SCHEME OF AMALGAMATION

OF

S P S PROCESSORS PRIVATE LIMITED

(Transferor Company)

WITH

BODAL CHEMICALS LIMITED

(Transferee Company)

(UNDER SECTIONS 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

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PREAMBLE

I. DESCRIPTION OF THE COMPANIES:

(a) Bodal Chemicals Limited(CIN:L24110GJ1986PLC009003) (hereinafter referred to as **"BODAL"** or "**Transferee Company**") is a public limited company incorporated under the Companies Act, 1956 having its registered office at Plot No. 123-124, Phase-1, GIDC Estate, Vatva, Ahmedabad 382 445 in the state of Gujarat. The company is a listed Company with its shares listed on the National Stock Exchange India Limited (NSE) and the Bombay Stock Exchange Limited (BSE). The Transferee Company is *inter alia* engaged in the manufacturing as well as trading in all kinds of dyestuffs, dyes intermediates and basic and other chemicals etc; Company is also engaged in export and import of all such products.

(b) S P S Processors Private Limited (CIN: U24100DL2002PTC115883) (hereinafter referred to as **"SPPL"** or "**Transferor Company**") is a private Limited company incorporated under the Companies Act, 1956 having its registered office at Plot No.100, Lane No. 6, Shankar Nagar Extension, Delhi, 110051 in the state of Delhi. The Transferor Company is presently engaged in the Manufacturing and trading of various kinds of dyes intermediates i.e. H acid and vinyl sulphone. It is a Subsidiary of Bodal Chemicals Limited, the Transferee Company, as 70 % of the Share Capital is held by the said Transferee Company. It has initiated the requisite legal process to shift its registered office to the state of Gujarat.

II. FACTS, RATIONALE AND BENEFITS:

The Transferee Company is the holding company of the Transferor Company holding 70% of the share capital. The commercial activities of both the companies are similar in nature. It has been realised by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-

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(i) The proposed amalgamation will offer an immense opportunity to consolidate the portfolio of brands and products that are relevant to the "chemical industry" under a single roof;

(ii) The proposed amalgamation will enable the merged entity to cater to the needs of entire value chain. This can have a better reach in terms of various customer base and will provide a stronger market position to the company;

(iii) The proposed amalgamation will result in operational synergies and efficiency for the merged entity. Accordingly, the Scheme would strengthen and complement the businesses of the Companies;

(iv) The Scheme would help in achieving synergies in business operations and streamlining the business activities for the Companies, combining the following activities which would result in significant growth in business: –

a) material procurement and storage;
b) FG storage and dispatches;
c) Internal movement of materials;
d) Sharing of common utilities;
e) Re-distribution of marketing portfolios thereby reducing marketing and travelling costs;

(v) The Amalgamation of Transferor Company with the Transferee Company will result into enlarged combined assets base and will also provide an opportunity for the merged entity to leverage on such assets;

(vi) Greater integration and greater financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholders value, and will improve the competitive position of the merged entity;

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(vii) The proposed amalgamation would help in enhancing the scale of operations, reduction in overheads, including administrative, statutory compliances, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of resources by avoiding duplication of efforts; and

(viii) Taking into consideration the above synergies, the merged entity would result in better profitability and EBITDA margins, Accordingly the stronger financials will provide a better opportunity in terms of better trade credits, financial resources and in negotiations for prices and suppliers credit terms for the merged entity.

The proposed Amalgamation shall not be prejudicial to the interest of the shareholders and shall not have any adverse impact on creditors and other stakeholders of the Transferor and Transferee Company.

1. **DEFINITIONS:**

In this Scheme unless the meaning or context otherwise requires (i) terms defined in the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the introductory paragraphs above) shall have the meanings set out below:

1.1 "**Act**" means the Companies Act, 2013, including any rules, regulations, circulars, directions or guidelines issued thereunder or any statutory modifications or re-enactments or amendments thereof from time to time;

1.2 "**Appointed Date**" means April 1, 2021;

1.3 "**Effective Date**" means the date on which the last of conditions referred to in Clause 18 hereof have been fulfilled;

1.4 "**Scheme of Amalgamation**"or"**this Scheme**"or"**the Scheme**"means this Scheme of Amalgamation in its present form or with any modifications made under Clause 17 of the Scheme or any modifications approved or directed by the Tribunals or any other Governmental Authority;

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1.5 **"Transferee Company"** means Bodal Chemicals Limited a public limited company incorporated under the Companies Act, 1956, having its registered office at Plot No. 123-124, Phase-1, GIDC Estate, Vatva, Ahmedabad 382 445 in the state of Gujarat

1.6 **"Transferor Company"** means S P S Processors Private Limited, a private limited company incorporated under the Companies Act, 1956, having its current registered office at Plot No.100, Lane No. 6, Shankar Nagar Extension, Delhi, 110051 in the state of Delhi.

1.7 **"Tribunal"** means National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Transferee Company and subject to shifting of the registered office the Transferor Company to the state of Gujarat; for approving the scheme of arrangement, compromise or reconstruction of a company under Section 230 to 232 of the Act;

1.8 **"Undertaking"** means all the undertaking and entire business of the Transferor Company including, without limitation:

(a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, work-in-progress, present, future or contingent of whatsoever nature) of the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company (including, without limitation, the freehold and leasehold properties of the Transferor Company), investments of all kinds (including but not limited to shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, including in subsidiaries, associates, joint ventures, whether in India or abroad),licenses, furniture, fixtures, machinery, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade or stock-in-transit, supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities,

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electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

(b) all permissions, approvals, consents, subsidies, privileges, permits, quotas, rights, claims, entitlements, refunds, registrations (including relating to sales tax, service tax, excise duty, value added tax (hereafter "**VAT**"), entry tax, octroi, Goods and Services Tax (hereafter "**GST**")), licenses (including all licenses, benefits and approvals relating to **EXPORTS**), clearances, exemptions, authorizations, no objection certificates, registrations, income tax benefits and exemptions, indirect tax benefits and exemptions (including, but not limited to credits in respect of income tax, sales tax, service tax, excise duty, VAT, turnover tax, GST, tax credits, tax refunds, all tax holiday, including its continued benefits, incentives, exemptions, concessions and other benefits or privileges, security transaction tax, Minimum Alternate Tax (hereafter "**MAT**") credit, duty entitlement credit certificates), all other rights, benefits and Transferor Company Liabilities related thereto, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

(c) all contracts, agreements, concessions (of any nature and any rights therein or thereto or thereunder), memoranda of understanding, letters of intent, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, if any, whether written, oral or

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otherwise, to which the Transferor Company is a party to, or to the benefit of which the Transferor Company may be eligible;

(d) all intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company along with any and all goodwill of the Transferor Company;

(e) right to any claim not presented or made by the Transferor Company in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Law made by any Governmental Authority, and in respect of set-off, carry forward of accumulated losses, unabsorbed depreciation and MAT credit, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under and in accordance with any Law, whether in India, or anywhere outside India; and

all Liabilities of the Transferor Company, lien, security or Encumbrance in relation thereto, whether in Indian rupees

It is intended that the definition of 'Undertaking' under this Clause would enable the transfer of all property, assets, rights, duties, licenses of the Transferor Company and Transferor Company Liabilities into the Transferee Company pursuant to this Scheme.

1.9 **"SEBI"** means the Securities and Exchange Board of India established under the provisions of the Securities and Exchange Board of India Act

1.10 "**SEBI Circulars**" mean (i) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, (ii) Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March 2017, (iii) Circular No. CFD/DIL3/CIR/2017/105 dated 21st September 2017, (iv) Circular No. CFD/DIL3/CIR/2018/2 dated 3d January 2018 (v) Circular No.

SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated 12th September 2019, (vi) SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 20 2020 and (vii) SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.

2. **DATE OF TAKING EFFECT**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. **SHARE CAPITAL**

3.1. The share capital of the Transferor Company as on 01st April, 2021 is as under

Particulars	**Amount in Rs.**
Authorised 1,65,000 equity shares of ₹ 100/- each	1,65,00,000
Issued Subscribed & Paid-up 1,62,334 equity shares of ₹ 100/- each fully paid-up	1,62,33,400
Total	162,33,400

There is no change in the capital structure of the company since the above referred date. The Transferee Company holds 1,13,634 Equity Shares amounting to 70% of the Issued, Subscribed and Paid up Capital as a Holding Company.

3.2. The share capital of the Transferee Company as on 01st April, 2021 is as under

Particulars	**Amount in Rs.**
Authorised 21,00,00,000 equity shares of Rs. 2/- each	42,00,00,000
2,75,00,000 preference shares of Rs. 10/- each	27,50,00,000

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Total	69,50,00,000
Issued Subscribed & Paid-up 12,23,30,165 equity shares of Rs. 2/- each fully paid-up	24,46,60,330
Total	24,46,60,330

There is change in the capital structure of the company since the above referred date. The company has issued and allotted 1,51,500 equity shares under ESOP Scheme as on 24-06-2021. The Current capital structure is mentioned as below:.

as on 30th September, 2021 is as under:

Particulars	**Amount in Rs.**
Authorised 21,00,00,000 equity shares of Rs. 2/- each	42,00,00,000
2,75,00,000 preference shares of Rs. 10/- each	27,50,00,000
Total	69,50,00,000
Issued Subscribed & Paid-up 12,24,81,665 equity shares of Rs. 2/- each fully paid-up	24,49,63,330
Total	24,49,63,330

4. **AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

4.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, be and stand transferred to and vested in and/ or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this

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Scheme.

4.2. All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery shall be made on a date which shall be mutually agreed upon between the Transferor Company and the Transferee Company on or after the Effective Date.

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

properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.4. Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or kind or for value to be received and deposits, if any, with any person including any Governmental Authority, semi-Government, local and other authorities and bodies and customers, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

4.5. Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to freehold and leasehold properties, and any work-in-progress)of the Transferor Company, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authorities and third parties pursuant to

the sanction of the Scheme by the Tribunals and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. It is clarified that the Transferee Company shall be liable to pay the applicable stamp duty upon the order of the Tribunal sanctioning the scheme.

4.6. Upon coming into effect of the Scheme and with effect from the Appointed Date, all Transferor Company Liabilities, and duties and obligations of the Transferor Company, as on or after the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other Transferor Company Liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Tribunal Order(s) or such other Governmental Authority as may be applicable under the provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the Transferor Company Liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

4.7. Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes. For the avoidance of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

4.8. Without prejudice to the above provisions, upon the Scheme coming

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into effect and with effect from the Appointed Date, all inter-se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including *inter-alia* any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company.

4.9. Upon coming into effect of the Scheme, all taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, GST) paid or payable by the Transferor Company in respect of their respective operations and/or the profits of businesses, on account of the Transferor Company and, in so far as it relates to tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

4.10. Upon coming into effect of the Scheme, all the profits or income, taxes (including any carry forward accumulated losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit and MAT credit as per applicable tax laws) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including any carry forward of accumulated tax losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit, MAT credit in terms of applicable tax laws), costs, charges, expenditure

or losses of the Transferee Company, as the case may be.

4.11. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant Laws, consents, approvals, permissions, all licenses including EPCG licenses, , UPPCB Licenses, GPCB Licenses, SIA licenses and approvals, registrations, certificates, grants, concessions, authorities (including for the operation of bank accounts and demat accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits and liabilities under the same shall, in so far as they relate to the Transferor Company and all quality certifications and approvals, permits, quotas, rights, entitlements, tenancies, immovable properties, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual and industrial property and all other interests relating to the goods or services being dealt with by the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including MAT credit, if any), rehabilitation schemes, grants, permissions, approvals, sanctions, remissions, special reservations, income tax benefits and exemptions, all tax holiday, including its continued benefits, incentives, exemptions, concessions and other benefits or privileges, concessions, special status and other benefits or privileges enjoyed, granted by any person (including any Governmental Authority), or availed of or to be availed of by the Transferor Company is concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Company, vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme. The Transferee Company may apply for the endorsement of the Governmental Authorities as may be required under Applicable Law and shall file the relevant intimations, if

any, for the record of the Governmental Authorities who shall take them on file, pursuant to the Scheme coming into effect.

4.12. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the Tribunal Order(s) and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.

4.13. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

4.14. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such time the name of the bank accounts of the Transferor Company would be 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 in so far as may be necessary. All cheques and other negotiable instruments, deposit slips, 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. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

5. **CONSEQUENTIAL TAX MATTERS**

5.1. Upon the Scheme becoming effective, the Transferee Company shall have the right to revise their respective tax returns along with prescribed forms, filings and annexures under the IT Act (even in a case where the due date to revise the income tax returns have expired under the provisions of the IT Act), and laws in relation to the GST, central sales tax, applicable State VAT, entry tax, service tax, excise duty and other tax laws, and to claim refunds and/or credit for taxes paid (including advance tax, self-assessment tax, tax deducted at source, MAT, foreign tax credit, dividend distribution tax, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

5.2. All tax assessment/adjudication proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be

continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

5.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

5.4. Any refund, under the IT Act and laws in relation to service tax, excise duty, central sales tax, applicable state VAT, entry tax, customs, foreign trade policy,GST, State industrial and incentive policies and schemes or other Applicable Laws or regulations dealing with taxes or duties or levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

5.5. The tax payments (including, without limitation income tax, dividend distribution tax, service tax, excise duty, central sales tax, applicable state VAT, entry tax, customs, GST etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

5.6. Further, any tax deducted at source by Transferor Company or the Transferee Company on transactions with the Transferee Company or the Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax / advance tax deducted at source paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

5.7. Upon the Scheme coming into effect, any 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

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complied with by the Transferee Company.

5.8. All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation in books of account of Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the IT Act and Transferee Company shall be eligible for depreciation on the same at the prescribed rates.

5.9. For the period after the Appointed Date, all its continued benefits, incentives, exemptions, concessions and other benefits or privileges enjoyed by the Transferor Company granted by any government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, the same shall without any other further act or deed shall vest with and be available to the Transferee Company on the same terms and conditions.

5.10. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, MAT, tax deducted at source, foreign tax credit, dividend distribution tax, wealth tax, service tax, excise duty, central sales tax, applicable state VAT, customs duty, foreign trade policy benefits, State industrial policy and incentive schemes, drawback, etc.) to which the Transferor Company is entitled to, shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme coming into effect.

5.11. Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

6. **LEGAL PROCEEDINGS**

6.1. If any suits, actions and proceedings of whatsoever nature (hereinafter

referred to as the "**Legal Proceedings**") by or against the Transferor Company are pending on the Effective Date, the same shall not abate / be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but on and from the Effective Date, the Legal Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

6.2. It is clarified that until this Scheme comes into effect, the Transferor Company shall in consultation with the Transferee Company continue and enforce the Legal Proceedings whether pending or initiated pending the coming into effect of this Scheme.

7. **CONTRACTS, DEEDS, BONDS, APPROVALS AND OTHER INSTRUMENTS**

7.1. For avoidance of doubt and without prejudice to the generality of Clause 4 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date and without any further act of the Transferor Company and the Transferee Company, all memoranda of understanding, contracts, , no objection certificates, rights, consents, permissions, quotas, deeds, bonds, agreements, arrangements, mortgages, indemnity, incentives, engagements, registrations, schemes, assurances, licenses, insurance policies and claims, business claims, guarantees, powers of attorney, authorities given by, issued to or executed in favour of the Transferor Company, quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and other interests relating to the Undertaking and other instruments (including all tenancies, leases (other than leases entered into between the Transferor Company and the Transferee Company), and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to

the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be transferred to and vested in the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company and, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige or obligor thereto.

7.2. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the Tribunal Order(s) sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and stead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

7.3. Without prejudice to the above, the Transferee Company shall, if so desirable or required or as may be necessary, upon the coming into effect of this Scheme and with effect from the Appointed Date, issue writings to the extent that the Transferor Company is required prior to

the Effective Date to issue such writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to issue any such writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company.

7.4. Without prejudice to the above, it is further clarified that with respect to approvals, permissions, licenses, registrations, consents that may require amendment for the purpose of giving effect to this Scheme and to ensure that there is no change in the entitlements otherwise available to the Transferor Company in the absence of this Scheme, the Transferee Company shall be permitted to use the name and approvals, permissions, licenses, registrations, consents of the Transferor Company till such approvals, permissions, licenses, registrations, consents are so amended and updated, so as to enable the Transferee Company to continue to avail the entitlements otherwise available to the Transferor Company.

8. **SAVING OF CONCLUDED TRANSACTIONS**

8.1. The transfer of the assets and liabilities of the Transferor Company under Clause 4 above, the continuance of Legal Proceedings under Clause 6 above and the effectiveness of contracts, deeds, bonds, approvals and other instruments under Clause 7 above, shall not affect any transaction or Legal Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

9. **EMPLOYEES**

9.1. Upon the coming into effect of this Scheme, all the employees of Transferor Company, if any, who are in service on the date immediately preceding the date on which the Scheme finally takes effect, (i.e. the Effective Date) on and from the Effective Date, shall become the

employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions than those on which they are engaged by the Transferor Company immediately preceding the Effective Date.

9.2. Transferee Company agrees that the service of all employees of the Transferor Company immediately prior to the coming into effect of this Scheme shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits to which they may be eligible in Transferee Company immediately prior to the coming into effect of this Scheme. Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

9.3. Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. Transferee Company will also file relevant intimations to the Governmental Authorities concerned who shall take the same on record and substitute the name of the Transferor Company for the Transferee Company.

9.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by Transferor Company for employees, shall be transferred to the necessary funds, schemes or trusts of Transferee Company and till the time such necessary funds, schemes or trusts are created by Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

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10. **CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

10.1. With effect from the Appointed Date and up to and including the Effective Date:

10.1.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

10.1.2. All the profits or income, taxes (including any carry forward accumulated losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit and MAT credit) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be, and will be available to the Transferee Company for being disposed of in any manner as it thinks fit, post the Effective Date.

10.2. With effect from the date of the Board of the Transferee Company approving the Scheme and up to and including the Effective Date:

10.2.1. The Transferor Company shall carry on its businesses and activities with reasonable diligence, business prudence and shall not, without the prior written consent of the Transferee Company, venture into new businesses, invest in shares, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the undertaking or any part thereof, except in the ordinary course of business.

10.2.2. The Transferor Company shall not without prior written consent of the Transferee Company undertake any new business.

10.2.3. The Transferor Company shall not take any major policy decisions in respect of its management and for its business and shall not change its present capital structure without the prior written

consent of the Transferee Company.

11. **DISSOLUTION OF THE TRANSFEROR COMPANY**

11.1. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act by the Transferor Company and the Transferee Company.

11.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the RoC. The Transferee Company shall make all necessary filings in this regard.

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

12. **CONSIDERATION**

12.1. Upon coming into effect of this Scheme, the Equity shares held by the Transferee Company in the Transferor Company shall stand automatically cancelled with effect from the Effective Date without any further application, act or deed and no new shares in form of consideration shall be issued against the same.

12.2 The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date, subject to clause 12.1 hereinabove, in the following Ratio ("**Share Entitlement Ratio**"):

"61(Sixty One) fully paid Equity shares of Rs.2/- (Rupees Two only) each of the Transferee Company for every 01 (One) fully paid Equity shares of Rs.100/- (Rupees One Hundred only) each held by such shareholder in the Transferor Company."

12.3 The Share Exchange Ratio has been arrived at on basis of the valuation report of Mr. Pinakin Shah, a Registered Valuer. The Fairness

Opinion for the same has been obtained from M/s TIPSONS CONSULTANCY SERVICES PVT. LTD. The said Valuation Report have been duly considered by the Board of Directors of the Transferee Company and the Transferor Company.

12.4 The shares to be issued and allotted by the Transferee Company in terms of Clause 12.2 above shall be subject to the provisions of the Memorandum and Articles of association of the Transferee Company and shall rank *paripassu* in all respects with the existing shares of Transferee Company.

12.6 Upon the Scheme being effective and upon the shares of the Transferee Company being issued to the shareholders of the Transferor Company, the Shares held in the Transferor Company shall stand cancelled.

12.7 The issue and allotment of shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the Act and any other applicable provisions were duly complied with.

12.8 The equity shares issued by the Transferee Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the applicable SEBI circulars. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.

13. ACCOUNTING TREATMENT

13.1 The amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting prescribed under Appendix C as per Indian Accounting

Standard (In AS) 103- "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.

13.2 With effect from appointed date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

(i) The Transferee Company shall record all the assets including intangible assets recorded in the books of the Transferor Company and liabilities of the Transferor Company, including reserves shall stand transferred to the Transferee Company, and shall be recorded in the books of account of the Transferee Company at their carrying amounts as appearing in the consolidated financial statements of the Transferee Company as required by Appendix C of Ind AS 103 and relevant guidance available.

(ii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.

(iii) As stated in Clause 12.1 of the proposed scheme, the issued, subscribed and paid up Equity share capital of Transferor Company held by Transferee Company, and the investments in the shares of the Transferor Company appearing, *inter alia*, in the books of account of the Transferee Company shall stand automatically cancelled.

(iv) The balance of the retained earnings in the books of account of the Transferor Company shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.

(v) The identity of the reserves standing in the books of account of the Transferor Company shall be preserved and they shall appear

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in the financial statements of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after the amalgamation.

(vi) 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 in terms of Clause 13.2 (i) over the sum of (a) the face value of the new shares issued and allotted pursuant to Clause 12.2; and (b) the value of investments cancelled if any pursuant to Clause 13.2 (iii) shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

(vii) The inter-company deposits, loans & advances and other balances, if any, in the books of the account of the Transferee Company and the Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

13.3 In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Opening Other Equity of previous period to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

14. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

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14.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the shareholders and the Board of Directors of Transferor Company, including resolutions of any committees authorized by and comprising *inter alia*of members of the Board of Directors of Transferor Company, as are considered necessary by the Board of Directors of Transferee Company and which are validly subsisting, shall be considered as resolutions of Transferee Company.

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

14.3. 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.

15. CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION

15.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company, as indicated in Clause 3.1 of the Scheme, viz. Rs. 1,65,00,000/- only; shall be deemed to be combined with the authorized share capital of the Transferee Company (reclassified in case of Equity Shares by reducing face value to Rs. 2/-(Rupees Two) per share from existing face value of Rs. 100/- (One Hundred) per share), without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the RoC and the stamp duty and fees paid by the Transferor Company on its authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme.

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15.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, stand altered, modified and amended pursuant to Sections 13, 61 and 62 of the Act and other applicable provisions of the Act, as the case may be and be replaced accordingly.

15.3 It is clarified that the approval of the Scheme by the members of the Transferee Company shall be deemed approval of the alteration of the memorandum and articles of association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Act, and Clause V of the memorandum of association of the Transferee Company and Article 3 of the articles of association of the Transferee Company shall stand amended accordingly.

16. **APPLICATIONS TO THE NCLT**

16.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications (as may be applicable) to the National Company Law Tribunal, Ahmedabad Bench for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

16.2. 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 Governmental 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.

17. **MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

17.1. Subject to the approval of Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee of the Board or persons, may consent, to any modifications or amendments of the

Scheme or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme, whether inpursuance of a change in Law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps 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 directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

17.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Director(s) of Transferor Company and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

18. **SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

The transfer of the Undertaking to the Transferee Company is and shall be conditional upon and subject to the following approvals, sanctions, orders and consents:

18.1 Obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') read with SEBI Circular and Regulations 11 and 94 of the LODR Regulations;

18.2 The Scheme being approved by the requisite majority both by value and number by such classes of shareholders and/or creditors (where applicable) of the Transferor Company and the Transferee Company as may be directed by the Tribunal, as required under Applicable Law.

18.3 The Scheme being approved by the majority of the public shareholders of the Transferee Company (by way of e-voting) as required under SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI circular. The term 'public shareholder' shall carry the same meaning as defined under Rule 2 of the Securities Contract (Regulations) Rules, 1957

18.4 Tribunal Order(s) under the provisions of Section 230 read with Section 232 of the Act being obtained by each of the Transferor Company and the Transferee Company from the Tribunal.

18.5 The certified/ authenticated copies of the Tribunal Order(s) sanctioning the Scheme being filed with the RoC by the Transferor Company and the Transferee Company.

18.6 Receipt of any other Governmental Approval to the transfer of the Undertaking and/or the Scheme, if required under Applicable Law.

19. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME

19.1. In the event of any of the said approvals or conditions referred to in Clause18 above not being obtained and/ or complied with and/or satisfied and/or the Scheme not being sanctioned by the Tribunals and/or Tribunal Order(s) not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect. The Transferor Company and the Transferee Company shall, in such event, *inter se*bear and pay their respective costs, charges, expenses in connection with the Scheme.

19.2. In the event of revocation under Clause 19.1, no rights and liabilities whatsoever shall accrue to or be incurred*inter se* to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and

except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any 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 in accordance with the Applicable Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

19.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

19.4. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post-amalgamation.

20. **COSTS**

All past, present and future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, shall be borne by the Transferee Company, till the Effective Date. It is further clarified that any costs arising or accruing to the Transferor Companyin carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, as on or after the Effective Date, shall for all purpose be treated and be deemed to be arising or accruing as costs of the Transferee Company.

21. **NO CAUSE OF ACTION**

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn,

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amended or modified for any reason whatsoever.