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

AMONGST

KAJARIA TILES PRIVATE LIMITED (FORMERLY KNOWN AS KAJARIA FLOERA CERAMICS PRIVATE LIMITED (TRANFEROR COMPANY)

AND

KAJARIA CERAMICS LIMITED (TRANFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

A. This Scheme of Amalgamation ("**Scheme**") provides for the amalgamation of Kajaria Tiles Private Limited (KTPL) (Formerly known as Kajaria Floera Ceramics Private Limited), Wholly Owned Subsidiary ("Transferor Company") with Kajaria Ceramics Limited (KCL), Holding Company ("Transferee Company") on a going concern basis pursuant to the provisions of Section 230 to 232 read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013.

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B. **Kajaria Tiles Private Limited (Transferor Company) (Formerly known as Kajaria Floera Ceramics Private Limited)** was incorporated on 14th October, 2014 with the Registrar of Companies, Vijayawada as a Private Company, Limited by Shares, having its registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001, India.

C. **Kajaria Ceramics Limited (Transferee Company)** was incorporated on 20th December, 1985 with the Registrar of Companies, Delhi as a Public Company, Limited by Shares, having its registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana – 122001, India.

D. The Scheme of Amalgamation is in the interest of the Transferor and Transferee Company, their respective shareholders and creditors.

DESCRIPTION OF THE PETITIONER COMPANIES

Kajaria Tiles Private Limited (Transferor Company) (Formerly known as Kajaria Floera Ceramics Private Limited) was incorporated on 14th October, 2014 with the Registrar of Companies, Vijayawada as a Private Company, Limited by Shares, vide CIN U26933AP2014PTC095460 having its registered office in the State of Andhra Pradesh. The registered office of the Company was shifted the State of Andhra Pradesh to the State of Haryana from the jurisdiction of the Registrar of Companies, Vijayawada to the Registrar of Companies, NCT of Delhi & Haryana, vide order of the Regional Director dated 25th April, 2019. At presently, the registered office of the Company is situated at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001. The name of the Company has changed from Floera Ceramics

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Private Limited to Kajaria Floera Ceramics Private Limited with effect from 28th September, 2017. Further the name was again changed to "Kajaria Tiles Private Limited" with effect from 16th July, 2019 with the fresh CIN U26933HR2014PTC081026. The PAN No. of the Transferor Company is AACCF4853F. The Equity Shares of the Transferor Company are not listed on any of the Stock Exchanges. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

The main objects of Transferor Company as specified under the heading III (A) - Main objects of the Company to be pursued by the Company on its incorporation of the Memorandum of Association of the Company are as under:

1. To establish and carry on the business of manufacturing, designing, fabricating, refining, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of tiles, ceramic wares, porcelain, earthen ware, stone ware, sanitary ware, insulators, fire bricks, fire clay and other minerals and any other products similar to and required for the aforesaid products.

2. To carry on the business as manufacturers, processors, dealers, distributors, importers and exporters, designers, developers, of earth ware, china fire clay, drain and water pipes, hallow and solid products for partitions and load bearing walls, ceiling blocks and roof bricks and all allied bricks, tiles, terracotta, sanitary ware, plain and art stone ware, glass color and glazes.

3. To carry on the business of manufacturers of and dealers in materials, articles, or goods made or composed wholly or partly of cement, concrete products, lime, clay, gravel, sand, minerals, earth, coke, fuel, china, terracotta and ceramic ware of all kinds.

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Kajaria Ceramics Limited (Transferee Company) was incorporated on 20th December, 1985 with the Registrar of Companies, Kanpur as a Public Company, Limited by Shares, having its registered office in Uttar Pradesh. The registered office of the Company was shifted to SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001 India from the jurisdiction of the Registrar of Companies, Kanpur to the Registrar of Companies, NCT of Delhi & Haryana, vide order of the Regional Director dated 27th July, 2015. The Corporate Identification Number (CIN) of Transferee Company is L26924HR1985PLC056150. The PAN No. of the Transferor Company is AABCK1613R. The Equity Shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Transferee Company is the holding Company of the Transferor Company.

The main objects of Transferee Company as specified under the heading III (A) - Main objects of the Company to be pursued by the Company on its incorporation of the Memorandum of Association of the Company are as under:

1. To carry on trade or business to manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles including ceramic, polished vitrified, glazed vitrified and unglazed tiles for domestic, commercial, industrial and outdoor applications for walls, floor and roofings, sewer pipes, drain pipes, concrete pipes and pipes of all descriptions and all kinds acidic, basic, high alumina, high silica, high grog and natural other and all other types, shapes and sizes of refractories and ceramics and all chemical formulations, organic or inorganic descriptions and categories for use in steel plants, mini-steel plants, furnaces, power houses and all kinds of industries, research, development and for any other

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use or purpose and for that purpose to set up all plants and machinery and related equipments including oil, fired or gas fired rotating calcining kilns and other ovens and to carry all business for the manufacture of all kinds and descriptions of refractories and ceramics, all kinds of bathware & sanitarywares (including bathware & sanitarywares made of plastic, fibreglass or any other synthetic products) glass and glasswares, china, terracotta, porcelain products, bricks, building material, vinyl, vinyl asbestos and solid vinylware, adhesive vinyl covebase, poles, blocks, lime, limestone, crockery, pottery, tablewares hotelwares, decorative wares, gardenwares, earthenwares, stonewares, pressedwares tiles, pottery, pipes, insulators of all descriptions and/or products thereof and all kinds of cement (ordinary white coloured Portland alumina heat furnaces, silica), cement products.

2. To purchase, take / give on lease or otherwise acquire/ sold freehold and other lands, properties, mines, mining rights and metalliferous land and any interest therein and to explore, exercise, develop and turn to account the same and to crush, smelt, calcine, refine, dress, raise, get win, fabricate, grind, amalgamate, manipulate and prepare for market, purchase, sell and otherwise deal in ore, mineral sands, stones, artificial stones, metal and mineral substances of all kinds and to carry on any other operations in connection therewith.

3. To carry on all or any of the business of producers, manufacturers, suppliers, distributors, transformers, converters, transmitters, generator, processors, developers, storers, procurers, sellers, carriers and dealers in electricity, all forms of energy (renewable and non-renewable) and any such products and by products derived from such business including without limitation, stream, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including without limitation to conventional sources such as heat, thermal, hydel and /or from non-conventional sources such as tidal ware, wind, solar, geothermal, biological, biogas and coal bed methane.

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RATIONALE FOR THE SCHEME OF AMALGAMATION

Since, the Transferor Company is a wholly-owned subsidiary of the Transferee Company, amalgamation contemplated in the present Scheme will ensure optimized legal structure, more aligned with the business of the Transferee Company and will also reduce the number of legal entities within the group so as to achieve significant cost savings, hence the Scheme of Amalgamation will benefit all concerned, including the shareholders, creditors and other stakeholders of both the Petitioner Companies which are, *inter alia,* as follows::

a) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and Transferee Company;

b) The proposed transaction will result in the establishment of a larger company with more capable resources, a sufficient capital base and a greater capacity to raise funds for expansion, modernization and development of the businesses of the companies concerned.

c) The proposed transaction will further achieve various operational, technical and marketing synergies resulting in better management of logistics, control, administration and centralization. It will also help to achieve economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work better and more productive utilization of various resources and ultimately to avoid general administrative burden and cost triggered by running two separate legal entities under the same group.

d) Would enable focused strategic leadership and top management attention to be bestowed on the Undertaking of the Transferor Company so as to integrate the business synergies and reap the benefits of consolidation; and

e) Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale.

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PARTS OF THE SCHEME:

Part I – This part of the Scheme contains introduction of Companies including definitions and capital structure of companies involved in Amalgamation.

Part II – This part of the Scheme contains the provisions relating to re-organization of share capital of Kajaria Ceramics Limited, Transferee Company, pursuant to the Scheme.

Part III – This part of Scheme contains amalgamation i.e. transfer and vesting of undertakings of **Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) (Transferor Company)** into **Kajaria Ceramics Limited (Transferee Company)** on going concern basis and Accounting Treatment.

Part IV – This part of Scheme contains miscellaneous provisions i.e. application / petition to Hon'ble National Company Law Tribunal at Chandigarh and conditionality of the Scheme.

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PART I – INTRODUCTION OF COMPANIES INCLUDING DEFINITIONS AND CAPITAL STRUCTURE

1. Introduction

This Scheme of Amalgamation provides for amalgamation of Kajaria Tiles Private Limited (KTPL) (Formerly known as Kajaria Floera Ceramics Private Limited), Wholly Owned Subsidiary ("Transferor Company") with Kajaria Ceramics Limited (KCL), Holding Company ("Transferee Company") on a going concern basis pursuant to the provisions of Sections 230 to 232 read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013.

2. Definitions

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given to them below:-

(a) **"Accounting Standards"**

Means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India and as may be amended from time to time.

(b) **"Act"**

Means the Companies Act, 2013 and rules and regulations framed thereunder including any statutory modifications or re-enactment or amendments thereof for the time being in force.

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(c) **"Amalgamation"**

Means the amalgamation of the Transferor Company with the Transferee Company in terms of the Scheme in its present form or with any modification(s) as approved by the authorities concerned.

(d) **"Appointed Date"**

Means 01st April, 2019 (01st day of April, Two Thousand and Nineteen) or such other date as may be approved by the National Company Law Tribunal, Chandigarh or such other competent authority may approve, from which the assets and liabilities, described hereinafter, of the Transferor Company shall stand transferred to and vested in or shall be deemed to stand transferred to or vested in the Transferee Company without any further act, instrument, deed or thing;

(e) **"Asset(s)"**

Means and includes all assets, properties and rights of every kind, nature, character, description and wherever situated, including the Passive Infrastructure assets, whether fixed, movable, immovable property, tangible, intangible, financial, non-financial, whether owned or leased, or otherwise acquired by or in the possession of the Transferor Company, whether or not required to be reflected on a balance sheet of the Transferor Company in accordance with the Accounting Standards and pertaining to the Transferor Company, including but not limited to Intellectual Property Rights and every associated intangible right;

(f) **"Board" or "Board of Directors"**

Means the board of directors of Transferor Company and/or Transferee Company, as the case may be, and shall, unless it is repugnant to the context, include a committee of directors or any person authorized by the board of directors or such committee of directors.

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(g) "**BSE**" shall mean BSE Limited.

(h) "**Business Day**"

Means a day other than Saturday and Sunday on which banks are open for normal banking business in India.

(i) "**Companies**"

Means the Transferor Company and the Transferee Company, referred collectively;

(j) "**Contract**"

Means any contract, agreement, arrangement, tender, memorandum of understanding, engagement, purchase order, license, guarantee, indenture, note, bond, loan, lease, commitment other arrangement, understanding or undertaking, whether written or oral.

(k) **"Effective Date"**

Means the Appointed Date or such other date as may be approved by the National Company Law Tribunal, Chandigarh.

Any references in this Scheme to the date of the "upon coming into effect of the Scheme" or the "upon the scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

(l) **"Employees"** means all the employees of the Transferor Company who are on its pay-roll as on the Effective Date;

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(m) **"Law"**

Means any statute, law, ordinance, rule, regulation, press note, notification, circular, directive or Judgment issued by any Governmental Department/ Authorities etc.

(n) **"Liability(ies)"**

Means liabilities of every kind, nature and description, whatsoever and howsoever arising, raised, incurred or utilized for the business or operations of the Transferor Company, whether present or future, whether or not required to be reflected on a balance sheet in accordance with the Accounting Standards and includes secured and unsecured debts, sundry creditors, contingent liabilities, secured loans, unsecured loans, borrowings, statutory liabilities (including those under taxation laws and stamp duty laws), contractual liabilities, duties, obligations, guarantees and those arising out of proceedings of any nature.

(o) **"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and include any amendments, modifications or any enactments thereof.

(p) **"NCLT"**

Means the applicable bench(es) of the National Company Law Tribunal, Chandigarh Bench having jurisdiction in relation to the Transferor and Transferee Company.

(q) **"NCLAT"**

Means the National Company Law Appellate Tribunal.

(r) **"NSE"** shall mean National Stock Exchange of India Limited.

(s) **"Official Liquidator"** having jurisdiction and shall perform all functions/activities on the direction of the Statutory Authority.

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(t) "**Person**"

Means any individual, general or limited partnership, corporation, limited liability company, joint stock company, trust, joint venture, unincorporated organization, association or any other entity, including any Governmental Authority, or any group consisting of two (2) or more of the foregoing.

(u) **"Registrar of Companies"** means the concerned Registrar of Companies.

(v) **"Regional Director"** means the office of the Regional Director, Northern Region.

(w) "**Scheme**" or "**this Scheme**" or "**the Scheme**"

Means this Scheme of Amalgamation in its present form as submitted to the relevant authorities or this Scheme with such modification(s), if any, as may be made by the members and the creditors of the Transferor Company and/or the Transferee Company or such modifications(s) as may be imposed by any Relevant Authority while sanctioning the Scheme and accepted by the respective Board of Directors.

(x) **"SEBI"**

Means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 as amended.

(y) **"Stock Exchange"** shall mean BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where equity shares of Kajaria Ceramics Limited are currently listed.

(z) **"Tax" or "Taxes"**

Means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with

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respect thereto), in each case in the nature of a tax, imposed by any Governmental Authority under applicable Laws, whether payable directly or by withholding, including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees.

(aa) **"Transferor Company"**

Means Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited), a company incorporated under the Companies Act, 2013 and presently having its Registered Office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana – 122001, India.

(bb) **"Transferee Company"**

Means Kajaria Ceramics Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana – 122001, India.

(cc) **"Tribunal"**

Means National Company Law Tribunal, Bench at Chandigarh.

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(dd) **"Undertaking"**

Means the entire business operations of the Transferor Company as on Appointed Date including:

(a) all the assets including current, non-current, movable, and immovable.

(b) all the debts, liabilities, requirements and dues.

(c) without prejudice to the generality of sub-paragraphs (a) and (b), the undertaking of the Transferor Company shall include their reserves and surplus, if any, movable and immovable properties, assets including leasehold rights, investments, holdings, tenancy rights, licenses, approvals, permissions, orders, statutory relief and concessions, permits authorizations, intellectual property, trademarks, copyright, brand, software, applications, goodwill, telephones, telexes, computers, facsimile, electronic and electricity gadgets and instruments, transmissions lines and communication facilities and equipment, rights, benefits and privileges of all agreements and all other interests, rights and powers of every kind and description whatsoever, privileges, liberty, easement, advantage, benefits and approvals.

d) all records, files, papers and other records whether in physical or electronic form.

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

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3. INTERPRETATION

The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act or Income Tax Act, 1961 and/or any other applicable Laws.

In this scheme, unless the context otherwise requires:

i. references to a statute or statutory provision include any subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated)

ii. references to the singular include the plural and vice versa and references to any gender includes the other gender;

iii. references to a "company" shall include a body corporate,

iv. references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced.

v. references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;

vi. headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;

vii. the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;

viii. references to Clauses and Schedules are to Clauses of and Schedules to this Scheme;

ix. references to any Person shall include that Person's successors and permitted assigns or transferees;

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x. references to the words "include" or "including" shall be construed without limitation;

xi. references to the words "hereof", "herein", "hereto", "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme:

xii. references to "INR" or "Rs." or "Re" or "Rupees" are to Indian National Rupees;

xiii. where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words; and

xiv. if the last day of any period of days specified in this Scheme is not a Business Day, then such period shall include the following Business Day.

4. SHARE CAPITAL

4.1 **The authorised, issued, subscribed and paid up share capital of the Transferor Company as on 31st March, 2019 is as under:**

Particulars	**Amount (In Rupees)**
Authorised Share Capital	
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid–up Capital	
1,00,00,000 equity shares of Rs. 10 each	10,00,00,000
Total	10,00,00,000

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The Equity Shares of the Transferor Company are not listed on any Stock Exchange. Subsequent to 31st March, 2019 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the Authorised, Issued, Subscribed and Paid up Share Capital of Transferor Company. The Transferor Company doesn't have any authorised, issued, subscribed and paid up Preference Share Capital as at 31st March, 2019.

4.2 **The authorised, issued, subscribed and paid up share capital of the Transferee Company as on 31st March, 2019 is as under:**

Particulars	**Amount (In Rupees)**
Authorised Share Capital	
52,00,00,000 Equity Shares of Re. 1 each	52,00,00,000
77,10,000 Preference Shares of Rs. 100 each	77,10,00,000
Total	1,29,10,00,000
Issued, Subscribed and Paid–up Capital	
15,89,50,300 equity shares of Re. 1 each	15,89,50,300
Total	15,89,50,300

The Equity Shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

Subsequent to 31st March, 2019 and up to the date of approval of this Scheme by the Board of Transferee Company, there has been no change in the Authorised, Issued, Subscribed and Paid up Share Capital of Transferee

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Company. The Transferee Company doesn't have any issued, subscribed and paid up Preference Share Capital as at 31st March, 2019.

PART II – REORGANISATION OF SHARE CAPITAL

5. "Increase in Authorized Share Capital"

5.1 After sanctioning the Scheme by the Hon'ble National Company Law Tribunal at Chandigarh, as the case may be, on and from the Effective Date, the Authorized Share Capital of the Transferee Company as on date of filing of order shall stand increased by vesting the Authorized Share Capital of the Transferor Company as on date of filing of order, without any further act or deed.

5.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to the Scheme shall be sufficient for purposes of effecting this amendment in the Memorandum of Association of the Transferee Company and that no further approvals or resolutions under Sections 13, 14 and 61 or any other applicable provisions of the Act, would be required to be obtained or separately passed, nor any additional registration fee, stamp duty, etc., be payable by the Transferee Company. Further for this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital. Further, the Transferee Company shall pay the requisite fee, if any, arises due to difference in maximum statutory fee as per Companies Act, 1956 and Act payable on such combined authorized share capital.

5.3 Pursuant to this Scheme, the Transferee Company shall file the requisite forms/ documents, if required, with the concerned Registrar of Companies, for alteration of its authorized share capital.

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5.4 Accordingly on Scheme becoming effective, Clause V of the Memorandum of Association of the Transferee Company shall stand altered and be substituted to read as follows:

The Authorised Share Capital of the Company is INR 154,10,00,000 (Rupees One Hundred Fifty Four Crores Ten Lakhs only) divided into 77,00,00,000 (Seventy Seven Crores) Equity Shares of Re. 1/- each (Rupee One Only) aggregating to INR 77,00,00,000 (Rupees Seventy Seven Crores Only) and 77,10,000 (Seventy Seven Lakhs Ten Thousand) Redeemable Preference Shares of Rs. 100/- each (Rupees One Hundred Only) aggregating to INR 77,10,00,000 (Rupees Seventy Seven Crores Ten Lakhs Only). The Preference shares may be at par or at premium, convertible or non-convertible into equity shares, with or without voting rights, cumulative or non-cumulative, participating or non-participating and may carry such dividends, maturity periods and subject to such other terms & conditions as may from time to time be decided by the Board of Directors of the Company. The equity shares may be with the rights, privileges and conditions attached thereto as are provided by the regulation of the Company and to divide the shares in the capital of the Company for the time being in accordance with the provision of the Act and the regulations of the Company and to vary, modify or abrogate in such manner as may for time being be provided by the regulation of the Company.

5.5 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Transferor Company or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then the authorized share capital to be specified in Clause V of the Memorandum of Association of the Transferee Company with effect from the Effective Date shall automatically stand modified to take into account the effect of the change.

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5.6 After Amalgamation of the Transferor Company with the Transferee Company, the shares held by the Transferor Company, if any, in the Transferee Company or the shares held by the Transferee Company in the Transferor Company, if any, will be automatically cancelled upon scheme becoming effective.

PART III – AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

6. "Transfer of undertakings"

6.1. Subject to the provisions of this scheme, with effect from the opening of business as on the Appointed Date, all the undertakings of the Transferor Company shall, without any further act or deed, be and shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of the Act on a going concern basis.

6.2. With effect from the Effective Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required, the reserves, if any, of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the Financial Statement of the Transferor Company. In other words, the identity of the reserves of the Transferor Company shall be preserved at the hands of the Transferee Company.

6.3. In case of any difference in accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation shall be quantified and adjusted in the revenue reserve(s) to ensure that the Financial Statement of the Transferee Company reflect the financial position on the basis of its consistent accounting policies.

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6.4. Save as otherwise provided, the books of account including related papers as on close of business day on the day immediately preceding the Appointed Date shall be taken from the undertaking of the Transferor Company and all the assets and liabilities of the undertaking shall be incorporated in the books of account of the Transferee Company at the respective book value thereof appearing in the books of account of the Transferor Company.

7. **"Transfer of Assets"**

Upon the sanction of the Scheme by the NCLT, and without prejudice to the generality of the preceding Clause, upon the coming into effect of this Scheme and with effect from the Appointed Date:

7.1 All the assets and properties of the Transferor Company of whatsoever nature and where so ever situated, including all rights, titles, interest and privileges, powers and authorities in the movable and immovable properties, if any, tangible and intangible assets, including bank balances, all advances recoverable in cash or kind or value to be received, and all deposits/ balance whether with Government or semi-Government, local authorities or any other institution and bodies, advance tax(es) paid, if any, all benefits accruing as on the Appointed Date under the Income Tax Act or under any other fiscal laws like GST, input service tax credit, sales tax credit, cenvat credit and deferred tax asset etc., deposits, cash in hand, loans to any other body corporate, investments of all kinds, if any, reversions, powers, authorities, allotments, approvals including but not limited to approvals, consents and/ or certificates obtained under the provisions of Income Tax Act, all consents, licenses, registrations in the name of the Transferor Company including registrations under statutory laws, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, if any of whatsoever nature and wherever situated 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 Transferor Company (hereinafter referred to as "Assets"),

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shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company so as to become, as and from the Appointed Date, the Assets of Transferee Company, on a going concern basis.

7.2. Without prejudice to the provisions of Clause 7.1 above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property and are capable of transfer by manual delivery or by endorsement and/ or delivery by possession, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company without requiring any separate deed or instrument or conveyance for the same on a going concern basis.

7.3. In respect of movables other than those dealt with in Clause 7.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi Government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, or any class of them, as the case may be), that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company. In addition, the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee

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Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company on a going concern basis and that appropriate entries should be passed in their respective books to record the aforesaid changes.

7.4. With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in so far as may be necessary.

7.5. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment after the Effective Date.

7.6. The Transferee Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favor of any party to any contract or arrangement or memorandum of understanding, to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.

7.7. All the statutory licenses, consents, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, no

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objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company, and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become, as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. If the terms of the licenses, permits, quotas, approvals, permissions are such that they cannot be transferred/ assigned/ endorsed in the name of the Transferee Company and/ or any of the concerned authorities specifically direct the Transferee Company to make a fresh application, in such scenarios, the Transferee Company shall comply with the necessary directions including but not limited to making a fresh application or such other application as may be directed by the concerned authority for the desired transfer of the licenses, permits, quotas, approvals, permissions in the name of the Transferee Company and pending the requisite fresh permissions, approvals, consents etc., the Transferee Company shall, to the extent permissible under the Law, be allowed to continue to use the existing approvals, consents, permissions etc. issued in the name of the Transferor Company. All brands, copyrights, trademarks, or any other kind of intellectual property, if any, registered with the authorities concerned or pending applications submitted at any time on or before the Effective Date or being used by the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all brands, copyrights, trademarks, any other intellectual property, statutory and

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regulatory permissions, environmental approvals and consents, GST registrations, service tax registrations, sales tax registrations, import export code, custom registration or other licenses and consents, if any, shall vest in and become available to the Transferee Company.

7.8. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company, if require shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning NCLT.

7.9. All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Similarly, all the assets and properties, which are sold, transferred/ alienated by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be transferred/ alienated by and on behalf of the Transferee Company, and shall be recognized by the Transferee Company in the same manner as would have been recognized had such sale, transfer taken place after this Scheme had become effective under the provisions of Sections 230 to 232 and all other applicable provisions of the Act and upon the Scheme becoming effective, the Transferee Company shall record the entries in its books of accounts appropriately.

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7.10. All the insurance policies, if any, registered in the name of the Transferor Company shall, pursuant to the provisions of Section 232(4) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company.

7.11 Until the owned property, leasehold property and related rights thereto, license or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected in the record of the Governmental Authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorized to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and account of such transactions.

7.12. For purposes of taking on record the name of the Transferee Company in the records of the Government Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Boards of Directors of the Transferor Company and the Transferee Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license agreement (as the case may be) by the Transferor Company in favour of the Transferee Company.

7.13. Upon this Scheme becoming effective, all Governmental Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, registrations, no-objection certificates and licenses, including approvals from state electricity boards, state pollution control boards, municipalities, tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the

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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 Governmental Authorities in favour of the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority, or by any other Person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

7.14 Upon this Scheme becoming effective, all electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states to the Transferor Company, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument or deed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities by the Transferor Company.

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7.15 Upon this Scheme becoming effective, all Intellectual Property Rights of the Transferor Company shall, without any requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. This Scheme shall serve as a requisite consent for use and transfer of the Intellectual Property Rights of the Transferor Company, without requiring the execution of any further deed or document, so as to transfer the said Intellectual Property Rights in favour of the Transferee Company.

7.16 Upon this Scheme becoming effective, in relation to Assets (if any) belonging to the Transferor Company which require separate documents for vesting in the Transferee Company, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

7.17 The assets and properties forming part of Transferor Company which are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement shall stand transferred by Transferor Company to Transferee Company upon coming into effect of the Scheme and shall, without any other separate order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same on a going concern basis.

8. **"Transfer of Liabilities"**

8.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities of the Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, advance received, liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of

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the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding till the Effective Date so as to become, as on and from the Appointed Date, the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

8.2. All debts, liabilities, duties and obligations, if any, of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

8.3. Where any such debts, loans raised, liabilities, duties and obligations (including contingent liabilities) of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

8.4. Loans, duties and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company inter-se

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

9. "Treatment of Taxes"

9.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income Tax Act, Central Goods and Services Tax Act, 2017 and Goods and Services Tax Act, 2017, Central Sales Tax Act, 1956, State Sales Tax laws or other Applicable Laws/ regulations dealing with taxes/ duties/ levies or any other tax as may be applicable on the Transferor Company (hereinafter in this Clause referred to as "Tax Laws") shall be transferred to the account of the Transferee Company; similarly all credits for taxes including Minimum Alternate Tax, if any, advance tax, tax deduction at source on income of the Transferor Company will be transferred to the account of the Transferee Company. Further, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments 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.

9.2. All taxes of any nature, duties, cess or any other like payment or deductions made by Transferor Company to any statutory authorities such as Income

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Tax, GST, Sales Tax, Service Tax etc. or any tax deduction collection at source, tax credits including GST under Tax laws, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been paid by or on account of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities.

9.3. The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. Further, upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its Income Tax Returns, GST Returns or any other returns filed under the Tax Laws and to claim refunds, advance tax and withholding tax credits, etc. pursuant to or consequent to the provisions of the Scheme.

10. "Contracts, Deeds and Other Instruments"

On and from the Appointed Date and subject to the provisions to the contrary herein contained, if any, all contracts, lease, deeds, bonds, agreements, insurance policies, engagements, memorandum of understanding and other instruments, if any, of whatsoever nature to which the Transferor Company is party or to the benefit of which the Transferor Company is entitled and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company it had been a party thereto or beneficiary in respect thereof. The Transferee Company shall if and to the extent by law required, enter into and/or execute deeds, writings or confirmations to give formal effect to the provisions of this Clause and to the

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extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

11. "Legal Proceedings"

All legal and other proceedings of whatsoever nature by and against the Transferor Company, if any, pending, the same shall not abate, shall not be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the said proceedings may be continued, prosecuted and enforced by and against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the effective date, the Transferee Company shall or may continue, prosecute, enforce or initiate any legal proceedings for and on behalf of the Transferor Company.

12. "Operative Date of the Scheme"

The Scheme, although operative from the Appointed Date, shall become effective from the effective date.

13. "Employees of the Transferor Company"

All the staff and other employees, if any, in the service of the Transferor Company immediately preceding the Effective Date shall become staff and employees of the Transferee Company on the basis that:

13.1. The said staff and employees' services shall be deemed to have been continuous and not interrupted by reason of the said transfer.

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13.2. The terms and conditions of service applicable to the said employees, staff after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the transfer.

13.3. It is expressly provided that as far as the provident fund, gratuity fund, employees state insurance or any other special fund or policy credited or existing for the benefit of the employees, staff of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company and shall for all purposes whatsoever in respect of the administrative or the operation of such scheme or funds or in relation to the obligations to make contributions to the said funds in accordance with the provision of such scheme or funds according to the terms provided in the respective trust deeds. It is the aim and objectives of the Scheme that all rights and duties, powers and obligations of the Transferor Company in relation to such schemes or the funds shall be continued and shall be the funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of aforesaid schemes or funds.

14. "Conduct of business:"

(a) By Transferor Company

With effect from the Appointed Date and up to the Effective date, the Transferor Company:

1. shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by them shall for all purposes, be treated as the profits or losses of the Transferee Company as the case may be.

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2. Undertakes that it shall carry on their business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encounter or otherwise deal with the assets or any part thereof except in the ordinary course of business.

3. Other than ordinary course of business, Transferor Company shall not alienate charge, mortgage, encumber or otherwise deal with the assets or any part thereof without the prior consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the appointed date.

4. shall not make any change in their capital structure either by any increase (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) decrease, reduction except reclassification, sub-division or consolidation, reorganization, or in any other manner, except with prior consent of the Board of Directors of the Transferee Company.

5. shall not, without the prior consent of the Board of Directors of the Transferee Company, undertake any new business activities.

(b) By Transferee Company

The Transferee Company will carry on the business in accordance with the objects set out in the Memorandum of Association. Before carrying out any other nature of business, the Transferee Company will act in accordance with the provisions of the Act and if necessary will take appropriate steps for amendment in the object clause of Memorandum of Association of the Company in accordance with law.

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15. "Contracts"

The transfer of the undertaking to the Transferee Company and the continuance of the contracts by or against the Transferee Company shall not affect any contracts relating to the undertaking of the Transferor Company on or after the Appointed Date.

16. "Saving of Concluded Transactions"

The transfer and vesting of the undertaking under Clause 6 and continuance of legal proceedings by or against the Transferor Company as per Clause 11 shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

17. "Borrowing Limits; Corporate Approvals"

a. With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act, instrument or deed to have been enhanced by the borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.

b. Any corporate approvals obtained by the Transferor Company, whether for 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.

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18. "Inter se Transactions"

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 account and records of the Transferee Company.

19. ACCOUNTING TREATMENT FOR AMALGAMATION

19.1 **Accounting Treatment in the books of Transferee Company:**

a. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in the books of account in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India and specifically under 'Pooling of Interest Method' of accounting as laid down in Appendix C of IND-AS 103 (Business Combinations of entities under common control) as under.

b. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of Transferor Company, on the Appointed Date;

c. The carrying amount of investments in the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf;

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d. Upon the scheme coming into effect, the surplus /deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company over the value of investments cancelled pursuant to Clause 19.1.c, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company;

e. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Transferor Company and the Transferee Company as appearing in their books of account, if any, shall stand cancelled;

f. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

19.2 **Accounting Treatment in the Books of Transferor Company:**

Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the merger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind -AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rule, 2015, as may be amended from time to time.

PART IV – MISCELLANEOUS PROVISIONS

20. "Dissolution of Transferor Company"

On the Scheme becoming effective, the Transferor Company shall be dissolved without the process of winding up in accordance with the provisions of the Act and the Rules made thereunder.

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21. "Application to NCLT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make joint application under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 to the NCLT at Chandigarh for sanctioning of this Scheme and for dissolution of the Transferor Company without the winding up process.

22. "Modifications/Amendments to the Scheme"

22.1 The Transferor Company (by or through its Directors) and the Transferee Company (by or through its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which NCLT and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise of implementing and/or carrying out the Scheme and to all acts, deeds and things as may be necessary, desirable or expedient for putting the scheme into effect.

22.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors of the Transferor Company as well as the Transferee Company are hereby authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

23. "Scheme upon Conditional Approvals"

This Scheme is conditional upon and subject to:

a) registration and sanctioning of the Scheme by the Hon'ble National Company Law Tribunal at Chandigarh under Sections 230 to 232 including

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Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provision of the Companies Act, 2013 in favour of the Transferor Company and the Transferee Company respectively and the necessary orders from the Hon'ble National Company Law Tribunal under Section 232 of the Act being obtained;

b) any other sanction or approval or permission or consent of banks, financial institutions or other appropriate authorities, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

24. "Expenses Connected with the scheme"

All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing and completing the terms and provisions of the Scheme and/or and incidental to the completion of the amalgamation of the said undertaking of the Transferor Company in pursuance of this Scheme shall, except as specifically provided herein be borne and paid by the Transferee Company. In the event of the amalgamation being not approved by the shareholders or sanctioned by the Hon'ble National Company Law Tribunal at Chandigarh, as the case may be, the Transferee Company shall bear all expenses connected with the Scheme as the case may be.

25. "Effect of non-receipt of Approval"

In the event of any of the said sanctions and approvals referred to in Clause 23 above not being obtained or having been obtained subject to certain conditions which are unacceptable and/or the Scheme not being sanctioned by the Hon'ble National Company Law Tribunal at Chandigarh and/or the order or orders not being passed as aforesaid within such further period(s) as

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may be agreed upon between the Transferor Company and the Transferee Company through its respective Directors (and which the Board of Directors of all the Companies are hereby empowered and authorized to agree to and extend from time to time without any limitation), the Scheme shall become null and void save and except in respect of any act or deed done prior thereto as in contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, and Transferee Company shall bear and pay all costs, charges and expenses for and/or in connection with the Scheme.

26. "Withdrawal of this Scheme"

26.1 The Transferor Company and/or the Transferee Company acting through its respective Board of Directors or Representatives duly authorized by the respective Board of Directors shall be at liberty to withdraw this Scheme.

26.2 In the event of withdrawal under Clause 26.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Companies or their respective shareholders or creditors or employees or any other Person as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with applicable Law.

26.3 In the event of withdrawal under Clause 26.1 above, the Companies shall take all necessary steps to withdraw this Scheme from the NCLT and any other authority and to make all necessary filings/applications as may be required to withdraw this Scheme.

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27. **"Miscellaneous"**

In case any doubt or difference or issue shall arise between the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Company and the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled among the Board of Directors of the Companies, and the decision arrived at therein shall be final and binding on all concerned

FOR KAJARIA TILES PRIVATE LIMITED (FORMERLY KNOWN AS KAJARIA FLOERA CERAMICS PRIVATE LIMITED) (TRANSFEROR COMPANY) For KAJARIA TILES PVT. LTD. Authorised Signatory	**FOR KAJARIA CERAMICS LIMITED (TRANSFEREE COMPANY)** For Kajaria Ceramics Ltd. Authorised Signatory