SCHEME OF MERGER BY ABSORPTION

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

OF

JAYANT FINVEST LIMITED
(TRANSFEROR COMPANY)

WITH

JAYANT AGRO ORGANICS LIMITED
(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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PART I
INTRODUCTION, RATIONALE, DEFINITIONS AND INTERPRETATION

1 INTRODUCTION, DEFINITIONS, AND INTERPRETATION

1.1 Preamble

This Scheme of Merger by Absorption ("**Scheme**") is presented pursuant to the provisions of Sections 230 - 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, and Section 2(IB) and other relevant provisions of the Income Tax Act, 1961, as applicable for the:

a. Amalgamation (*as defined hereinafter*) of the Transferor Company (*as defined hereafter*) with the Transferee Company (*as defined hereafter*);

b. the reduction of equity share capital to the extent held by the Transferor Company in the Transferee Company and corresponding issue of shares by the Transferee Company to the shareholders of Transferor Company pursuant to the Amalgamation; and

c. various other matters incidental, consequential or otherwise integrally connected therewith.

1.2 Introduction

1.2.1 Jayant Finvest Limited

Jayant Finvest Limited (hereinafter also referred to as the "**Transferor Company**") is a public unlisted company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and is registered with the Registrar of Companies, Maharashtra, Mumbai with Corporate Identity Number U99999MH1992PLC066277. The Transferor Company was incorporated on April 09, 1992 as "Jayant Finvest Private Limited". The Transferor Company's name was subsequently changed to "Jayant Finvest Limited" on March 07, 2005 vide certificate of change of name dated April 28, 2005 issued by Registrar of Companies, Maharashtra, Mumbai. The registered office of the Transferor Company is currently situated at 701, Tower "A", Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West) Mumbai Maharashtra 400013 India.

The main objects of the Transferor Company as specified under the heading A- Main Object under Clause III of the Memorandum of Association of the Company *interalia* include:

1. To carry on the business as an Investment and Finance Company and to provide finance or to make investment in shares, stocks, securities, bonds or other securities and to finance industrial enterprises and for that purpose lend and advance monies to entrepreneurs, promoters and industrial concerns on such terms and conditions and with or without securities as may be thought appropriate including providing funds on venture capital and to acquire shares, stocks, bonds, units, obligations or securities by original subscription or securities by original subscription participation in syndicates, tender, purchase, exchange or otherwise and to guarantee the subscription thereof and to carry on the business of Assets Management, Risk Management and Mutual Fund.

2. To finance industrial enterprises or companies engaged in industrial and trading activities.

2a. To carry on the business of Merchant Banking in all its aspects, to act as Managers to issues & offers, whether by way of public offer or otherwise, of shares, debentures, bonds, units, participation certificates, deposit certificates, notes, bills, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scripts (hereinafter collectively referred to as the "Securities"), to act as agents of and/or dealers in the securities in

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the course of merchant banking business, to act as financial consultants, joint managers, lead managers, co-managers, advisors and counselors in investment and capital markets, to undertake portfolio management to underwrite, subunderwrite, or to provide standby or procurement arrangement to issue guarantee or to give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to provide financial and investment assistance for the purpose herein, to act as issue house, registrars to issue, transfer agents for the securities, to manage and administer computer centres and clearing house for the securities, to form syndicates or consortia of managers, agents and purchasers for any of the securities, to acquire and hold one or more membership in stocks/security exchange trade association, commodity exchanges clearing houses or associations or otherwise in India or any part of the world to act as brokers, dealers and agents in connection with the securities, bullions and precious metals or other to syndicate any financial arrangements whether in domestic market or in international market whether by way of loans or guarantees or export and yard credits, and to acquire and hold membership in any association of bankers, merchant bankers, insurance companies, brokers and security dealers.

The Transferor Company is a Core Investment Company in terms of the Core Investment Companies (Reserve Bank) Directions, 2016.

1.2.2 Jayant Agro-Organics Limited

Jayant Agro-Organics Limited (hereinafter also referred to as the **"Transferee Company"**) is a public listed company, limited by shares, registered with the Registrar of Companies, Maharashtra, Mumbai under the provisions of the Companies Act, 1956 with Corporate Identity Number L24100MH1992PLC066691. The Transferee Company was incorporated on May 07, 1992 as "Jayant Agro-Organics Private Limited". The Word "Private" was deleted from the name of the Company w.e.f. December 7, 1992 as per section 43-A (1) of the erstwhile Companies Act, 1956 (as amended from time to time) and thereafter the Transferee Company's name was changed to "Jayant Agro-Organics Limited" by virtue of Special Resolution passed by the Shareholders of the Company at its Extra Ordinary General Meeting dated December 21, 1992 & vide certificate of change of name dated April 2, 1993 issued by Registrar of Companies, Maharashtra, Bombay. The equity shares of the Company are listed on BSE Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**) (hereinafter collectively referred to as the **"Stock Exchanges"**). The registered office of the Transferee Company is currently situated at 701, Tower "A", Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West) Mumbai Maharashtra 400013 India.

The main objects of the Transferee Company as specified under the heading A- Main Object under Clause III of the Memorandum of Association of the Company are *interalia* is under:

> *"To carry on business as manufacturers, producers, extractors, refiners, processors, purchasers, sellers, exporters, importers and dealers of all kinds of organic chemicals, fertilizers, manures, pesticides, calcium carbide, ethyl alcohol, coal-tar, medicines, ointments, essences, acids, dyes, paints, colours, pigments, varnishes, inks, explosives. ammunition, fuels oils, greases, lubricants, vegetable oils and cotton seed oil, ground nut oil, hydrogenated oil, linseed oil, castor and/or any other oil, oil cakes, deoiled cakes, seeds, careals and substances from Agro based products and derivatives or extractions."*

The Transferee Company is presently engaged in the business of inter alia, manufacture and sale of a wide range of chemicals based on Castor Oil which include agro-based renewable, non-food and eco-friendly resources.

1.2.3 Rationale of the Scheme

(i) Pursuant to Section 2(87) read with Companies (Restriction on number of Layers) Rules, 2017, no company (subject to certain exceptions) shall have more than two layers of subsidiaries. The Transferee Company is in the business of speciality chemicals and derivatives. The Transferee Company has also several Strategic tie ups,

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joint venture in the sector it is operating. The Transferee Company from time to time explores various business opportunities which may be undertaken in future and therefore reducing these layers will help the Transferee Company to quickly seize such business opportunities as and when they arise. Further, the Amalgamation shall have no adverse implications for the Transferor Company, the Transferee Company, or public shareholders of the Transferee Company. The public shareholding in the Transferee Company shall not be diluted and shall remain the same even after the Amalgamation coming into effect.

(ii) It is proposed to amalgamate the Transferor Company with the Transferee Company by this Scheme, as a result of which the shareholders of the Transferor Company i.e. the Promoters (*as defined hereinafter*) shall directly hold shares in the Transferee Company.

(iii) The Amalgamation will lead to simplification of the shareholding structure and reduction of shareholding tiers and demonstrate direct commitment to and engagement with the Transferee Company by the Promoters.

1.3 **Overview of the Scheme of Amalgamation**

1.3.1 This Scheme provides for the amalgamation of the Transferor Company into the Transferee Company in accordance with Sections 230 to 232 of the Act and the terms and conditions contained in this Scheme.

1.3.2 This Scheme as set out herein in its present form along with any modifications and/or amendments, as may be approved in accordance with the terms of this Scheme or as may be directed by the NCLT, shall be deemed to be effective from the Appointed Date, and be operative from the Effective Date.

1.3.3 The Scheme is divided into 3 (three) parts viz;

(i) **Part I** sets-forth the Introduction, Rationale, Definitions and Interpretation and Capital Structure of the Companies;

(ii) **Part II** deals with the amalgamation of the Transferor Company into and with the Transferee Company, in accordance with the provisions of Sections 230 to 232, and other relevant provisions of the Act; and

(iii) **Part III** deals with general/residuary terms and conditions.

1.4 **Definitions**

1.4.1 "**Act**" or "**Companies Act**" means the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules and regulations, for time being in force, if any or applicable provisions of the erstwhile Companies Act, 1956 (as the case may be) including any statutory modification or re- enactment thereof. References in this Scheme to provisions of the Act shall be deemed to mean and include references to particular provisions of the Companies Act, 2013 unless stated otherwise.

1.4.2 "**Amalgamation**" means the amalgamation of the Transferor Company with the Transferee Company, pursuant to Sections 230 - 232 read with Section 66 and other relevant provisions of the Companies Act, 2013 and applicable provisions of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other relevant rules and regulations, and Section 2 (IB) and other relevant provisions of the Income Tax Act, 1961.

1.4.3 "**Applicable Law(s)**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Governmental Authority resolution,

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order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question.

1.4.4 "**Appointed Date**" means April 1, 2021 or such other date as may be mutually agreed upon by the respective Board of Directors of Transferee Company and Transferor Company with the approval of the National Company Law Tribunal, Mumbai Bench at Mumbai or such other date as may be fixed by the National Company Law Tribunal, for the purposes of this Scheme and Income Tax Act, 1961.

1.4.5 "**Board of Directors**" or "**Board**" in relation to the Transferor Company and /or the Transferee Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee as may be constituted by the board of directors.

1.4.6 "**Clause**" and "**sub-Clause**" means the relevant clauses and sub-clauses set out in this Scheme.

1.4.7 "**Companies**" shall mean jointly referring to the Transferor Company and the Transferee Company.

1.4.8 "**Corporate Action**" shall mean sub-division, consolidation, or re-organization or any other type of capital restructuring activities including but not limited to issue of bonus/right shares excluding grant of employee's stock options and consequent allotment, by the Transferee Company until the effectiveness of the Scheme which would impact the shareholding interest of the Transferor Company in the Transferee Company in any way whatsoever.

1.4.9 "**Effective Date**" shall mean later of the dates on which the certified true copies of the Orders of Hon'ble National Company Law Tribunal sanctioning this Scheme of Amalgamation (by Absorption) are filed with the Registrar of Companies, Maharashtra, Mumbai by the Transferor Company and Transferee Company, References in this Scheme to the word "upon the Scheme becoming effective" or effectiveness of this Scheme" or upon the "Scheme coming into effect" shall mean Effective Date.

1.4.10 "**Governmental Authority**" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

1.4.11 "**Indemnified Persons**" shall mean to include Transferee Company, its directors, employees, officers, representatives, or any other person authorized by the Transferee Company, excluding the Promoters.

1.4.12 "**Indemnifying Persons**" shall mean the Promoters / Promoter Group.

1.4.13 "**NCLT**" means the National Company Law Tribunal, Mumbai Bench at Mumbai having jurisdiction over the Transferee Company and the Transferor Company.

1.4.14 "**New Equity Shares**" shall mean the equity shares of Transferee Company to be issued and allotted to shareholders of Transferor Company in a manner detailed under Clause 2.7 of the Scheme.

1.4.15 "**Promoters**" / "**Promoter Group**" shall mean such persons who are included in the category of promoter and promoter group as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR**"), with respect of the Transferee Company. In terms of SEBI ICDR presently, the Transferor Company (which shall stand dissolved without winding up upon the Scheme becoming effective) and the

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shareholders are the Promoters / Promoters Group of the Transferee Company. Pursuant to the Amalgamation, the shareholders of the Transferor Company who are also the present Promoters / Promoter Group of the Transferee Company shall directly hold shares of the Transferee Company.

1.4.16 "**Record Date**" shall mean the date to be fixed by the Board of Directors of the Transferor Company and the Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom equity shares of Transferee Company will be allotted pursuant to this Scheme.

1.4.17 "**RoC**" means the Registrar of Companies at Mumbai having jurisdiction over the Transferor Company and the Transferee Company.

1.4.18 "**Scheme**" means this Scheme of Amalgamation and Arrangement among the Transferor Company and the Transferee Company and their respective shareholders pursuant to the provisions of Sections 230 - 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, and Section 2(1 B) and other relevant provisions of the Income Tax Act, 1961, as applicable, in its present form (including any annexures, schedules, etc., annexed/attached hereto), along with such modifications and amendments as may be made from time to time.

1.4.19 "**SEBI**" shall mean Securities and Exchange Board of India.

1.4.20 "**SEBI Master Circular**" shall mean the SEBI Master Circular dated December 22, 2020, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/249, as amended or replaced from time to time.

1.4.21 "**Share Exchange Report**" shall mean the registered valuer report on the share exchange ratio dated July 30, 2021 issued by Mr. Sanka Hari Surya, Independent Chartered Accountants and Registered Valuer.

1.4.22 "**Stock Exchange**" shall mean BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) where the equity shares of Transferee Company are listed.

1.4.23 "**Transferee Company** " shall have the meaning ascribed to it in Clause 1.2.2 of this Scheme.

1.4.24 "**Transferor Company**" shall have the meaning ascribed to it in Clause 1.2.1 of this Scheme.

1.5 **Interpretation**

1.5.1 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme;

1.5.2 The words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;

1.5.3 The words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;

1.5.4 Any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

1.5.5 The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

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1.5.6 Any reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;

1.5.7 Words in the singular shall include the plural and *vice versa*; and

1.5.8 References to one gender includes all genders.

1.6 Capital Structure

1.6.1 The share capital of the Transferor Company as on the Appointed Date was as under:

Share Capital	Amount in Rupees
Authorized Capital	
12,00,000 Equity Shares of Rs 10/- each	1,20,00,000
2,00,000 12% Redeemable Preference Shares of Rs 100/- each	2,00,00,000
Total	3,20,00,000
Issued, Subscribed and Paid-up Share Capital	
10,00,450 Equity Shares of Rs 10/- each	1,00,04,500
Total	1,00,04,500

1.6.2 The share capital of the Transferee Company as on the Appointed Date was as under:

Share Capital	Amount in Rupees
Authorized Capital	
7,90,00,000 Equity Shares of Rs 5/- each	39,50,00,000
60,00,000 Redeemable Preference Shares of Rs 5/- each	3,00,00,000
Total	42,50,00,000
Issued, Subscribed and Paid-up Share Capital	
3,00,00,000 Equity Shares of Rs 5/- each	15,00,00,000
Total	15,00,00,000

1.6.3 As on date the Transferor Company, being one of the Promoter/ Promoter Group entity holds 1,81,64,000 (one crore eightyone lakh sixty-four thousand) equity shares in the Transferee Company amounting to 60.55% (sixty point fifty five percent) of the equity shares issued by the Transferee Company and accordingly the Transferor Company is a holding Company of Transferee Company.

1.6.4 The equity shares of the Transferee Company are listed on the Stock Exchanges. Further, after the Appointed Date and till the date of this Scheme being approved by the respective Board of

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Directors of the Companies, there has been no change in the authorized capital or the issued, subscribed and paid-up capital of the Companies.

1.6.5 The Companies agree that till the Scheme becomes effective, the Companies are free to pursuant to a Corporate Action alter their authorized, issued, subscribed and paid-up share capital as may be required by the respective business requirements. If any Corporate Action in relation to the share capital of any of the Companies occurs following the date of approval of the Scheme by the respective Board of Directors of the Companies and on or before the Scheme coming into effect, the number of equity shares to be issued in consideration of the Scheme as mentioned in Clause 2.7.1 shall be subject to an equitable adjustment by the respective Board of Directors of the Companies to account for the aforementioned Corporate Actions.

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PART-II
TRANSFER OF TRANSFEROR COMPANY

2 THE TRANSFER BY WAY OF AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

2.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the Transferor Company shall stand transferred to and be vested in the Transferee Company, as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein as detailed below.

2.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property including immovable property, if any, assets, investments, rights, benefits and interest therein of the Transferor Company shall, with effect from the Appointed Date, stand transferred to and be vested in the Transferee Company, without any further act or deed, and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, and in particular, the undertaking of the Transferor Company including its assets and liabilities shall stand transferred to and be vested in the Transferee Company in the manner provided below:

2.2.1 all assets of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting pursuant to this Scheme, if any, shall stand vested in the Transferee Company;

2.2.2 all movable properties of the Transferor Company, other than those specified in sub-clause 2.2.1 above, including but not limited to sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, cash in hand, deposits, investments (including investments in securities of other companies whether, shares, stocks, debentures, units, or other similar instruments) if any, shall without any further act, instrument or deed, become the property of the Transferee Company (except as provided in Clause 2.8);

2.2.3 all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same unless otherwise stated in this Scheme;

2.2.4 Unless otherwise provided herein, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses in relation to the Transferor Company, shall be in full force and effect on the Effective Date in the name of 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 thereto;

2.2.5 any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against the Transferor Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company shall file necessary applications for transfer of all pending suit/appeal or other proceedings of whatsoever nature, if any relating to Transferor Company;

2.2.6 all employees of the Transferor Company, who are on its payroll shall be engaged by the Transferee Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of

service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous;

2.2.7 all statutory licenses, permissions or approvals or consents held by the Transferor Company required to carry on its operations shall stand transferred to and be vested in the Transferee Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, approvals and consents of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme;

2.2.8 any and all registrations, goodwill, licenses appertaining to the Transferor Company shall stand transferred to and vested in the Transferee Company; and

2.2.9 all taxes payable by the Transferor Company, if any, including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be of the Transferee Company

2.3 **Saving of Concluded Transactions**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Part II shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and 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.

2.4 **Procedural formalities post sanction of the Scheme**

2.4.1 The Transferee Company shall, 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, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company, has been a party, 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 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

2.4.2 Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Transferor Company and/or the Transferee Company shall, if required, simultaneously with the amendment in the register of charges and file particulars of the modified charge with the RoC. Any documentation subsequently entered into with the terms lenders or the working capital lenders of the Transferor Company and the Transferee Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Transferor Company.

2.4.3 Upon the Scheme becoming effective, all permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses, whether statutory, regulatory or otherwise, relating to the Transferor Company, shall stand transferred to and vested in the Transferee Company without any further act, instrument or

deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the aforesaid licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of such licenses, as provided hereinabove, the Transferee Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Transferee Company based on the sanction order of the Scheme by the NCLT.

2.4.4 Upon the Scheme becoming effective, the Transferee Company is expressly entitled to revise its Tax returns and related withholding certificates and shall be entitled to claim Tax refund, Tax Credits pertaining to the Transferor Company, if any.Upon the Scheme becoming effective, the Transferee Company is expressly permitted and shall be entitled to revise its Financial Statements and Returns along with prescribed Forms, filings and annexures under the Income Tax Act, 1961, as amended, (including for minimum alternate tax purpose and tax benefits), services tax laws, Goods and Services Tax as may be applicable and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), to claim tax benefits and related withholding certificates under the Income Tax, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

2.5 **Tax**

2.5.1 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws/regulations dealing with taxes/ duties/ levies allocable or related to the business of Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

2.5.2 Any surplus in the provision for taxation/ duties / levies account including but not limited to the advance tax, tax deducted at source by the customers and minimum alternate tax credit, central value added tax credit, goods and services tax credit as on the date immediately preceding the Appointed Date will also be transferred to Transferee Company. Any refund under the Income Tax Act, 1961 or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of Transferor Company or due to Transferor Company, consequent to the assessment made in respect of Transferor Company, 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 Transferee Company.

2.5.3 The tax payments (including without limitation income tax, tax on distribution of dividends, service tax, excise duty, central sales tax, goods and services tax, applicable state value added tax or any other taxes as may be applicable from time to time) whether by way of tax deducted at source by the customers, advance tax or otherwise howsoever, by Transferor Company after the Appointed Date, shall be deemed to be paid by Transferee Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Transferor Company or the Transferee Company on account of intercompany transactions between Transferee Company and Transferor Company post the Appointed Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

2.5.4 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and /or arising at the Appointed Date and relating to Transferor Company shall be continued and/or enforced until the Effective Date as desired by Transferee Company. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against Transferee Company (for and on behalf of the Transferor Company) in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Transferor Company with Transferee Company or anything contained in the Scheme.

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2.5.5 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

2.5.6 The provisions of this Scheme as they relate to the amalgamation of Transferor Company into and with Transferee Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

2.6 **Conduct of Business**

2.6.1 With effect from the Appointed Date and until occurrence of the Effective Date:

(i) The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Transferee Company;

(ii) The Transferor Company hereby undertakes to hold its assets with utmost prudence until the Effective Date;

(iii) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not, outside the ordinary course of business or as mentioned in terms of this Scheme, (a) undertake any additional financial commitments, (b) borrow any amounts or incur any additional liabilities or expenditure, (c) issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or (d) sell, transfer, alienate, charge, mortgage or encumber or deal, in any of its properties/ assets, (excluding sale, transfer, alienate, charge, mortgage or encumber or deal with its investments in the Transferee Company); or when a prior written consent of the Transferee Company has been obtained in this regard, the Transferor Company shall carry on its business in its ordinary course with reasonable diligence and business prudence and in a manner consistent with its past practices;

(iv) Except by consent of the Board of Directors of the Transferee Company and subject to changes pursuant to commitments, obligations or arrangements prior to the Appointed Date or as part of this Scheme, pending sanction of this Scheme by the NCLT, the Transferor Company shall not take any Corporate Action. ;

(v) The Transferor Company shall not alter its business except with the written concurrence of the Transferee Company; and

(vi) The Transferor Company shall not amend its memorandum of association or its articles of association, except with the written concurrence of the Transferee Company.

2.6.2 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by it with effect from Appointed Date shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure, as the case may be, of the Transferee Company respectively, unless otherwise provided in this Scheme.

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2.6.3 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Company.

2.6.4 Upon this Scheme becoming effective, the Transferor Company shall stand dissolved, without requiring any further action under applicable law.

2.6.5 To give effect to the amalgamation order passed under Sections 230 - 232 and other applicable provisions of the Companies Act in respect of the Scheme by NCLT, the Transferee Company shall, at any time pursuant to the approval of the Scheme by the NCLT, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company, in accordance with the provisions of Sections 230 - 232 of the Companies Act.

2.6.6 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company insofar as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations and that after the sanction of the Scheme and in spite of dissolution of Transferee Company, shall for a period of five years from the date of sanction of the Scheme, be also entitled to continue to operate existing Bank account (s) of Transferor Company for the purpose of depositing cheques, drafts, pay orders and or payment advances issued to or to be issued in favor of Transferor Company and for the purpose of transferring such deposits in such accounts of Transferor Company to the account of Transferee Company.

2.6.7 Notwithstanding anything contained herein, in the event any dividends are declared by the Transferee Company before the Scheme becoming effective, the Transferor Company being entitled to the same due to its shareholding in the Transferee Company, shall ensure that such entitlements are distributed amongst its shareholders by way of dividends prior to Effective Date.

2.7 **Consideration**

2.7.1 Upon this Scheme becoming effective, and in consideration of Amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, basis the share entitlement report issued by Mr. Sanka Hari Surya, Chartered Accountants being a Registered Valuer, shall issue and allot to the shareholders of Transferor Company as on the Record Date, New Equity Shares being an aggregate sum equal to the number of equity shares as held by the Transferor Company in the Transferee Company in the following manner:

1,81,64,000 (One crore eighty- one lakh sixty-four thousand) fully paid- up equity share of Rs. 5/- each credited as fully paid up equity shares of the Transferee Company shall be issued to the equity shareholders of the Transferor Company in proportion of their respective holding in 10,00,450 equity shares of Rs 10/- each held in the Transferor Company.

2.7.2 In the event that the New Equity Shares entitled to be issued result in fractional entitlements, the Board of Directors of the Transferee Company shall be empowered to consolidate and/or round off such fractional entitlements into whole number of equity shares to an integer in a manner to ensure that only 1,81,64,000 number of fully paid equity shares of Rs 5/- (Rupees five only) each to be issued to the shareholders of the Transferor Company.

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2.7.3 The New Equity Shares shall be issued in dematerialised form.

2.7.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.

2.7.5 The New Equity Shares to be issued to the shareholders of the Transferor Company above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* with the existing equity shares of the Transferee Company in all respects.

2.7.6 If the Transferee Company changes its capital structure by way of any Corporate Action, the number of New Equity Shares mentioned in Clause 2.7.1 shall further be suitably modified/adjusted to give effect to such Corporate Actions.

2.7.7 The New Equity Shares in terms of this Scheme will be listed and/or admitted to trading on the Stock Exchanges where the shares of the Transferee Company are listed and/or admitted to trading subject to necessary approvals from the Stock Exchanges and necessary applications and compliances being made by the Transferee Company.

2.7.8 On the approval of the Scheme by the shareholders of Transferee Company pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, it shall be deemed that the said shareholders of Transferee Company have also resolved and accorded all relevant consent for issue of New Equity Shares in terms of this Scheme of Merger by Absorption under section 42, 62 and such other provisions of the said Act to the extent the same may be considered applicable, if any and it is clarified that there will be no need to pass separate shareholders' resolution as required under Section 42, 62 and/or any other provisions of the said Act, if any, as may be applicable

2.8 **Cancellation of Equity Shares held by Transferor Company in Transferee Company**

2.8.1 All equity shares held by the Transferor Company in the share capital of the Transferee Company as on the Effective Date equivalent to 1,81,64,000 equity shares shall stand cancelled, without any further act or deed, upon this Scheme becoming effective. Accordingly, the share capital of Transferee Company shall stand reduced to the extent of the face value of equity shares held by the Transferor Company in the Transferee Company. Provided however, should there be any change in such shareholding on account of a Corporate Action, if any by the Transferee Company the number of equity shares to be reduced on the Scheme becoming effective shall stand suitably modified. However, Transferee Company will correspondingly issue 1,81,64,000 (as modified by corporate action, if any) equity shares having a face value of Rs. 5/- each to the Shareholders of the Transferor Company pursuant to the Scheme as stated elsewhere in the Scheme.

2.8.2 The reduction in the share capital of the Transferee Company as contemplated in Clause 2.8.1 above shall be effected as an integral part of this Scheme in accordance with the provisions provided under Explanation to Section 230 and any other applicable provisions of the Companies Act. The order of NCLT sanctioning this Scheme shall also include approval and confirmation on the reduction of share capital of the Transferee Company which shall be deemed to be an order under Section 66 of the Companies Act confirming the reduction and pursuant to provisions under Explanation to Section 230, no separate sanction shall be necessary.

2.8.3 The reduction as contemplated above would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital. The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

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2.9 **Change in Authorized Share Capital**

2.9.1 Upon the Scheme being finally effective, the Authorised Equity Capital of Transferor Company of Rs. 1,20,00,000/- divided into 12,00,000 Equity shares of Rs. 10/- each will stand subdivided into 24,00,000 Equity shares of Rs. 5/- each and that Authorised Preference Capital of Transferor Company of Rs. 2,00,00,000/- divided into 2,00,000 12% Redeemable Preference Shares of Rs 100/- each will stand reclassified to 4,000,000 Redeemable Preference Shares of Rs. 5/- each and will get merged with that of Transferee Company without payment of additional fees and duties as the said fees have already been paid and the Authorised Capital of Transferee Company will be increased to that extent and no separate procedure shall be followed under the Act.

2.9.2 By virtue of 2.9.1 above, the authorized share capital of the Transferee Company shall stand increased by an amount of Rs. 3,20,00,000 (Rupees three crore twenty lakhs) and **Clause V of** the Memorandum of Association and **Article 4** (under the heading "Authorised Capital") of the Articles of Association of the Transferee Company shall stand substituted/amended to read as follows:

a) Clause V of Memorandum of Association of Transferee Company shall read as under:

"V. The Authorized Share Capital of the Company is Rs. 45,70,00,000 (Rupees forty -five crore seventy lakh) divided into 8,14,00,000 Equity Shares of Rs. 5/- (Rupees five) each and 1,00,00,000 Redeemable Preference Shares of Rs 5/- (Rupees five) each. The Company has power from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred. qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and vary, modify or abrogate any such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

b) Article No. 4 of the Articles of Association of Transferee Company shall read as under:

4. The Authorized Share Capital of the Company is Rs. 45,70,00,000 (Rupees forty -five crore seventy lakh) divided into 8,14,00,000 Equity Shares of Rs. 5/- (Rupees five) each and 1,00,00,000 Redeemable Preference Shares of Rs 5/- (Rupees five) each. The Company has power from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred. qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and vary, modify or abrogate any such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

2.9.3 It is hereby clarified that for the purposes of increasing the authorized share capital of the Transferee Company in accordance with Clause 2.9.1 and 2.9.2, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company and consequential amendments in Clause V of its Memorandum of Association and Article 4 of its Articles of Association all actions taken in accordance with this Clause 2.9 of this Scheme shall be deemed to be in full compliance of Sections 13, 14 and 61 of the Act and other applicable provisions, if any of the Act and that no further resolutions or actions under Sections 13, 14 and 61 of the Act and/or any other applicable provisions of the Act, if any would be required to be separately passed.

2.9.4 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of Transferee Company and, or, Transferor Company, as the case may be, undergoes any change during the pendency of the Scheme, either as a consequence of any Corporate Actions or otherwise, then this Clause 2.9 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

2.9.5 The stamp duty or registration filing fees paid on the authorized share capital of the Transferor Company are permitted to be utilized and applied towards the increase in the authorized share capital of the Transferee Company in accordance with this Clause 2.9.1 and 2.9.2 above, and no further demand of additional stamp duty or filing/registration fee shall be raised or made upon the Transferee Company by any regulatory authorities in relation to such increase in the authorized share capital of the Transferee Company, including by the RoC.

2.10 **Accounting Treatment in the Books of the Transferee Company**

2.10.1 The equity shares of the Transferee Company held by the Transferor Company shall stand cancelled in accordance with Clause 2.8.1 of the Scheme and as a result equivalent equity share capital of the Transferee Company and the book value of investments held by the Transferor Company in the Transferee Company recorded as per Clause 2.8.1 of the Scheme shall stand cancelled. Thereupon, the Transferee Company shall credit the aggregate face value of New Equity Shares issued by it to the shareholders of the Transferor Company pursuant to Clause 2.7 of this Scheme to the Share Capital Account in its Books of Account.

2.10.2 Upon the Scheme being Effective, Transferee Company shall account for the Amalgamation of the Transferor Company in its books of accounts with effect from the Effective Date in accordance applicable Indian Accounting Standards (Ind AS) 103 – "Business Combination" as issued by the Institute of Chartered Accountants of India and notified by Ministry of Corporate Affairs under the provisions of section 133 and other applicable provisions of Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

2.10.3 All the assets and liabilities of Transferor Company are transferred to and vested in the Transferee Company shall be recorded at their respective fair values as appearing in the books of accounts of the Transferor Company in accordance with the requirement of Ind AS.

2.10.4 The balance, if any, in the Reserves account or credit or debit balance of profit and loss account of Transferor Company, as the case may be, shall be transferred to and aggregated with the corresponding reserves in the books of accounts of Transferee Company.

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PART-III
GENERAL / RESIDUARY TERMS AND CONDITIONS

3 GENERAL / RESIDUARY TERMS AND CONDITIONS

3.1 **Conditionality of the Scheme**: This Scheme is and shall be conditional upon and subject to:

3.1.1 The Stock Exchanges issuing their observation/ no-objection letters, wherever required under applicable laws and SEBI issuing its comments on the Scheme, to the Transferee Company, as required under the SEBI Scheme Circular and other applicable laws;

3.1.2 The approval by the requisite majorities in number and value of the classes of persons, including shareholders, creditors of the Transferor Company and Transferee Company as may be directed by the NCLT under Sections 230 - 232 of the Companies Act and applicable rules and regulations framed thereunder;

3.1.3 The approval by the public shareholding through e-voting in terms of paragraphs I(A)(10)(a) and I(A)(10)(b) of the SEBI Master Circular (including any modification or revisions thereof) and the Scheme shall be acted upon only if the votes cast by the public shareholder in favour of the Scheme are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

3.1.4 The sanctioning of this Scheme by the NCLT, whether or not with any modifications or amendments as NCLT may deem fit or otherwise;

3.1.5 The filing of the certified copies of the orders of the NCLT with the RoC, by the Transferor Company and Transferee Company, as the case may be;

3.1.6 Compliance with such other conditions as may be imposed by NCLT; and

3.1.7 The requisite consent, approval or permission of the Central Government or any Governmental Authorities including Stock Exchanges, Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.

3.2 **Application to the NCLT**

3.2.1 The Transferor Company and Transferee Company shall, with all reasonable dispatch, make necessary applications to the NCLT where the respective registered offices of the Transferor Company and the Transferee Company are situated, for convening and/or seeking exemption to convene meetings of shareholders/ creditors and for sanctioning this Scheme under Sections 230 - 232 of the Act, for an order thereof, for carrying this Scheme into effect and for dissolution of Transferor Company without winding up.

3.2.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required under any law for such approvals which the Transferee Company may require to own the undertaking of the Transferor Company and to carry on the business of the Transferor Company.

3.3 **Modifications to the Scheme**

3.3.1 The Transferor Company and the Transferee Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities 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

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for implementing and/or carrying out this Scheme. The Transferor Company and the Transferee Company (acting through its respective Boards of Directors) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

3.3.2 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled, in a mutually agreeable manner, to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Transferor Company and/or Transferee Company.

3.3.3 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Transferor Company and / or the Transferee Company may find unacceptable for any reason, then the Transferor Company and / or Transferee Company (acting through their respective Board of Directors) are at liberty to withdraw the Scheme in accordance with the procedures prescribed to do so.

3.3.4 If any issue arises as whether any asset, liability pertains to the Transferor Company and/or the Transferee Company, or not under this Scheme, the same shall be decided by the Board of Directors of the Transferor Company and/or Transferee Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for said purposes.

3.4 **Winding up of the Transferor Company**

3.4.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up without any further act by the parties.

3.4.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck-off from the records of the RoC.

3.4.3 Any obligations/ steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

3.5 **Effect of non-receipt of Approvals**

3.5.1 In the event that the Scheme is not sanctioned by the NCLT or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, the Transferee Company shall bear the costs, charges and expenses in connection with the Scheme.

3.5.2 The non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Transferor Company getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Boards of Directors of the Transferor Company and Transferee Company so decide. The transfer of such asset or liability shall become effective from the Appointed Date as and when the said requisite approvals are received and the provisions of the Scheme shall apply appropriately to the said transfer.

3.5.3 If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and Transferee Company that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to Transferor Company and/or Transferee Company, in which case the Transferor Company and Transferee Company shall attempt to bring about a

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modification in the Scheme, as will best preserve for the Transferor Company and Transferee Company the benefits and obligations of the Scheme, including but not limited to such Part.

3.6 **Revocation of the Scheme:**

In the event of any of the said sanctions and approvals referred to in Clause 3.5 above, not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed on or before such other date as may be mutually agreed upon by the respective Board of Directors of Transferor Company and Transferee Company, who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* Transferor Company and Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on the companies herein

3.7 **Validity of Existing Resolutions:**

Upon the coming into effect of this Scheme, the Resolutions, if any, of Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as Resolutions of Transferee Company and if any such Resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like Resolutions passed by Transferee Company and shall constitute aggregate of the said limits in Transferee Company.

3.8 **Costs, Charges and Expenses**

All costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme and its implementation, including but not limited to expenditure relating to registration and stamping of orders passed by NCLT, obtaining regulatory approvals, revocation or withdrawal of the Scheme (if undertaken by the Companies) will be borne by the Transferee Company

3.9 **Indemnity**

Notwithstanding anything contained in this Scheme, the Indemnifying Persons shall jointly and severally, indemnify and hold harmless the Indemnified Persons for any and all liabilities and obligations including all demands, claims, charges, suits, proceedings whether existing or contingent in nature and the like which may be made or instituted by any party including any Governmental Authority against the Indemnified Persons which are directly attributable to the Transferor Company which may devolve on Transferee Company on account of or pursuant to the Amalgamation irrespective of the fact that the liability arises and/or becomes payable after the Amalgamation. Further, the Indemnifying Persons shall secure, deposit or pay, as the case may be, any legal demand raised by any party including any Governmental Authority within the time frame provided therein.