DRAFT SCHEME OF AMALGAMATION

OF

BHARAT GAS RESOURCES LIMITED

WITH

BHARAT PETROLEUM CORPORATION LIMITED

AND

AND THEIR RESPECTIVE SHAREHOLDERS

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

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For Bharat Petroleum Corporation Ltd.

वी. कला / V. Kala
कंपनी सचिव / Company Secretary

(A) PREAMBLE

This scheme of amalgamation provides for the amalgamation of Bharat Gas Resources Limited (hereinafter referred to as **"Transferor Company"**) with Bharat Petroleum Corporation Limited (hereinafter referred to as **"Transferee Company"**) and their respective shareholders (**"Scheme"**) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with Sections 2(1B) of the Income Tax Act (*as defined hereinafter*). This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

(B) DESCRIPTION OF COMPANIES

1. The Transferee Company is a public company incorporated under the provisions of the Indian Companies Act, 1913 and is a 'government company' in terms of Section 2(45) of the Act. The Transferee Company *inter alia* primarily engaged in the business of refining of crude oil and marketing of petroleum products. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

2. The Transferor Company is a public company incorporated under the provisions of the Act and is a 'government company' in terms of Section 2(45) of the Act. The Transferor Company is primarily engaged in the business of natural gas. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

(C) RATIONALE OF THE SCHEME

The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Company pursuant to amalgamation. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:

(a) Streamlining of the corporate structure and consolidation of assets and liabilities of the Transferor Company within the Transferee Company;

(b) Availing easier financial support for the business of the Transferor Company;

(c) More efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;

(d) Improve management oversight and bring in operational efficiencies;

(e) Cost savings through legal entity rationalisation and consolidation of support functions, business processes, elimination of duplicate expenses, etc.; and

(f) Reduction of administrative responsibilities, multiplicity of records and legal & regulatory compliances.

Thus, the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

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1. **PART I** deals with the definitions, interpretations and share capital of the Parties (*as defined hereinafter*);

2. **Part II** deals with amalgamation of the Transferor Company with the Transferee Company; and

3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

"**Act**" means the Companies Act, 2013;

"**Applicable Law**" or "**Law**" means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

"**Appointed Date**" means opening business hours of 1 April 2021 or such other date as may be approved by the Board of the Parties;

"**Authority**" means the Ministry of Corporate Affairs, Government of India having jurisdiction over the Parties or such authority that may have jurisdiction over the Scheme in accordance with the applicable provisions of the Act;

"**Appropriate Authority**" means:

(a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;

(b) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation; and

(c) any Stock Exchange.

"**Board**" in relation to the Party, means the board of directors of such Party, and shall include a committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

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"**Effective Date**" means the date on which the certified copies of the order of the Authority approving the Scheme are filed with the RoC by the Parties;

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

"**Encumbrance**" means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term "**Encumber**" shall be construed accordingly;

"**Income Tax Act**" means the Income-tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;

"**INR**" means Indian Rupee, the lawful currency of the Republic of India;

"**Parties**" means collectively the Transferor Company and the Transferee Company and "**Party**" shall mean each of them, individually;

"**Permits**" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, concessions, entitlements, awards, letter of intent, allotments, quotas, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law and includes authorizations, approvals, certificates and permissions from Petroleum and Natural Gas Regulatory Board;

"**Person**" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"**RoC**" means the relevant jurisdictional Registrar of Companies having jurisdiction over Parties;

"**Scheme**" or "**this Scheme**" means this scheme of amalgamation as modified from time to time;

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

"**Tax Laws**" means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

"**Taxation**" or "**Tax**" or "**Taxes**" means any and all forms of taxes (direct and indirect), surcharges, fees, tariffs and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, self- assessment tax, minimum alternate tax, service tax, custom duties, CENVAT,

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excise, VAT, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto;

"Transferee Company" means Bharat Petroleum Corporation Limited, a company incorporated under the provisions of the Indian Companies Act, 1913, having corporate identification number L23220MH1952GOI008931 and its registered office at Bharat Bhawan, Ballard Estate, Mumbai – 400 001, Maharashtra, India; and

"Transferor Company" means Bharat Gas Resources Limited, a company incorporated under the provisions of the Act, having corporate identification number U11200MH2018GOI310461 and its registered office at Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Mumbai – 400 001, Maharashtra, India.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;

1.2.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.4 the words "include" and "including" are to be construed without limitation.

2. SHARE CAPITAL

2.1 The share capital structure of the Transferor Company as on 31 December 2020 is as follows:

Particulars	Amount in INR
Authorised share capital	
230,00,00,000 equity shares of INR 10 each	2300,00,00,000
Total	**2300,00,00,000**
Issued, subscribed and paid up share capital	
55,86,20,000 equity shares of INR 10 each	558,62,00,000
Total	**558,62,00,000**

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company until the date of approval of the Scheme by the Board of the Transferor Company.

2.2 The share capital structure of the Transferee Company as on 31 December 2020 is as follows:

Particulars	Amount in INR
Authorised share capital	
263,50,00,000 equity shares of INR 10 each	2635,00,00,000
Total	**2635,00,00,000**
Issued, subscribed and paid up share capital	
216,92,52,744 equity shares of INR 10 each	2169,25,27,440
Total	**2169,25,27,440**

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Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company until the date of approval of the Scheme by the Board of the Transferee Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme in its present form or with any modification(s), as may be approved or imposed or directed by the Authority or made as per Clause 15 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY

4.1 Upon effectiveness of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall be amalgamated into the Transferee Company and the entire business, undertaking, properties, Permits, contracts, loans, debentures, duties, obligations, assets and liabilities of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the entire business, undertaking, properties, Permits, contracts, loans, debentures, duties, obligations, assets and liabilities of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

4.2 Upon effectiveness of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties of the Transferor Company which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Company, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly.

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities,

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sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company.

4.2.3 In respect of such of the assets and properties of the Transferor Company which are immovable in nature, including, but not limited to, rights of use, rights of way, titles, interest and easements in relation thereto, whether or not recorded in the books of account of the Transferor Company, shall stand transferred and vested in the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/ or the Transferee Company.

4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Parties shall register the true copy of the orders of the Authority approving the Scheme with the offices of the relevant sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the respective Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred and vested in solely pursuant to and in terms of this Scheme and the order of the Authority sanctioning this Scheme.

4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/ or the Transferee Company. However, if so required under Applicable Law, for the purpose of payment of stamp duty, if the Transferee Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

4.2.6 All debts, liabilities, performance bank guarantees, guarantees, duties and obligations (including loans, debentures, bonds, notes or other debt securities), whether or not recorded in the books of accounts of the Transferor Company to the extent outstanding shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee

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Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any third party or Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4.

4.2.7 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other 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.

4.2.8 Unless otherwise agreed between the Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.

4.2.9 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Company, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever.

4.2.10 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Company were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company shall be transferred to the

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Transferee Company from the Appointed Date, without any further act, instrument or deed.

4.2.11 All contracts, bids, agreements, heads of agreements, term sheets, memorandum of understanding, grants of legal representations, bonds, deeds and other instruments of whatsoever nature subsisting or having effect before the effectiveness of this Scheme, where the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to formalise such transfer and vesting shall not affect the operation of the foregoing sentence. Without prejudice to the other provisions of this Scheme, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to formalise the above provisions.

Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, bids, contracts executed or entered into by or *inter se* between the Parties, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/or Transferee Company shall have any obligation or liability against the other party in relation thereto.

4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2, the Parties may execute any and all instruments or documents as may be required under any Applicable Law and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme.

4.4 Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

5. EMPLOYEES

5.1 Upon the effectiveness of this Scheme, all the employees of the Transferor Company as on the Effective Date shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any Persons in relation to the employees of the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

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5.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company.

6. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any suit, cause of action, decrees, demands, recovery certificates, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

7. TAXES/ DUTIES/ CESS

Upon the effectiveness of the Scheme and with effect from Appointed Date, by operation of law pursuant to the order of the Authority:

7.1 All the profits or income taxes (including advance tax, self-assessment tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, tax losses, unabsorbed depreciation) all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, VAT, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad 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 or income, Taxes (namely advance tax, tax deducted at source, tax collected at source, dividend distribution tax & foreign tax credits), tax losses, minimum alternate tax credit, unabsorbed depreciation, dividend distribution tax credit, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.

7.2 Upon the Scheme becoming effective, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Company, shall, for all purposes be treated as Taxes, cess, duties and liabilities as the case may be, payable by the Transferee Company.

7.3 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be available and stand vested in the Transferee Company.

7.4 Upon the Scheme becoming effective, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax

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returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, MAT credit, unabsorbed depreciation, unabsorbed losses, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.

7.5 It is hereby clarified that in case of any refunds, claims, exemptions, credits, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, claims, exemptions, credits, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.

8. CONSIDERATION

8.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Transferee Company.

8.2 Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act or deed.

9. ACCOUNTING TREATMENT

9.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in the books of accounts in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

9.1.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the books of the Transferor Company;

9.1.2 The identity of the reserves shall be preserved and the Transferee Company shall record the reserves of the Transferor Company, at the carrying amount as appearing in the books of the Transferor Company;

9.1.3 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled;

9.1.4 The value of all investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation;

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9.1.5 The surplus/deficit, if any arising after taking the effect of Clause 9.1.1, 9.1.2 and 9.1.4, after giving the effect of the adjustments referred to in Clause 9.1.3, shall be adjusted in 'Capital Reserve' in the financial statements of the Transferee Company;

9.1.6 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies; and

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

10. DISSOLUTION OF THE TRANSFEROR COMPANY

10.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC.

PART III

GENERAL TERMS & CONDITIONS

11. COMBINATION OF AUTHORISED SHARE CAPITAL

11.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company as on the Effective Date will be combined with the authorised equity share capital of the Transferee Company and accordingly the authorised equity share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.

11.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company.

11.3 Consequentially, Clause 5 of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 11.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.

11.4 It is clarified that the approval of the Authority to the Scheme shall be deemed to be consent/ approval of the members of the Transferee Company also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

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12. VALIDITY OF EXISTING RESOLUTIONS, POWER OF ATTORNEYS, ETC.

12.1 Upon this Scheme coming into effect, the resolutions/ power of attorneys executed by the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company. Further, if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then such limits shall be automatically added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Transferee Company without any further act or deed.

12.2 For the avoidance of doubt and without prejudice to the generality of Clause 12.1 above, it is clarified that, upon this Scheme coming into effect, the limits of creation of charge and borrowing of the Transferor Company as may be approved under Sections 180(1)(a) and 180(1)(c) of the Act, as on the date of Scheme coming into effect, shall be added to the limits of creation of charge and borrowing of the Transferee Company and no further consent/approval from the shareholders of the Transferee Company or any other authority shall be required.

13. BUSINESS UNTIL EFFECTIVE DATE

13.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Appointed Date, the Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as the Transferor Company had been doing hitherto.

13.2 With effect from the Appointed Date and until the Effective Date:

13.2.1 The Transferor Company shall carry on and be deemed to have carried on its businesses and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company;

13.2.2 The Transferor Company shall carry on its business and activities with due diligence and business prudence and shall not, without the prior written consent of the Transferee Company, charge, mortgage, Encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business; and

13.2.3 All profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

13.3 The Parties shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

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13.4 For the purpose of giving effect to the amalgamation order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Authority, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, 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 to 232 of the Act. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

14. APPLICATIONS/PETITIONS TO THE AUTHORITY

14.1 The Parties shall make joint applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Authority, for sanction of this Scheme under the provisions of the Act.

15. MODIFICATION OR AMENDMENTS TO THIS SCHEME

15.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Authority or any other Appropriate Authority may impose.

15.2 For the purposes of giving effect to this Scheme, the Board may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.

16. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

16.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

16.2 In the event of withdrawal of the Scheme under Clause 16.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

16.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed amongst the Parties, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their shareholders or creditors or employees or any other Person in terms of this Scheme. In such an event, each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

17. COSTS AND EXPENSES

The Transferee Company shall bear the costs, charges and expenses (including stamp duty, if any), in connection with this Scheme, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.

18. MISCELLANEOUS

18.1 On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230 of the Act, it shall be deemed that the

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said members have also accorded all relevant consents under any other provisions of the Act, including Sections 13, 14, 61, 62(1)(c) and 64 of the Act, to the extent the same may be considered applicable.

18.2 The consent/ approval given by the members and/ or the creditors of the Parties to this Scheme pursuant to Section 230 to 232 of the Act and any other applicable provisions of the Act shall be deemed to be their approval for their respective obligations under this Scheme.

19. SAVING OF CERTAIN RIGHTS

It Is hereby clarified that submission of the Scheme to the Ministry of Corporate Affairs, Government of India and to any authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferee Company or Transferor Company may has or may have under or pursuant to all appropriate and applicable laws and regulations.

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