

SCHEME OF AMALGAMATION OF ADVANCED RAIL CONTROLS PRIVATE LIMITED WITH CONCORD CONTROL SYSTEMS LIMITED, AND RESPECTIVE SHAREHOLDERS AND CREDITORS OF ADVANCED RAIL CONTROLS PRIVATE LIMITED UNDER SECTIONS 230 & 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY

A. Preamble and Overview of the Scheme

This Scheme of Amalgamation is framed in terms of the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme provides for the Amalgamation of Advanced Rail Controls Private Limited with Concord Control Systems Limited, on a going concern basis, and various other matters incidental, consequential or otherwise integrally connected with the said Amalgamation.

B. Background and brief description of the Companies to the Scheme

I. Transferor Company-Advanced Rail Controls Private Limited

- i. Advanced Rail Controls Private Limited is incorporated under the provisions of the Companies Act, 1956 and has its registered office at G-36, UPSIDC Industrial Area, Deva Road, Chinhat, Lucknow-226 019, Uttar Pradesh.
- ii. Advanced Rail Controls Private Limited is an ISO-9001:2015 certified Company, engaged in various niche areas of railways rolling stock technology. Major areas of activities of the Company include IEC-61375 TCN based vehicle control systems, IEC-61131 compliant vehicle control software authoring, MVB based Graphical Driver Displays, Remote Diagnostics & Fleet Tracking of Locomotives, Radio Remote Control Equipment for Distributed Power Operation for Heavy Haul, Hall Effect based Active Rotational Speed Sensors for Traction Motors, Doppler Radar based Adhesion Control System for Locomotives, etc.
- iii. Advanced Rail Controls Private Limited is a wholly owned subsidiary of the Transferee Company-Concord Control Systems Limited. Accordingly, entire issued and paid-up Equity Share Capital of the Transferor Company is held by the Transferee Company and its nominee Shareholders.

II. Transferee Company-Concord Control Systems Limited

- i. Concord Control Systems Limited is incorporated under the provisions of the Companies Act, 1956 and has its registered office at G-36, UPSIDC Industrial Area, Deva Road, Chinhat, Lucknow-226 019, Uttar Pradesh.
- ii. Concord Control Systems Limited is engaged in design, development, manufacture and supply of top-of-the-line Electrical

and Electronics products for the Indian Railways and other related activities.

- iii. Concord Control Systems Limited is a public limited listed company. Equity Shares of the Company are listed on BSE SME Platform.

III. Relevant corporate details of both the Companies are given in 'Clause-1: Definitions Clause' of this Scheme.

IV. The Transferor Company is a wholly owned subsidiary of the Transferee Company. Whereas the Transferee Company is a public limited listed company. Both the Companies in this Scheme are Group Companies under common management and control.

V. The proposed Scheme of Amalgamation will not result in any change in management or control of the Transferee Company.

VI. The proposed Amalgamation seeks to consolidate the wholly owned subsidiary with its parent company, achieve business synergies, economies of scale and enhance shareholders' value.

C. Detailed Rationale and benefits of the Scheme

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Advanced Rail Controls Private Limited with Concord Control Systems Limited; and benefits of the proposed Amalgamation, as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, given below.

- i. The Transferor Company is a wholly owned subsidiary of the Transferee Company engaged in similar businesses. The proposed amalgamation of the Transferor Company with the Transferee Company would result in consolidation of the Wholly Owned Subsidiary with its Parent Company and pooling of their resources into a single entity. The amalgamation will ensure focused management in the combined entity thereby resulting in efficiency of management and maximizing value for the shareholders.
- ii. The proposed amalgamation of the Transferor Company with the Transferee Company, in accordance with the terms of this Scheme, would enable both the companies to realize benefits of greater synergies between their businesses, yield beneficial results and pool financial resources as well as operational, managerial, technical, distribution and marketing resources of each other in the interest of maximizing value to their shareholders and the stakeholders.
- iii. The proposed amalgamation would enable optimum utilisation of physical, human and technical resources of both the Companies, scale up the operations and resultant benefits to all the stakeholders of both the Companies.
- iv. The proposed amalgamation will be beneficial to the Transferor Company and the Transferee Company in the following manner:
 - a. Operational integration and better facility utilisation:** The amalgamation in accordance with this Scheme will provide an

opportunity for reduction of operational costs through transfer of intermediary products between the companies, better order loads for the business through pooling of orders, synergies from sales and production planning across the businesses. The Transferee Company has much larger and advanced infrastructure which may be gainfully utilised for business of the Transferor Company.

- b. Efficient raw material procurement and reduced procurement costs:** Synergy of operations will be achieved as a result of sustained availability of raw materials as well as reduced procurement costs for Transferor Company and the Transferee Company. Combined sourcing of raw materials by the Transferor Company and the Transferee Company would result in reduction in overall costs of procurement for the combined entity.
- c. Operational Efficiencies:** The amalgamation would result in synergy benefits arising out of single value chain thereby reducing costs and increasing operational efficiencies. Centralization of inventory from raw material to finished goods and spares would enable better efficiency, utilization and overall reduction in working capital. The proposed amalgamation would likely result in optimized power consumption, reduced costs, sharing of best practices, cross-functional learnings, better utilisation of common facilities and greater efficiency in debt and cash management.
- d. Enhancing Value in Marketing:** With an overlap in products across the Transferor Company and the Transferee Company, the combined entity would be better positioned to service customer needs. The Transferor Company could expand its existing core market using the strong manufacturing facilities of the Transferee Company. Further, the Transferor Company could also have access to the Transferee Company's product portfolio and technical capabilities. The Transferee Company would benefit from complementary product offerings of the Transferor Company and production facilities, resulting in a strong presence across market segments. The proposed amalgamation will result in access to new markets and product offerings as well as increased sales volumes.
- e. Improved safety, environment and sustainability practices:** The proposed amalgamation will eliminate overlapping processes and redundancies and will help in adopting better environment friendly practices.
- f. Elevated Skill Development:** The Transferee Company has a large pool of qualified, experienced, and trained manpower. The amalgamation of the Transferor Company with and into the Transferee Company will provide opportunities for skill development for the Transferor Company's employees.
- g.** The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be made separately by the Transferee Company as well as by the Transferor Company.

- h. The proposed amalgamation will enable the combined entity to offer more cost-effective and efficient products to its customers.
- i. The proposed Amalgamation will streamline and simplify the shareholding structure.
- j. Thus, the proposed amalgamation is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Company and the Transferee Company and is beneficial to the public at large.

The Scheme of Amalgamation is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Company and the Transferee Company is of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

1. DEFINITIONS, INTERPRETATION AND CAPITAL STRUCTURE OF THE COMPANIES

1.1 DEFINITIONS

In this Scheme and all other Scheme related documents, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as under:

- 1.1.1 “Act or Companies Act, 2013”** means the Companies Act, 2013 (18 of 2013), and Rules, Notifications, Circulars, Clarifications made or issued thereunder [including but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016, and the National Company Law Tribunal Rules, 2016]; and includes any amendments, statutory re-enactments, and modifications thereof for the time being in force.
- 1.1.2 “Amalgamation”** means amalgamation of Advanced Rail Controls Private Limited (the Transferor Company) with and into Concord Control Systems Limited (the Transferee Company), on a going concern basis, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon’ble National Company Law Tribunal or any other Appropriate Authority, as the case may be.
- 1.1.3 “Applicable Law(s)”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, competent authority, court, tribunal having jurisdiction over the Companies; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Companies to this Scheme and shall include, without limitation, the listing agreement, if any, executed with the Stock Exchange.

1.1.4 “Appointed Date” for the purpose of this Scheme means commencement of business on 1st April 2025, or such other date as may be mutually decided by the Board of Directors of the Transferor Company and the Transferee Company with the approval of the Hon’ble National Company Law Tribunal, or such other date as the Hon’ble National Company Law Tribunal, or any other Appropriate Authority may approve.

1.1.5 “Appropriate Authority” means:

- i. The Government of any jurisdiction (including any Central, State, Provincial, Municipal or Local Government or any political or administrative sub-division thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof.
- ii. The Reserve Bank of India, the Securities and Exchange Board of India, the Real Estate Regulatory Authorities, the Directorate General of Shipping and such other Sectoral Regulators or Authorities as may be applicable.
- iii. Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) National Company Law Tribunal and Stock Exchanges.

1.1.6 “Board” or “Board of Directors” means the respective Board of Directors of the Transferor Company and the Transferee Company and will, unless it is repugnant to the context or otherwise, include committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such committee(s).

1.1.7 “Companies” means the Transferor Company and the Transferee Company when referred collectively; and “Company” means any of these Companies, individually.

1.1.8 “Effective Date” means last of the dates on which the certified copies of the Order(s) passed by the Hon’ble National Company Law Tribunal, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to “upon this Scheme becoming effective” or “upon this Scheme coming into effect” or “effectiveness of this Scheme” will be a reference to the Effective Date.

It is, however, clarified that though this Scheme will become operative from the Effective Date, the provisions of this Scheme will be effective from the Appointed Date. In other words, the Effective Date is only a trigger point for implementation of the Scheme. As soon as the Effective Date is achieved, provisions of this Scheme will come into operation; and will be effective and applicable with effect from the Appointed Date in terms of the provisions of Section 232(6) of the Companies Act, 2013, and other applicable provisions, if any.

1.1.9 “Encumbrance” means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust,

title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.

1.1.10 “FEMA” means the Foreign Exchange Management Act, 1999 and the rules, regulations, notifications and circulars, etc., made thereunder and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

1.1.11 “INR” or “₹” means the Indian Rupee being the official currency of the Republic of India [currency code: ‘INR’, and its symbol: ‘₹’].

1.1.12 “Intellectual Property Rights” means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company, or in the nature of common law rights of the Transferor Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web “Portals”, trade names, logos, as well as copyright in all of the brands, logos and their variations, along with the global goodwill associated with the foregoing; uniforms, all applications and registration for the foregoing (b) all domestic and/or foreign Patents granted or applied for (c) confidential and proprietary information and trade secrets; (d) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (e) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (f) designs, drawings, sketches; (g) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (h) ideas and all other intellectual property or proprietary rights; and (i) all rights in all of the foregoing provided by Applicable Laws.

1.1.13 “IT Act” means the Income Tax Act, 1961, and the rules, regulations, notifications and circulars, etc., made thereunder and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

1.1.14 “National Company Law Tribunal” means appropriate Bench/Benches of the Hon’ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as “the Tribunal”/“NCLT”.

1.1.15 “Permits” means all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, environmental approvals, customer approvals, no objection certificates (NOCs),

clearances, confirmations, declarations, waivers, exemptions, registrations, enlistments, filings, whether governmental, statutory, regulatory, or otherwise under Applicable Law.

- 1.1.16 "Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority.
- 1.1.17 "Portals"** means electronic portals and/or websites maintained by various Appropriate Authorities, government departments, public sector undertakings, private sector undertakings, banks, financial institutions and other entities and Persons.
- 1.1.18 "Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- 1.1.19 "Scheme"** means the present Scheme of Amalgamation framed under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, together with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for Amalgamation of Advanced Rail Controls Private Limited with Concord Control Systems Limited, on a going concern basis, and various other matters incidental, consequential or otherwise integrally connected with the said Amalgamation, if any, in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any Appropriate Authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.
- 1.1.20 "SEBI or Securities and Exchange Board of India"** means the Securities and Exchange Board of India established as a statutory body under the provisions of the Securities and Exchange Board of India Act, 1992.
- 1.1.21 "SEBI Listing Regulations"** means 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015' [SEBI LODR Regulations], read with Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, issued by the Securities and Exchange Board of India for compliance with the provisions of SEBI LODR Regulations by listed entities, as amended from time to time.
- 1.1.22 "SEBI Scheme Circular"** means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India, on Scheme of Arrangement by Listed Entities and other related matters, as amended from time to time.
- 1.1.23 "SEBI Regulations"** means combined provisions of the SEBI Listing Regulations, the SEBI Scheme Circular and Securities Laws, as may be applicable.

1.1.24 "Stock Exchange" means the BSE Limited (Bombay Stock Exchange/BSE).

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

1.1.26 "Transferor Company" means **Advanced Rail Controls Private Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at G-36, UPSIDC Industrial Area, Deva Road, Chinhath, Lucknow-226 019, Uttar Pradesh; e-mail: cfo@concordgroup.in; Website: www.arc.net.in.

Advanced Rail Controls Private Limited [Corporate Identity No. (CIN): U05190UP2005PTC223937; Income Tax Permanent Account No. (PAN): AAFCA1642J] (hereinafter referred to as "the Transferor Company/the Company") was incorporated on 15th February 2005, under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation issued by the Registrar of Companies, Karnataka, Bangalore. Registered Office of the Company was shifted from the State of Karnataka to the State of Uttar Pradesh as approved by the Hon'ble Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad, vide Order dated 19th February 2025. The Registrar of Companies, Uttar Pradesh, Kanpur registered the aforesaid order and allotted a new CIN to the Company.

1.1.27 "Transferee Company" means **Concord Control Systems Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at G-36, UPSIDC Industrial Area, Deva Road, Chinhath, Lucknow-226 019, Uttar Pradesh; e-mail: cs@concordgroup.in; Website: www.concordgroup.in.

Concord Control Systems Limited [Corporate Identity No. (CIN): L31908UP2011PLC043229; Income Tax Permanent Account No. (PAN): AAECC2602B] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated on 19th January, 2011, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Concord Control Systems Private Limited' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a limited company and name of the Company was changed to 'Concord Control Systems Limited' vide Fresh Certificate of Incorporation dated 26th August, 2022 issued by the Registrar of Companies, Uttar Pradesh, Kanpur.

1.1.28 "Undertaking" means all the undertaking(s) and entire business of the Transferor Company as a going concern as of the Appointed Date, including all the assets, properties, investments, rights, approvals, licenses and powers, leasehold rights and all the debts, outstandings, liabilities, duties, other obligations and employees including, but not in any way limited to, the following:

- a.** All the assets and properties (whether movable or immovable, tangible or intangible (including but not limited to rights, titles, interest, goodwill, etc.), real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether or not recorded in the books of accounts of the Transferor Company (including, without limitation, the freehold and leasehold properties of the Transferor Company), investments of all kinds (i.e., shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), furniture, fixtures, machinery, dies and tools, jigs & fixtures, tools under development / prototype lying at company premises or lying with any supplier / sub-contractor / customer, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade lying at Transferor Company' premises / warehouses or at any supplier / sub-contractor / customer or stock-in-transit, tools, plants, merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, any benefit granted under any scheme announced by any customer, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.
- b.** All permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto.

- c.** All contracts, agreements, customer orders, purchase orders / service orders, orders in hand, tenders, tenders in process, maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, joint notes, bids, tenders, expressions of interest, letters of intent, supply contracts, hire and purchase arrangements, lease / license agreements, Leave & License agreement, tenancy rights, agreements / panchnamas for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with suppliers / manufacture of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance policies, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder.
- d.** All applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, brands, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), industrial designs, product registrations, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature.
- e.** All rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company.
- f.** All the credits for taxes such as income tax, wealth tax, central sales tax, service tax, applicable state value added tax, goods and service tax, customs duty, duty draw back or any other export benefits including but not limited to the right to claim credit for indirect taxes such as CENVAT credit, VAT credit, GST credit, or any other input tax credit, advance tax, withholding tax / TDS, TCS, taxes withheld / paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets / liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds of the Transferor Company.
- g.** All books, records, files, papers, engineering and process information, software licenses (whether proprietary or

otherwise), test reports, technical specifications, drawings, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, User Manuals, Product Manuals, Maintenance and Operational Manuals, Spare Parts Catalogues, Product Approval, Vendor Approvals, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer / supplier pricing information, and all other books and records, whether in physical or electronic form.

- h.** All debts whether secured or unsecured, liabilities including contingent liabilities, guarantees, duties, taxes and obligations of the Transferor Company of whatsoever kind, nature and description and howsoever arising, raised, incurred or utilized.
- i.** All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company, with regard to their employees, with respect to the payment of gratuity, provident fund or other compensation or benefits, if any, as on the Effective Date.
- j.** All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company.
- k.** All the goodwill, past work experience, past track record, pre-qualifications and business credentials, accumulated experience or performance qualifications including financial, technical, manufacturing and other qualifications, past experience and credentials, business track record, work experience, etc., of the Transferor Company.

1.1 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein will, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant statute/legislation. In this Scheme, unless the context otherwise requires:

- i.** Words denoting singular will include the plural and vice-versa.
- ii.** Heading, sub-heading and bold typeface are only for convenience and will not affect the construction or interpretation of this Scheme.
- iii.** References to clauses, and schedules are, unless the context otherwise requires, are references to clauses, and schedules to this Scheme.
- iv.** References to one gender includes all genders.
- v.** Any phrase introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms.

- vi. Reference to days, months and years are to calendar days, calendar months and calendar years as per the English calendar, respectively.
- vii. Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.
- viii. Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.
- ix. All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
 - a. Any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board of Directors of the respective Companies and for the time being in force.
 - b. All subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated).
 - c. All statutory instruments or orders made pursuant to a statutory provision.
 - d. Any statutory provisions of which these statutory provisions are a consolidation, re-enactment, or modification.

1.2 CAPITAL STRUCTURE

- i. Capital Structure of the Transferor Company as on 14th May, 2025, being the date of approval of the Scheme by the Board of Directors, is given below:

Particulars	Amount (INR)
Authorised Capital	
1,00,00,000 Equity Shares of INR 10 each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Capital	
30,64,000 Equity Shares of INR 10 each, fully paid-up	3,06,40,000
Total	3,06,40,000

- ii. Capital Structure of the Transferee Company as on 14th May, 2025, being the date of approval of the Scheme by the Board of Directors, is given below:

Particulars	Amount (INR)
Authorised Capital	
1,00,00,000 Equity Shares of INR 10 each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Capital	
63,00,472 Equity Shares of INR 10 each, fully paid-up	6,30,04,720
Total	6,30,04,720

- iii. The Transferor Company is an un-listed private limited company. The Transferor Company is a wholly owned subsidiary of the Transferee Company. Entire issued and paid-up Equity Share Capital of the Transferor Company is held by the Transferee Company and its nominee shareholders.
- iv. The Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on the Stock Exchange-BSE.
- v. Both the Companies are Group Companies under common management and control. The proposed Scheme of Amalgamation will not result in any change in management or control of the Transferee Company.
- vi. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued pursuant to the present Scheme of Amalgamation. Hence, there will not be any change in the issued and paid-up Equity Share Capital of the Transferee Company pursuant to the proposed amalgamation.

2. TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1 Upon the Scheme becoming effective and with effect from the commencement of business on the Appointed Date, and subject to the provisions of this Scheme and pursuant to the provisions of Sections 230 & 232 of the Act, and other applicable provisions, if any, the whole of the Undertaking of the Transferor Company shall stand transferred to the Transferee Company on a going concern basis and all assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, no objection certificates, approvals, credentials, litigations, etc., of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, approvals, etc., of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 2.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

2.2.1 All assets of the Transferor Company that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by operation of law shall be vested in and/or deemed to be vested in the Transferee Company from the Appointed Date. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company, absolutely and forever, from the Appointed Date.

2.2.2 In respect of such of the assets of the Transferor Company other than those referred to in Clause 2.2.1 above, including investment in shares or any other securities, actionable claims, outstanding loans and advances, earnest monies, receivables, bills, credits, if any, recoverable in cash or in kind or for value to be received all kind of banking accounts including but not limited to current and saving accounts, term deposits, deposits, if any, with Appropriate Authority and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as on the Appointed Date. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferee Company (without it being obliged to do so), if it deems appropriate, may give notice in such form as it deems fit and proper, to each such debtor or obligor or any other Person, that pursuant to the sanction of the Scheme, such investment, debt, loan, advance, claim, bank balance, deposit or other asset be aid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realize all such debts (including the debts payable by such debtor or obligor or any other Person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other Persons to record such change.

Any investment made by the Transferor Company in equity shares and other securities in any listed company (listed investee company) under "Promoters/Promoter's Group Category Shareholders" or under "Non-Promoter/Public Category Shareholders", will be transferred to and vested in the Transferee Company pursuant to this Scheme. It is clarified that the Transferee Company shall remain in the same category of shareholders in the respective listed investee companies vis-à-vis such investments; and shall be treated accordingly by the respective listed investee companies.

2.2.3 With effect from the Appointed Date, all immovable properties of the Transferor Company, including land together with the heavy equipment, plant & machinery, buildings and structures standing thereon or embedded to the land and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights, security deposits and easements in relation thereto

shall stand vested in and/or be deemed to have been vested in the Transferee Company on the same terms and conditions, by operation of Law pursuant to the sanctioning of the Scheme. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of Law. The Transferee Company shall upon the NCLT Order sanctioning the Scheme and upon the Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties including refund of any security deposits and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

- 2.2.4 With effect from the Appointed Date, all assets, brands, trademarks, patents, rights, title, interests and investments of the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.
- 2.2.5 With effect from the Appointed Date, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. Further, it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company, if any.
- 2.2.6 Upon this Scheme becoming effective, the secured creditors of the Transferor Company and/or other holders of Encumbrance over the properties of the Transferor Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor

Company with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of encumbrance over the properties of the Transferor Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company.

- 2.2.7 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit / encash any payment or refund received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing / encashing any refund or other payments received in the name / in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.2.8 With effect from the Effective Date, the security creation, borrowing and investment limits of the Transferee Company under the Act shall be increased to the extent of the security creation, borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.
- 2.2.9 Any corporate approvals obtained by the Transferor Company, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate

approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

- 2.2.10 All Governmental Approvals, Customer Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Appropriate Authority in favour of the Transferee Company. In so far as the various incentives, GST benefits / service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to the Transferor Company.
- 2.2.11 Upon the Scheme becoming effective and with effect from the Appointed Date, all registrations, licenses, trademarks, brands, copyrights, domain names, patents, tradenames, industrial designs, product registrations and any other intellectual property pertaining to the Transferor Company, including any pending application for the aforesaid, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the sanction of the Scheme.
- 2.2.12 Upon the Scheme becoming effective, all the goodwill, past experience, past track record and business credentials, etc., gained by the Transferor Company shall be transferred to and vest in the Transferee Company. Accordingly, for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other purpose, the experience, track record and credentials gained by the Transferor Company shall be considered to be equivalent as the experience, track record and credentials of the Transferee Company.
- 2.2.13 All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and service tax etc.) paid or payable by or refunded or refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds / claims, etc. as the case may be, of the Transferee Company, and

any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc., of the IT Act, exemptions, credits, holidays, remissions, reductions, service tax input credits, GST input credits, etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. This Clause to be read along with Clause 3 of this Scheme.

- 2.2.14 All the Customers of the Transferor Company, any Governmental Authority, Appropriate Authority or any other third party required to give effect to any provisions of this Scheme, shall take on record the NCLT Order sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such NCLT Order and if required, file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, tenders, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business or in connection therewith), and certificates of every kind and description of whatsoever nature.
- 2.2.15 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme becoming effective, and with effect from the Appointed Date, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Company 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 there under, and the rights and benefits under the same shall be available to the Transferee Company.
- 2.2.16 The Transferee Company shall, at any time after coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authority, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

- 2.2.17 With effect from the Effective Date, all inter se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company.
- 2.2.18 With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company.
- 2.2.19 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, customer orders, tenders, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any Appropriate Authority or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any Appropriate Authority or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.
- 2.2.20 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices / payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the Effective Date.
- 2.2.21 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid Clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.

3. TAXES, DUTIES, CESS, ETC.

- 3.1** On or after the Effective Date, the Companies shall have the right to revise their respective financial statements, returns and tax returns along with the prescribed forms, filings and annexures under the provisions of IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), Wealth Tax Act, 1957, customs duty law, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax, VAT law or other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax, tax deducted at source, tax collected at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 3.2** As and from the Effective Date, all tax proceedings of the Transferor Company shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, all tax proceedings shall not in any way be prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 3.3** Any Tax liabilities under the Income Tax Act, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations 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 or stand transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax collected at source, and MAT credit as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 3.4** Any refund under the IT Act including TDS and TCS, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax including TDS and TCS, duty drawback or any export benefits, VAT law or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company or due to Transferor Company consequent to the assessment and/or other proceeding(s) made on the 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.
- 3.5** Any tax payment (including, without limitation, income-tax, minimum alternate tax and income tax credits, taxes withheld / paid in a foreign country, dividend distribution tax, securities transaction tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction / collection at source, advance tax or otherwise, howsoever, by the Transferor

Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / the Transferee Company including on payables to the Transferee Company / the Transferor Company including on account of investments (if any) held by the Transferee Company in the Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- 3.6** Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the IT Act, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT laws or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 3.7** All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B, etc., of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company.
- 3.8** Subject to the provisions of Section 72A of the IT Act, the accumulated losses and the allowance for unabsorbed depreciation of the Transferor Company, as the case may be, shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company.
- 3.9** Further, the losses and unabsorbed depreciation as per books of account of the Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax payable by the Transferee Company, in accordance with the applicable provisions of the IT Act.
- 3.10** Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, taxes withheld/ paid in a foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.

4. PERMITS

- 4.1** With effect from the Appointed Date, all the Permits, registrations, enlistment, and approvals held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Sections 230 & 232 of the Act, shall be transferred to and vested in the Transferee Company and shall stand transferred to and vested in or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. The benefits and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Transferee Company, pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, Government body, local authority or by any other Person, or availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company, on the same terms and conditions. Upon the vesting and transfer of the Undertaking pursuant to this Scheme, all the concerned licensor and grantors of such Permits shall promptly mutate, endorse and/or transfer where necessary, and record the Transferee Company on such Permits so as to empower and facilitate the transfer and vesting of the Undertaking in the Transferee Company and continuation of operations pertaining to the Undertaking in the Transferee Company without any hindrance.
- 4.2** Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business under the relevant Permit, license and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 5.2** Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the 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 Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, novation agreement, other writings or arrangements with any party to any contract or arrangement to which the Transferor Company was a party or any writings as may be necessary in order to formally give effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

- 5.3** On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company, on behalf of the Transferor Company, in so far as may be necessary until the transfer of rights and obligations of the Undertaking to the Transferee Company under this Scheme have been given effect to under such contracts and transactions.

6. LEGAL PROCEEDINGS

Upon this Scheme coming into effect, if any suit, appeal or other legal proceeding including quasi-judicial, arbitral and other administrative proceedings, if any, of whatsoever nature by or against the Transferor Company is pending on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been made.

7. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking into the Transferee Company and continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

8. DISSOLUTION OF TRANSFEROR COMPANY

Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up.

9. STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANY

- 9.1** Upon the Scheme becoming effective, all staff, workmen and employees, of the Transferor Company in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Transferee Company on such date without any

break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them in the Transferor Company on the Effective Date.

- 9.2** Upon the Scheme becoming effective, Provident Fund, Gratuity Fund, trust, scheme or benefits created or existing for the benefit of the employees of the Transferor Company, if any, shall be continued on the same terms or conditions or be transferred to the existing provident fund, gratuity fund, employee state insurance contribution, staff welfare scheme, trust, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such trusts, funds or schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid trusts, funds, scheme or provisions.
- 9.3** Pending the transfer as aforesaid, the provident fund, the gratuity fund and superannuation fund dues of the Employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund, respectively, of the Transferor Company, as the case may be.

10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

From the Appointed Date until the Effective Date:

- 10.1** The Transferor Company shall stand possessed of all the assets and properties referred to in Clause 2.1 above, in trust for the Transferee Company. Accordingly, any asset or property acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company.
- 10.2** The Transferor Company shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company.
- 10.3** Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.
- 10.4** Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.

10.5 All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company.

10.6 The Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

11. CONSIDERATION FOR AMALGAMATION

11.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued pursuant to the present Scheme of Amalgamation.

12. UPON THIS SCHEME BECOMING EFFECTIVE

12.1 Entire Issued Share Capital and share certificates of the Transferor Company will automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.

12.2 Cross holding of shares as on the Effective Date between the Transferor Company and the Transferee Company will stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under Sections 230 & 232 of the Companies Act, 2013, will be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital.

12.3 The authorised share capital of the Transferor Company will be added to and will form part of the authorised share capital of the Transferee Company. Accordingly, the authorised Equity Share Capital of the Transferee Company will stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the Effective Date. In terms of the provisions of Section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital will be set off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V / Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company will stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company.

Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor Company and the Transferee Company will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

- 12.4** Save as provided in this Scheme, the Transferee Company will increase / modify its Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Amalgamation by the Shareholders of the Transferee Company will be sufficient for such modification / increase in the authorised share capital and no further approval from the Shareholders or any other person will be required for the same.

13. ACCOUNTING TREATMENT FOR AMALGAMATION

- 13.1** Upon the Scheme becoming effective, Amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

- 13.2** Accordingly, upon the Scheme becoming effective, the Transferee Company shall give effect of the Amalgamation in its books of accounts in accordance with "Pooling of Interest method" of accounting as laid down in "Accounting Standard (AS) 14: Accounting for Amalgamations" and other applicable Accounting Standards notified under the Act and Generally Accepted Accounting Principles.

- 13.3** Without prejudice to the generality of the aforesaid, following are the salient features of the accounting treatment to be given:

- i. All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
- ii. To the extent, there are any inter-corporate loans, advances, payable/receivable or any other inter-company balances between the Transferor Company and the Transferee Company, if any, the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company. Similarly, any cross holding of shares, as on the Record Date, between the Transferor Company and the Transferee Company shall also stand cancelled.
- iii. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Statement of Profit & Loss of the Transferor Company and Transferee Company will also be clubbed together.

- iv. Any surplus or deficit arising out of Amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be transferred to capital reserve in the books of the Transferee Company.
- v. In case of any differences in accounting policies followed by the Transferor Company *vis-à-vis* the accounting policies followed by the Transferee Company, the same will be harmonised as per the applicable Accounting Standards, to ensure that upon this Scheme becoming effective, the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

13.4 It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present Amalgamation and other Scheme matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standards, Generally Accepted Accounting Principles and other applicable provisions, if any.

13.5 It is further clarified that upon the Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up. Hence, no accounting treatment is required to be prescribed for the present Amalgamation in the books of the Transferor Company.

14. STEPS TO BE TAKEN FOR EFFECTIVE IMPLEMENTATION OF THE SCHEME

Upon this Scheme becoming effective, the Transferee Company and/or the Transferor Company will take necessary steps for the smooth and uninterrupted transition/transfer of undertaking and business of the Transferor Company into the Transferee Company on amalgamation and effective implementation of the Scheme.

Without prejudice to the generality of the aforesaid, following are the salient features/chronology to be followed in this regard:

- i. Upon the Scheme becoming effective, the Transferee Company will inform approval of this Scheme by the Hon'ble NCLT to the customers of the Transferor Company, concerned Appropriate Authorities, and other relevant third parties which will promptly give effect to the amalgamation in their records and will do the needful to give effect to this Scheme.
- ii. All the customers of the Transferor Company, all concerned Appropriate Authorities and relevant third parties will take note of the same and will take all necessary steps to give effect to the Scheme including but not limited to changing the name of the Transferor Company with the Transferee Company, details of the bank account(s) of the Transferor Company will be replaced with that of the Transferee Company.
- iii. It is clarified that no adverse action will be taken against the Transferee Company for any delay in action taken by the customers, concerned Appropriate Authorities and relevant third parties in giving effect of the sanction of this Scheme.

15. COMPLIANCE WITH INCOME TAX ACT

- 15.1** The provisions of this Scheme relating to Amalgamation have been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) read with other applicable provisions of the Income Tax Act, 1961.
- 15.2** It is clarified that the present Scheme of Amalgamation will result in the following:
- i. All the property and assets of the Transferor Company immediately before the Amalgamation shall become the property and assets of the Transferee Company by virtue of the Amalgamation.
 - ii. All the liabilities of the Transferor Company immediately before the Amalgamation shall become the liabilities of the Transferee Company by virtue of the Amalgamation.
 - iii. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued pursuant to the present Scheme of Amalgamation.
 - iv. Amalgamation of the Transferor Company and transfer of Undertaking with and into the Transferee Company shall be on a going concern basis.
- 15.3** It is clarified that if, at a later date, any of the terms or provisions of the Scheme relating to Amalgamation are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act, 1961, or corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961 or such newly enacted law or new legislation. Such modifications will, however, not affect the other provisions of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

16. COMPLIANCE WITH SEBI REGULATIONS

- 16.1** In terms of the provisions of Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India (the SEBI Scheme Circular), since the present Scheme solely provides for amalgamation of a Wholly Owned Subsidiary with its Parent Company, no formal approval, NOC or vetting is required from the BSE or SEBI for the Scheme.
- 16.2** In terms of the SEBI Scheme Circular, the present Scheme of Amalgamation is only required to be filed with the Stock Exchange for the purpose of disclosure and dissemination on its website.

- 16.3** Notwithstanding above, the Transferee Company will comply with the applicable provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Listing Regulations, SEBI Scheme Circular, Listing Agreement, SEBI Regulations, and other applicable provisions, if any, in connection with this Scheme and other connected matters.

17. NO COMPROMISE WITH CREDITORS

The present Scheme in no way, is a scheme of compromise with the creditors and is not, in any way, adversely affecting the rights of the creditors of the Companies. Further, the present Scheme is not a scheme of corporate debt restructuring as envisaged under Section 230(2)(c) of the Act. Aggregate assets of the Transferor Company and the Transferee Company are more than sufficient to meet the liabilities of the respective creditors in full.

18. APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL AND OTHER APPROPRIATE AUTHORITIES

- 18.1** The Transferor Company will make necessary application(s)/petition(s) under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up, and other connected matters.
- 18.2** The Transferee Company will also make necessary application(s)/petition(s) under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench(es) of the Hon'ble National Company Law Tribunal and other Appropriate Authority, if any, for sanctioning of this Scheme and other connected matters.
- 18.3** It is clarified that pending the sanction of the Scheme, the Transferor Company and the Transferee Company shall be entitled to apply to any Appropriate Authority or any third party for such consents, approvals, sanction or process which the Transferor Company or the Transferee Company may require under any Applicable Law to own the assets and/or liabilities of the Transferor Company, or to carry on the business of the Transferor Company, or that may otherwise be required to give effect to any provision of this Scheme.

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 19.1** The Transferor Company and the Transferee Company, through their respective Board of Directors, may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or

appropriate by the Board of Directors of these Companies and resolve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

19.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferee Company may give and are authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19.3 In the event of any difficulty arising in connection with the implementation of this Scheme, or in the event that any clarification, modification, or amendment is required to give effect to the Scheme, the Board of Directors of the Transferee Company shall have the authority to take such steps as may be necessary, expedient, or desirable to resolve the difficulty or to give effect to the provisions of this Scheme.

20. SEVERABILITY

If any part and/or provision of this Scheme is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future laws or is unworkable, then it is the intention of the Companies that such part and/or provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part and/or provision shall cause this Scheme to become materially adverse to any Company or Companies to the Scheme. In such case, subject to the consent of the Board of Directors of the Companies, the Companies shall attempt to bring about a modification in the Scheme as will best preserve the benefits and obligations of the Scheme for all the Companies to the Scheme.

21. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- i. The Scheme being approved by the respective requisite majorities of the shareholders and/or the creditors of the Transferor Company and the Transferee Company, as may be directed by the Hon'ble NCLT and/or any other Appropriate Authority.
- ii. Sanction by the Hon'ble NCLT under Sections 230 and 232 and other relevant provisions of the Companies Act, 2013 and other applicable provisions, if any, and other Appropriate Authority, if so required.
- iii. Certified copy of the order of the Hon'ble NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Companies to this Scheme.

22. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes, duties, levies, fees and expenses, if any, to the extent applicable and payable in relation to or in connection with this Scheme or incidental to the completion of Amalgamation and other connected matters in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the Scheme shall be borne and paid by the respective Companies incurring the same. It is clarified that these expenses will be available as deduction to the Transferee Company in accordance with the relevant provisions of the Income Tax Act, 1961 and other applicable provisions, if any.

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