EVEREST

Ref. : H/NK//STX/ /2019
Date: May 30, 2019

1.	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block Bandra – KurlaComplex Bandra (E), Mumbai – 400 051 Tel: 2659 8452 Fax No.: 2659 8237-38	2.	BSE Limited PhirozeJeejeebhoy Towers Dalal Street, Mumbai – 400 001. Tel: 2272 1233/8058 Extn- 8013 Fax No. 2272 2037/2039/ 2041/ 20 61

Sub.: Scheme of Merger of Everest Building Solutions Limited with Everest Industries Limited ("the Company" or "Everest")
Ref.: Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

We refer to our letter dated May 2, 2019, submitted under Regulation 30 of Listing Regulations, intimating that the Board of Directors of the Company at its meeting held on May 1, 2019 have considered and approved a scheme of merger under sections 230 to 232 of the Companies Act, 2013 ("Scheme"), subject to the approvals as required, between the Company and Everest Building Solutions Limited ("EBSL"), a wholly owned subsidiary of the Company.

EBSL being the wholly owned subsidiary of Everest, in terms of Regulation 37(6) of the Listing Regulations, the provisions of the said Regulations 37 are not applicable to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company. Therefore, 'No Objection Letter' or 'Observation Letter' on the Scheme is not required to be obtained from the Stock Exchanges on which the equity shares of the Company are listed.

However, in accordance with the provisions of Regulations 37(6) of Listing Regulations, such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. Accordingly, please find enclosed herewith the following documents:

1. Certified copy of the Scheme of Merger of Everest Building Solutions Limited (EBSL) with Everest Industries Limited (the Company); and
2. Certified true copy of the Resolution passed by the Board of Directors of Everest Industries Limited dated May 1, 2019

You are requested to kindly take the same on your records and disseminate the same on your website.

Thanking you,

Yours faithfully,
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
COMPANY SECRETARY & HEAD – LEGAL

Encl: As above

EVEREST

CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY ON WEDNESDAY, 01st MAY, 2019

"RESOLVED THAT pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016; National Company Law Tribunal Rules, 2016, Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the other applicable laws, rules, regulations, bye-laws, circulars, directions as the case may be; and subject to the requisite approvals of the shareholders and creditors of the Company and necessary consents, permissions and approvals of the Securities and Exchange Board of India (SEBI), BSE Limited (BSE), National Stock Exchange of India Limited (NSE), if required and any other statutory or regulatory authorities and subject to the sanction of the Hon'ble National Company Law Tribunal and subject to all such conditions and modifications as may be prescribed or imposed by any of the aforesaid authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the consent of the Board be and is hereby accorded to the Draft Scheme of Merger ("Scheme") of Everest Building Solutions Limited (Transferor Company) with Everest Industries Limited (Transferee Company).

RESOLVED FURTHER that a Report as prescribed under section 232(2)(c) of the Companies Act, 2013 be and is hereby adopted.

RESOLVED FURTHER THAT Mr. Manish Sanghi, Managing Director, Mr. Y Srinivasa Rao, Executive Director, Mr. Nikhil Dujari, Chief Financial Officer and Mr. Neeraj Kohli, Company Secretary & Head-Legal, of the Company are hereby severally authorized to take all or any of the following steps in connection with the Scheme:

(i) To consider and approve the certificate from the Auditors of the Company confirming the accounting treatment as required under the proviso to Section 230(7) of the Companies Act, 2013;

(ii) To make application alongwith the Scheme and other relevant information/ documents with National Company Law Tribunal, Mumbai Bench ('NCLT'), regulatory authorities, shareholders, creditors, lenders or any other person to obtain approval/consent to the Scheme;

(iii) To verify, sign and file applications, petitions, pleadings, affidavits, Vakalatnama, Report and other relevant documents to the NCLT, or any other statutory authorities for seeking directions to dispense with the requirement of holding meeting(s) of shareholders / creditors of the Company or take necessary

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steps to convene such meetings, if not dispensed with, and for obtaining the sanction of the NCLT, or any other statutory authorities to the Scheme;

(iv) To sign and issue advertisements / notices to the stakeholders or any other person as per the directions of the NCLT;

(v) To make such alterations and changes and / or modifications in the aforesaid applications/ petitions, Scheme or any other documents as may be expedient and necessary for satisfying the requirements and conditions imposed, if any, by the NCLT/ Stock Exchange(s) or any statutory authority, or to communicate/ correspond with stakeholders including banks, local authorities, Registrar of Companies, Regional Director, Official Liquidator, Income Tax authorities etc. and to do all such acts, deeds, matters and things for putting the Scheme into effect;

(vi) To engage lawyers, company secretaries, chartered accountants or any other consultants in connection with implementation of the Scheme;

(vii) To obtain the certified copy of order passed by the NCLT, and file the same with concerned Registrar of Companies, respective offices of collector of stamps for adjudication of stamp duty at applicable rates in force, and other statutory authorities;

(viii) To make representation before the NCLT or any regulatory authorities including Central or State Government, Regional Director, Registrar of Companies, Official Liquidator, Stock Exchange(s) and before all Court(s) of law or tribunals in connection with proposed Scheme and fling any letter, replies, documents or papers for and behalf of the Company;

(ix) To authorize officers of the Company and/ or any lawyer, consultant and to do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise, to give effect to the resolution or any other document that may then be deemed fit and to authorize/ sub delegate any of the aforementioned authorities in connection with Scheme to another person/ lawyer/ consultant."

CERTIFIED TRUE COPY
For EVEREST INDUSTRIES LIMITED

Company Secretary & Head-Legal

SCHEME OF MERGER

BETWEEN

EVEREST BUILDING SOLUTIONS LIMITED

(TRANSFEROR COMPANY)

AND

EVEREST INDUSTRIES LIMITED

(TRANSFEREE COMPANY)

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013.

(A) BACKGROUND AND DESCRIPTION

1. Everest Building Solutions Limited (hereinafter referred as **"Transferor Company")** presently having its CIN U45201MH2007PLC171720, incorporated under the provisions of Companies Act, 1956 on 16th June, 2007. The office of Registrar of Companies, Maharashtra, Mumbai had granted a Certificate of Commencement of Business in the name of Transferor Company, on 4th June, 2008. The registered office of the Transferor Company is situated at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422 202 which is within the jurisdiction of Hon'ble Tribunal at Mumbai. As per Memorandum of Association of the Transferor Company, the one of the object main objects of the Transferor Company is to carry on the business of all kinds of roofing sheets, materials, made from or of fiber cement, polycarbonate etc. and provide complete architectural, engineering and interior and exterior solution of all kind of buildings.

2. Everest Industries Limited (hereinafter referred as "**Transferee Company**") having CIN L74999MH1934PLC002093, incorporated under the provisions of Indian Companies Act, 1913 on 3rd April, 1934, under the name and style of Asbestos Cement Limited with the Registrar of Companies, Maharashtra. The name of the Transferee Company was changed to Everest Building Products Limited and office of Registrar of Companies, Maharashtra, issued a fresh Certificate of Incorporation, consequent on the change of name of the company, on 24th October, 1983. The name of the Transferee Company was further changed to Eternit Everest Limited and office of Registrar of Companies, Maharashtra, issued a fresh Certificate of Incorporating, consequent on change of name, on 18th September, 1990. The name of the Transferee Company was further changed to Everest Industries Limited and office of Registrar of Companies, Maharashtra issued a fresh Certificate of Incorporation, consequent on change of name, on 25th July, 2003. The

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registered office of the Transferor Company is situated at GAT 152, Lakhmapur, Taluka Dindori, Nashik- 422 202 which is within the jurisdiction of Hon'ble Tribunal at Mumbai. As per Memorandum of Association of the Transferee Company, one of the objects of the Transferee Company is to carry on the business of manufacturers, fabricator, supplier, dealer etc. of building materials of all types made of ceramic, fibers glass, porcelain, pulp etc.

3. This Scheme of Merger (the "Scheme") provides for the merger of Transferor Company, which is a wholly owned subsidiary company of Transferee Company with the Transferee Company. The equity shares of the Transferee Company are listed at National Stock Exchanges of India Limited and BSE Limited.

(B) OBJECTS/RATIONALE OF THE PROPOSED SCHEME OF MERGER:

It is proposed to consolidate the operations/ business of the Transferor Company and the Transferee Company into a single company by merger of the Transferor Company with the Transferee Company pursuant to a Scheme of Merger (by absorption) under Section 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The merger of the Transferor Company with the Transferee Company would result *inter-alia*, in the following benefits:

a. Achieving business and Administrative synergies;
b. Consolidation and simplification of the group structure, costs, savings resulting from rationalization, standardization and simplification of business processes;
c. Improved organizational capability arising from pooling of financial resources;
d. Avoiding un-necessary duplication of costs of administration, distribution,

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selling and marketing and reduction in legal and regulatory compliances;

e. Maximize the overall shareholders value by strengthening its core competencies.

(C) PARTS OF THIS SCHEME OF MERGER:

This Scheme of Merger is divided into the following parts:

PART I– Definitions and Interpretation, Effectiveness of the Scheme, Compliance with tax laws and Share capital.

PART II– Merger of Everest Building Solutions Limited ("Transferor Company") which is wholly owned subsidiary company of the Everest Industries Limited with Everest Industries Limited ("Transferee Company")

PART III– General Terms and conditions.

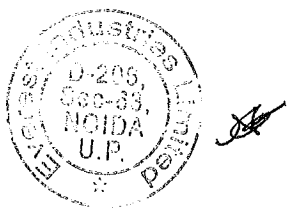
PART I
DEFINITIONS AND INTERPRETATION, EFFECTIVENESS OF THE SCHEME, COMPLIANCE WITH TAX LAW AND SHARE CAPITAL

1. DEFINITIONS

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

1.1 **"Act" or "the Act"** means the Companies Act, 2013, including any statutory re-enactment or modifications thereof from time to time;

1.2 **"Appointed Date"** means 1st day of April, 2019, being the date



from which this Scheme of Merger shall be deemed to be effective;

1.3 "**Appropriate Authority**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, Stock Exchanges, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India;

1.4 The "**Board**" or "**Board of Directors**" in relation to Transferor Company and Transferee Company means the respective Board of Directors of Transferor Company and Transferee Company including the Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors;

1.5 "**Effective Date**" means the date on which the authenticated/ certified copy of the order of the NCLT sanctioning this Scheme of Merger under Sections 230 to 232 of the Act is filed with the Registrar of Companies having jurisdiction over state of Maharashtra;

Any references in the Scheme to the date of "the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

1.6 "**IT Act**" means the Income Tax Act, 1961 as amended;

1.7 "**Law**" or "**Applicable Law**" means all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Court of India, or any other country or

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jurisdiction as applicable;

1.8 "**National Company Law Tribunal**" or "**NCLT**" or "**Hon'ble NCLT**" means Hon'ble National Company Law Tribunal at Mumbai, Maharashtra for Transferor Company and Transferee Company;

1.9 "**ROC**" or "**Registrar of Companies**" means the Registrar of Companies, Mumbai having jurisdiction over the Transferor Company and Transferee Company;

1.10 "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Merger framed under the provisions of section 230-232 and other applicable provisions, if any, of the Act as approved by the respective Board of Directors of the Transferor Company and Transferee Company as submitted in the present form or with any modification(s) imposed or directed by Shareholders/Creditors of respective Transferor Company and Transferee Company and/or by Hon'ble NCLT or by any competent authority(ies);

1.11 **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited;

1.12 "**Transferor Company**" means Everest Building Solutions Limited, is as defined in the Preamble Clause (A) 1;

1.13 **"Transferee Company"** means Everest Industries Limited, is as defined in the Preamble Clause (A)2;

1.14 "**Undertaking**" in relation to the Transferor Company, shall mean the entire business of Transferor Company on a going concern basis as on Appointed Date.

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2. INTERPRETATION

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

2.2 References to "Clauses", "Paragraphs" and "Parts", unless otherwise stated, are references to clauses, paragraphs and parts of this Scheme.

2.3 The headings and bold typefaces are for convenience only and shall not affect the construction of this Scheme.

2.4 Singular shall include plural and vice versa; and references to one gender shall include all other genders.

2.5 Any phrase introduced by the terms "including", "include" or any similar expression shall be construed without limitation.

2.6 References to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

2.7 References to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation, rule or regulation made from time to

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time under that provision.

3. EFFECTIVENESS OF THE SCHEME

3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble NCLT or Stock Exchanges any other appropriate authority shall be effective from the Appointed Date, but shall be operative on and from the Effective Date. The Merger would be effective from the appointed date of this Scheme for all legal, regulatory and tax purposes.

4. COMPLIANCE WITH TAX LAW

4.1 This Scheme has been drawn to comply with the conditions relating to merger as specified under Section 2(1B) of the Income Tax Act, 1961 and all other relevant provisions (including Sections 47 and 72A) of the Income Tax Act, 1961.

4.2 If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions of the Income Tax Act, 1961, whether as a result of any amendment of law or any judicial interpretation of law or for any other reason whatsoever, the Scheme shall stand modified to the extent necessary to comply with the provisions of the Income Tax Act, 1961. Any such modification will, however, not affect other parts of the Scheme.

5. SHARE CAPITAL

5.1 The share capital of Transferor Company as at March 31, 2019 is as under:

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Particulars	Amount in Rupees
Authorized Capital	
50,000 Equity Shares of Rs.10/- each	5,00,000
Total	**5,00,000**
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs.10/- each	5,00,000
Total	**5,00,000**

Subsequent to March 31, 2019 and till the date of approval by the Board of Directors of Transferor Company to the Scheme, there has been no change in the capital structure set out above.

The entire issued, subscribed and paid-up equity capital of the Transferor Company is held by the Transferee Company, the holding company of the Transferor Company.

5.2 The share capital of Transferee Company No.1 as at March 31, 2019 is as under:

Particulars	Amount in Rupees
Authorized Capital	
1,70,00,000 Equity Shares of Rs.10/- each	17,00,00,000
Total	**17,00,00,000**
Issued, Subscribed and Paid-up	
1,56,36,340 Equity Shares of Rs.10/- each	15,63,63,400
Total	15,63,63,400

Subsequent to March 31, 2019 and till the date of approval by the Board of Directors of Transferee Company to the Scheme, there has been no change in the capital structure set out above.

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PART II

MERGER OF EVEREST BUILDING SOLUTIONS LIMITED WITH EVEREST INDUSTRIES LIMITED

6. TRANSFER AND VESTING

6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, Transferor Company (including all its undertakings, properties, estate, assets, rights, claims, title, interest and authorities, including accretions and appurtenances) shall pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Act and pursuant to the sanction of this Scheme by the Hon'ble NCLT, be and stand transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company, as a going concern, without any further act, instrument or deed, so as to become, as and from the Appointed Date, the undertakings, properties, estate, assets, rights, claims, title, interest and authorities, including accretions and appurtenances of Transferee Company by virtue of and in the manner provided in this Scheme and as a part of and consequent upon the Merger in accordance with Section 2(1B) of the Income Tax Act, 1961.

6.2 **Vesting of Assets**

6.2.1 Without prejudice to the generality of Clause 6.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets (including shares, warrants and / or any other securities held), properties, rights, claims, title, interest and authorities of Transferor Company, whether or not

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included in its books of accounts, including all its undertakings, properties and assets of whatsoever nature, whether movable or immovable, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including land and building (whether owned, leased, licensed), investments, cash and bank balances, financial assets, insurances, book debts and debtors, earnest monies, security deposits, vehicles, fixed assets, work in progress, current assets, tax credits, reserves, provisions, funds, licenses, registrations, copyrights, any brand name, patents, trademarks and other rights and licenses in respect thereof, approvals, actionable claims, all rights, title or interest in property(ies) by virtue of any court order / decree, contractual arrangement, allotment, grant, possession or otherwise, lease, tenancy rights, permissions, incentives, bids, tenders, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, all records, files, papers, computer programs, manuals, data, other records whether in physical or electronic form belonging / relating to Transferor Company No.1 and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and description whatsoever, situated, belonging to or in the possession of or granted in favor of or enjoyed by Transferor Company, shall under the provisions of Sections 230 to 232 of the Act and pursuant to the order of the Hon'ble NCLT sanctioning this Scheme and without any further act, instrument or deed, be transferred to and vested in, as a going concern, or be deemed to have been transferred to and vested in Transferee Company, so as to become as and from the Appointed Date, the assets, registrations and properties of

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Transferee Company.

6.2.2 All the movable assets of Transferor Company and the assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be so transferred to Transferee Company and deemed to have been physically handed over by manual delivery or by endorsement and delivery, as the case may be, to Transferee Company, to the end and intent that the property and benefit therein passes to Transferee Company upon the coming into effect of this Scheme with effect from the Appointed Date, on such manual delivery or endorsement and delivery, without requiring any further deed or instrument for the same and shall become the property of Transferee Company accordingly. All investments of Transferor Company shall be recorded in the name of Transferee Company by operation of law, with Transferee Company as a successor in interest and any documents of title of Transferor Company shall also be deemed to have been mutated and recorded as the title of Transferee Company to the same extent and manner as originally held by Transferor Company.

6.2.3 In respect of movable assets, other than those specified in Clause 6.2.2 above, including any intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the government, semi-government, local and other authorities and bodies, the same shall, without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company pursuant to the provisions Sections 230 to 232 of the Act and Transferor Company shall if so required by Transferee Company, and Transferee Company may issue notices

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in such form as it may deem fit to such persons, stating that pursuant to the Hon'ble NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of Transferee Company, as the person entitled thereto, to the end and intent that the right of Transferor Company to recover or realize the same stands transferred to Transferee Company.

6.3 **Encumbrances**

6.3.1 The transfer and vesting of assets and business of Transferor Company to and in Transferee Company as aforesaid shall be subject to the existing securities / charges / hypothecation / mortgages / encumbrances or liens (together "**Encumbrances**"), if any, as may be subsisting over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which Transferor Company is party wherein the assets of Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only, and attaching only to the assets or any part thereof pertaining to Transferor Company being transferred to Transferee Company by virtue of this Scheme, and such Encumbrances shall not extend or deemed to extend to any other assets of Transferee Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of Transferor Company which shall vest in Transferee Company by virtue of the Scheme and Transferee Company shall not be obliged to create any further, or additional security in respect thereof after the Merger has become effective or otherwise.

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6.4 **Transfer of Liabilities**

6.4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of Transferor Company, whether or not provided in the books of accounts of Transferor Company, shall without any further act, instrument or deed be deemed to be the debt, liabilities, duties and obligations of Transferee Company, pursuant to the provisions Sections 230 to 232 of the Act, so as to become the debts, liabilities (including contingent liabilities), duties and obligations of Transferee Company 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 debts, liabilities (including contingent liabilities), duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

6.5 Transferee Company may at any time after coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute deeds of confirmation, in favor of the creditors of Transferor Company, if any, or in favor of any other party to any contract or arrangement to which Transferor Company is party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of Transferor Company and to implement or carry out all such formalities or compliance referred to above to be carried out or performed on the part of Transferor Company.

6.6 **Transfer of Licenses or registrations**

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6.6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all statutory registrations, licenses, permissions, quotas, approvals, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, consents, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by Transferor Company, if any, and all rights and benefits that have accrued or which may accrue to Transferor Company shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, stand vested in and transferred to or be deemed to have been vested in and transferred to Transferee Company, without any further act, instrument, deed, cost or charge, so as to become as and from the Appointed Date, the statutory and regulatory registrations, permissions, licenses, quotas, approvals, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, consents, liberties, special status and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions, as if they were originally obtained by Transferee Company.

6.7 Upon the Scheme coming into effect, with effect from the Appointed Date, all taxes / cess / duties, direct and / or indirect, paid by or on behalf of Transferor Company including all or any refund and claims, including refunds or claim pending with the revenue authorities and including the right to carry forward accumulated losses, if any, shall for all purposes be treated as the tax / cess / duties/ liabilities or refunds, claims, accumulated losses and credits of Transferee Company.

6.8 Upon the Scheme coming into effect and with effect from the Appointed Date, all existing and future incentives, unavailedcredits

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or exemptions, minimum alternate tax credit, benefit of carried forward losses, unabsorbed depreciation and other statutory benefit, including in respect of income tax, excise (including MODVAT / CENVAT), customs, VAT, sales tax, service tax, GST etc. to which Transferor Company is entitled to, shall be available to and vest in Transferee Company. It is clarified that all the taxes and duties payable by Transferor Company, from the Appointed Date onwards, including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of Transferee Company notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of Transferor Company. Accordingly, upon the Scheme becoming effective, Transferor Company and Transferee Company are expressly permitted to file and/or revise their respective tax returns including return of income, withholding tax return, tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, taking into account the effect of this Scheme.

6.9 **Contracts, deeds, etc.**

6.9.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Transferor Company, to which Transferor Company is a party and subsisting or having effect on the Appointed Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced by or against Transferee Company and Transferee

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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 Transferee Company as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party thereto.

6.9.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that all vesting and transfer occurs by virtue of this Scheme itself, 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/ or enter into and/ or execute deeds (including deeds of adherence), writings or confirmations or enter into any arrangements, with any party to any contract or arrangement to which Transferor Company is a party as may be necessary, in order to give formal effect to the provisions of this Scheme. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of Transferor Company to be carried out or performed to give effect to the provisions of this Scheme.

6.10 **Legal Proceedings**

6.10.1 If any suit, action, claim, appeal or other legal proceeding of whatever nature by or against Transferor Company 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, action, claim, appeal or other legal proceeding may be continued, prosecuted and enforced by or

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against 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 Transferor Company as if this Scheme had not been made.

6.11 **Staff, Workmen and Employees**

6.11.1 On the Scheme becoming effective all the staff, workmen and employees, if any, of Transferor Company shall become the employees of Transferee Company, without any break or interruption in their services, on not less favorable terms and conditions on which they are engaged as on the Effective Date. Transferee Company further agrees that the services of all such staff, workmen and employees prior to the transfer as aforesaid, shall be taken into account for the purpose of all benefits to which the said staff, workmen and employees may be eligible, including retirement benefits / compensation and accordingly shall be reckoned therefore from the date of their respective appointment in Transferor Company.

6.11.2 The existing provident fund, superannuation fund, gratuity fund and any other benefit funds, if any, of which the staff, workmen and employees whose services are transferred under Clause 6.11.1 above are members or beneficiaries along with all accumulated contributions therein till the Effective Date, shall with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by Transferee Company for the benefit of such staff, workmen, employees on the same terms and conditions.

7. CONDUCT OF BUSINESS/ ACTIVITIES TILL EFFECTIVE

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DATE

7.1.1 During the period between the Appointed Date of the Scheme and the Effective Date:

(i) Transferor Company shall be deemed to have been carrying on and shall carry on its business/ activities and shall be deemed to have held and stood possessed of, and shall hold and stand possessed of all its properties, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, Transferee Company.

(ii) Transferor Company shall carry on its business / activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or with the prior written consent of Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its business/ assets or part thereof.

(iii) All the profits or income accruing or arising to Transferor Company and expenditure and losses arising to, or incurred, or suffered by Transferor Company (including taxes, if any, accruing or paid in relation to any profits or income) pertaining to its business and undertaking shall for all purposes be treated and be deemed to be the income, profits, losses or expenditure, as the case may be, of Transferee Company.

(iv) Any of the rights, powers, authorities, privileges, attached, related or pertaining to Transferor Company shall be deemed to have been exercised by Transferor Company for

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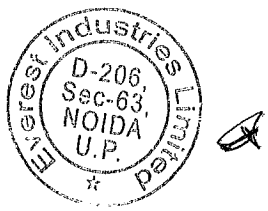
and on behalf of, and in trust for and as an agent of Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to Transferor Company that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for Transferee Company.

(v) Transferor 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 may be required pursuant to this Scheme.

(vi) Upon the Scheme becoming effective, there shall not be any inter-company transactions between Transferor Company and Transferee Company subsequent to the Appointed Date and hence, inter-company transactions between Transferor Company and Transferee Company shall be considered not to be the transactions between different entities. Accordingly, Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 and other tax laws. Transferee Company is also expressly permitted to claim refunds and/ or credits for taxes paid (specifically including refund of taxes paid on inter-company transactions with Transferor Company during the period between the Appointed Date and the Effective Date) and to claim all other applicable tax benefits under the Income Tax Act, 1961 and any other tax



law and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

8. CONSIDERATION

8.1 There will be no issue and allotment of any shares by the Transferee Company in consideration of merger of the Transferor Company with the Transferee Company as the Transferor Company is wholly owned subsidiary company of the Transferee Company and the entire paid-up capital of the Transferor Company is held by the Transferee Company;

8.2 Upon the scheme becoming effective, entire issued, subscribed and paid-up equity capital of the Transferor Company shall, *ipso facto*, without any further application, act, deed or instrument stand extinguished and cancelled and no new shares of the Transferee Company will be issued or allotted with respect to the equity share capital held by the Transferee Company in the Transferor Company.

8.3 The Transferor Company undertakes not to increase its share capital by issuing shares to any entity other than the Transferee Company till the present merger is completed.

8.4 The Transferee Company undertakes not to transfer any of the shares held by it in the share capital of the Transferor Company till the present merger is completed

8.5 Upon the Scheme become effective, share certificate and/or the

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shares in electronic form representing the shares held by the Transferee Company in the Transferor Company shall be cancelled without any further application, act, instrument or deed for cancellation thereof by the Transferee Company and shall cease to be in existence accordingly.

9. ACCOUNTING TREATMENT

9.1 On the Scheme becoming effective and with effect from the Appointed Date, Transferee Company shall account for merger of Transferor Company in accordance with the ' Pooling of Interest' method prescribed under appendix C of the Indian Accounting Standard (IndAS) 103 'Business Combinations" as notified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India.

10. INCREASE OF AUTHORIZED SHARE CAPITAL

10.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of Transferee Company shall automatically stand increased by the authorized share capital of Transferor Company as on the Effective Date, without any further act, instrument, deed or liability on the part of Transferee Company, including payment of any additional fees (including registrar of companies' fees) or stamp duty.

10.2 The Memorandum of Association of Transferee Company (clause relating to the authorized share capital) shall, without any further

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act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13 and Section 61 of the Companies Act, 2013 and any other applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of Transferor Company shall be utilized and applied to the increased authorized share capital of Transferee Company and no extra stamp duty and/or fee shall be payable by Transferee Company for increase in the authorized share capital to that extent.

10.3 It is hereby clarified that the consent of the members to the Scheme shall be deemed to be sufficient for purposes of effecting this amendment in the Memorandum of Association of Transferee Company and that no further resolution under any applicable provisions of the Act, notification, rules or circulars issued thereto, would be required to be separately passed, nor any additional registration fee, stamp duty, etc. be payable by Transferee Company.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of assets, properties, obligations and liabilities of Transferor Company as under Clause 6 above and the continuance of transactions, proceedings by or against Transferee Company shall not affect any transaction or proceedings already concluded by Transferor Company on and after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on behalf of Transferee Company.

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12. DISSOLUTION

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

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PART III

GENERAL TERMS AND CONDITIONS

13. APPLICATION TO HON'BLE NCLT

The Transferor Company a Transferee Company shall with all reasonable efforts make all necessary applications under Sections 230 to 232 of the Act and any other applicable provisions of the Act to the Hon'ble NCLT for seeking approval of the Scheme and for dissolution of Transferor Company without being wound up.

14. MODIFICATION OR AMENDMENT TO THE SCHEME

14.1 Subject to the approval by the Hon'ble NCLT, each of the Transferor Company and Transferee Company through their respective Boards of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Hon'ble NCLT or any other competent authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). In the event any modification or amendment to the Scheme is found unacceptable by any of the Companies for any reason whatsoever, the Transferor Company and/or the Transferee Company shall be at liberty to withdraw and terminate the Scheme.

14.2 The Board of Directors of Transferor Company and/or Transferee Company are authorized to give such directions and to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever arising under the Scheme or in regard to the meaning or interpretation of this

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Scheme or for carrying the Scheme into effect, whether by reason of any directive or orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

14.3 The Board of Directors of Transferor Company and Transferee Company may, in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time. The Board of Directors of Transferor Company and Transferee Company may also at any time make such modifications as they may consider necessary in relation to the procedure and modalities of effecting the transactions contemplated herein.

15. CONDITIONALITY OF THE SCHEME

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

(i) The Scheme being approved by the requisite majorities of each class of shareholders and/ or creditors (where applicable) of Transferor Company and Transferee Company as required under the Act;

(ii) The sanction of the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Act and the necessary order under Section 232 of the Act in favour of the Transferor Company and Transferee Company being obtained;

(iii) Such other sanctions and approvals being obtained from any other regulatory authorities, as may be required by law; and

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(iv) Certified or authenticated copy of the order of theHon'ble NCLT sanctioning the Scheme under Sections 230 to 232 of the Act being duly filed with the concerned Registrar of Companies.

15.2 On the approval of this Scheme by the shareholders of the Companies, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

16. APPROVAL OF SEBI AND STOCK EXCHANGES

In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated February 15, 2015 and in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10 2017, the Scheme of merger of wholly owned subsidiaries with their parent Company shall be filed with the Stock Exchanges for the purpose of disclosures and stock exchanges shall disseminate the scheme documents on their website. Further, the Transferee Company shall comply with the requirement of aforesaid and all other applicable SEBI Notification/ Circular.

17. SEVERABILITY

If any provision of this Scheme is found to be unworkable for any reason whatsoever or is invalid, ruled illegal by any court or authority of competent jurisdiction or unenforceable under the present or future laws, then subject to the decision of the Companies, such part shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

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18. TERMINATION

18.1 This Scheme shall terminate forthwith in the following cases:

(i) refusal of any approval referred to in Clause 15 above; and

(ii) if a modification to this Scheme is not acceptable to any of the Companies and any of such Company decides to withdraw and terminate the Scheme.

18.2 In the event that this Scheme is terminated in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and be null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, liability or obligation which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law, and in such event each party hereto shall bear and pay their respective costs, charges and expenses for or in connection with the Scheme.

19. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and Transferee Company arising out of, or incurred in connection with, implementing this Scheme and matters incidental thereto, shall be borne and incurred by Transferee Company.

CERTIFIED TRUE COPY
For EVEREST INDUSTRIES LIMITED

Company Secretary & Head-Legal

D-206, Sector-63, NOIDA U.P.