of association of the Transferee Company for increase in the authorised share capital, as may be required under the Act, and no further resolution(s) under Sections 4, 13, 14 and 61 of the Act shall be required.

PART III

DISSOLUTION OF TRANSFEROR COMPANIES, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

15. Taxes/ Duties/ Cess etc.

- (a) Applicability of provisions of the IT Act
 - (i) The provisions of this Scheme as they relate to the amalgamation of Transferor Companies with Transferee Company has 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, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and the 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 and the power to make any such amendments shall vest with the Board of Directors or any committee of the Board of Directors to which the power is delegated.
 - (ii) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and Tax returns, withholding tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between any of the Transferor Companies and the Transferee Company, and between the Transferor Companies inter se, along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes, carry forward and set-off of accumulated losses and tax benefits), service tax law, VAT laws, sales tax laws, excise duty laws, customs duty laws, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim Tax benefits under the IT Act and other tax laws (including STPI or SEZ benefits) etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- (b) Tax Treatment
 - (i) Upon the Scheme coming into effect, all Taxes payable by or on behalf of the each of the Transferor Companies from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim MAT Credit, set-off and carry forward of accumulated losses, unabsorbed tax depreciation, book losses, book depreciation, deferred revenue expenditure, deduction, rebate, allowance, amortization benefit, etc. under the IT Act, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax

credit for CGST, SGST and IGST, etc. shall, for all purposes, be treated as the Tax, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits and rights to claim credit, tax benefits or refund etc. of the Transferee Company.

- (ii) The Transferee Company shall also be permitted to claim refunds/ credits in respect of any transaction between any of the Transferor Companies and the Transferee Company, and between the Transferor Companies inter se.
- (iii) The withholding tax/ advance tax/ minimum alternate tax, if any, paid by any of the Transferor Companies under the IT Act or any other statute in respect of their respective income assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from advance tax paid by the Transferee Company and credit for such withholding tax/ advance tax/ minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ advance tax are in the name of the Transferor Companies and not in the name of the Transferee Company.
- (iv) The service tax, VAT, excise duty, customs duty and sales tax under the pre - GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Companies 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 them for the period commencing from the Appointed Date shall be deemed to be the 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 Companies and not in the name of the Transferee Company.
- (v) Any Tax liability under the IT Act or any other applicable Tax laws or regulations allocable to the Transferor Companies whether or not provided for or covered by any Tax provisions in the respective accounts of the Transferor Companies made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the respective accounts of the Transferor Companies including advance tax and tax deducted at source as on the close of business in India on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- (vi) All Tax assessment proceedings and appeals of whatsoever nature by or against any of the Transferor Companies pending or arising as at the Appointed Date shall be continued and/or 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 concerned Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially

affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in this Scheme.

- (vii) Transferee Company shall be entitled to claim deduction in respect of expenses incurred by the Transferor Companies and the Transferee Company in relation to the amalgamation of the Transferor Companies with the Transferee Company in accordance with this Scheme including stamp duty expenses, if any, as deduction to the Transferee Company in accordance with relevant provisions of the IT Act.

16. Accounting Treatment

16.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books, in accordance with the “Purchase Method” referred to in Accounting Standard – 14 “Accounting for Amalgamation”, as prescribed by the Central Government under the relevant provisions of the Act, as specified here under:

- (a) The assets and liabilities of the Transferor Companies (including off balance sheet assets e.g. intangible assets and liabilities), shall be recorded by the Transferee Company in its books of accounts at their fair values as may be determined on the Appointed date.
- (b) Any inter-company balances outstanding between Transferee Company and any of the Transferor Companies, and between the Transferor Companies *inter se* shall stand cancelled and there shall be no further obligation/outstanding in that behalf.
- (c) The value of the investment of Transferee Company in the share capital of Transferor Company 1 shall stand cancelled in the books of the Transferee Company and value of investment of Transferor company 1 in the share capital of Transferor Company 2 shall stand cancelled in the books of the Transferor Company 1, without further act or deed. The cost of acquisition of equity shares in the hands of the Transferee Company, shall be treated as the consideration paid for the acquisition of business of the Transferor Companies.
- (d) The difference, if any arising, between the value of total consideration and the fair value of the net assets of the Transferor Companies as recorded by the Transferee Company (as referred to in Clause 16(a) above), after adjusting inter-company balances (as referred in Clause 16(b) above) shall be recorded as goodwill or capital reserve in the books of the Transferee Company, as the case may be, and the goodwill (if any) shall be amortized over its useful life in accordance with Accounting Standard – 14.
- (e) In case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted to the reserves in the balance sheet of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

- 16.2 Upon the Scheme becoming effective, the Transferor Company 1 shall stand dissolved without the process of winding-up pursuant to Clause 19 below, and hence, no accounting treatment has been prescribed under this Clause 16 in relation to the books of the Transferor Company 1.
- 16.3 Upon the Scheme becoming effective, the Transferor Company 2 shall stand dissolved without the process of winding-up pursuant to Clause 19 below, and hence, no accounting treatment has been prescribed under this Clause 16 in relation to the books of the Transferor Company 2.

17. **Resolutions**

- (a) Upon the coming into effect of this Scheme, the resolutions, if any, of each of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company .
- (b) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of the provisions of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Companies which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

18. **Savings of concluded transactions**

The transfer and vesting of Amalgamated Undertaking under Clause 5 above and the continuance of proceedings by or against the Transferee Company under Clause 12 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, and the Transferee Company accepts and adopts all acts, deeds and things done and executed by each of the Transferor Companies in respect thereto, as if done and executed on behalf of the Transferee Company.

19. **Dissolution of the Transferor Companies**

- (a) Upon the coming into effect of this Scheme, the Transferor Companies shall stand dissolved without the process of winding-up and their names shall be deleted from the records of the appropriate Registrar of Companies without any further act or deed.
- (b) Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to the Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Companies insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally effected by the parties concerned.

- (c) Upon the Scheme coming into effect, all the existing shares or share certificates pertaining to the shares of each of the Transferor Companies shall stand cancelled and will become invalid and shall cease to be transferable. The Board of Directors of the Transferee Company will not be required to approach the shareholders of the Transferor Companies to surrender their share certificates after the Scheme becoming effective.

20. Conditionality of the Scheme

- (a) The effectiveness of the Scheme is conditional upon and subject to:
 - (i) This Scheme being approved by the respective requisite majority in number and value of such class of persons including the shareholders and/or creditors of each of the Transferor Companies and the Transferee Company, either at a meeting or through consent or no-objection letters or otherwise, if required under the Act and as may be directed by the NCLT under Sections 230 to 232 of the Act;
 - (ii) The Scheme being sanctioned by the NCLT or any other competent authority, as may be applicable, under Sections 230 to 232 of the Act;
 - (iii) The certified copy of the order of the NCLT under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Companies and Transferee Company;
 - (iv) The requisite sanction or approval of the Government Authority in India being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required.

21. Effect of Non Receipt of Approvals/ Sanctions

- (a) In the event of any of the said sanctions and approvals referred to in Clause 20(a) not being obtained and/or the Scheme not being sanctioned by the Government Authority and/or the order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Companies and Transferee Company are hereby empowered and authorized 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.
- (b) In the event of revocation of the Scheme under Clause 21(a), no rights and liabilities whatsoever shall accrue or to be incurred inter se to the Transferor Companies 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 rights, liabilities or obligations which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, and in such case, each company shall bear its own cost unless otherwise mutually agreed.

- (c) The Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to withdraw this Scheme at any time prior to the Effective Date.

22. Applications

The Transferor Companies and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the NCLT under Sections 230 to 232 and other applicable provisions, of the Act, read with applicable Rules for sanctioning of this Scheme and all matters ancillary or incidental thereto.

The Transferor Companies shall take all necessary steps for sanctioning of this Scheme and for their respective dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

23. Modifications or amendments to the Scheme

- (a) The Transferor Companies and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Hon'ble NCLT or to any conditions or limitations which the NCLT and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Companies and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Companies and the Transferee Company may be exercised by their respective Boards of Directors, a committee of the concerned Board or any director, or executive authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the “**Delegate**”).
- (b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates of the Transferor Companies or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.
- (c) The Transferee Company even after the Scheme coming into effect may approach the Hon’ble NCLT or other concerned or competent authority(ies) for any incidental orders to remove any deficiency or overcome any difficulty in implementation of the Scheme or clear any ambiguity or to comply with any statutory requirement which necessitates the order of the Hon’ble NCLT or other concerned or competent authority(ies).

24. Severability

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of the Transferor Companies and the Board of the Transferee

Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Company, in which case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such Part or provision.

25. **Costs, Charges and Expenses**

All costs, charges, Taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies 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 or as may be mutually agreed between the Transferor Companies and the Transferee Company.

26. **Other Corporate Actions**

Nothing in this Scheme shall prevent the Transferee Company, from taking any corporate action, including but not limited to issue of any further capital, declaration of dividend, conversion of any convertible debt instrument that is issued or to be issued by the Transferee Company to any person or any investors, raising of funds by issue of equity shares and or preference shares and or any convertible or non-convertible securities or instruments or bonus shares or rights offer or in any other manner subject to compliance of the Applicable Laws during pendency of this Scheme before any authority including Hon'ble NCLT or Hon'ble NCLAT, as the case may be.
