# COMPOSITE SCHEME OF ARRANGEMENT

**AMONGST**

| | | |
|---|---|---|
| **MANGALORE CHEMICALS & FERTILIZERS LIMITED** | ... | **TRANSFEROR COMPANY** |
| **PARADEEP PHOSPHATES LIMITED** | ... | **TRANSFEREE COMPANY** |

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013**

## PART I

## GENERAL

**WHEREAS:**

1. **MANGALORE CHEMICALS & FERTILIZERS LIMITED** (hereinafter referred to as the "**Transferor Company**"), is a public company incorporated under the Companies Act, 1956 with corporate identity number L24123KA1966PLC002036, and having its registered office at Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka, India, 560 001. The Transferor Company was incorporated on July 18, 1966. The Transferor Company is *inter alia* engaged in the business of manufacture, purchase, import and sale of fertilizers. The Equity Shares (*as defined hereinafter*) of the Transferor Company are listed on the Stock Exchanges (*as defined hereinafter*).

2. **PARADEEP PHOSPHATES LIMITED** (hereinafter referred to as the "**Transferee Company**"), is a public company incorporated under the Companies Act, 1956 with corporate identity number L24129OR1981PLC001020, and having its registered office at 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N. Marg, Bhubaneswar, Orissa, India, 751 001. The Transferee Company was incorporated on December 24, 1981. The Transferee Company is *inter alia* engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zypmite (gypsum-based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto. The Equity Shares (*as defined hereinafter*) of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*).

### A. PREAMBLE

This Scheme (*as defined hereinafter)* is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter)* read with the relevant rules made thereunder, the relevant provisions of the SEBI Scheme Circular (*as defined hereinafter),* and the relevant provisions of the SEBI LODR Regulations (*as defined hereinafter)* for: (i) the amalgamation of the Transferor Company with and into the Transferee Company on a going concern basis in accordance with Section 2 (1B) of the Income Tax Act (*as defined hereinafter*) and the consequent issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company under Sections 230 to 232 and other applicable provisions of the Act, and the SEBI Scheme Circular; and (ii) the transfer of the Identified Shares (*as defined hereinafter*) from the Transferor Shareholder (*as defined hereinafter*) to the Transferee Shareholder (*as defined hereinafter*). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

### B. DESCRIPTION OF THE SCHEME

3. This Scheme provides, *inter alia,* for:

   (a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;

   (b) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder; and

   (c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

### C. RATIONALE OF THE SCHEME

4. With a view to consolidate the business and other interests of the Transferee Company and the

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Transferor Company, the Transferee Company and Transferor Company have decided that the Transferor Company with all its business and other interests, be amalgamated with and into the Transferee Company.

5. The Transferor Company and Transferee Company are of the view that: (a) the proposed amalgamation of the Transferor Company with and into the Transferee Company; and (b) the Share Transfer contemplated under this Scheme, would be to the benefit of the shareholders and creditors of the Transferor Company and Transferee Company and would, *inter alia*, have the following benefits:

   (a) The proposed amalgamation will enable the Transferor Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;

   (b) The Transferor Company and Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;

   (c) The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company; and

   (d) The proposed amalgamation is expected to create enhanced value for the stakeholders of the Transferor Company and the Transferee Company.

6. The Scheme also provides for the Share Transfer (*as defined hereinafter*), which shall be undertaken as an integral part of this Scheme to ensure that the existing promoter of the Transferee Company continues to hold more than 50% (fifty percent) of the share capital of the Transferee Company upon the consummation of the Scheme, which shall ensure the continued control by the existing promoter of the Transferee Company. Therefore, the Share Transfer is expected to expedite the overall benefits of the Scheme and create enhanced value for the stakeholders of both the Transferor Company and the Transferee Company.

## D. PARTS OF THE SCHEME

7. This Scheme is divided into the following parts:

   (a) **Part I**, deals with the definitions of the terms used in this Scheme, the interpretation provisions of the Scheme, and also sets out the details of the share capital of the Transferor Company and the Transferee Company;

   (b) **Part II**, deals with the amalgamation of the Transferor Company with and into the Transferee Company on the Effective Date 2 (*as defined hereinafter*) and with effect from the Appointed Date 2 (*as defined hereinafter*), in accordance with Section 2 (1B) of the Income Tax Act and Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder, and the relevant provisions of the SEBI Scheme Circular and the SEBI LODR Regulations, the dissolution of the Transferor Company and listing of Equity Shares of the Transferee Company that are issued pursuant to the Scheme and the accounting treatment for the Scheme;

   (c) **Part III**, deals with transfer of the Identified Shares (*as defined hereinafter*) by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1 (*as defined hereinafter*) and with effect from the Appointed Date 1 (*as defined hereinafter*); and

   (d) **Part IV**, deals with the general terms and conditions applicable to the Scheme including, *inter alia,* the transfer of the authorized share capital of the Transferor Company to the

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Transferee Company and the conditions precedent to effectiveness of the Scheme.

## E. DEFINITIONS

8. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

(A) "**Act**" means the (Indian) Companies Act, 2013 and any rules, regulations, circulars notifications, clarifications or guidelines issued thereunder;

(B) "**Applicable Law**" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, approvals, bye-laws, regulations, notifications, guidelines, ordinance, policies, directions, directives, circulars, notifications and orders promulgated by a Governmental Authority (or any sub-division thereof), statutory authority, tribunal (including the Tribunals), board, court or Stock Exchanges, which are in force and binding at the relevant time, and as may be applicable;

(C) "**Appointed Date 1**" shall mean the Effective Date 1;

(D) "**Appointed Date 2**" shall mean April 01, 2024;

(E) "**Articles**" mean the articles of association of the Transferee Company;

(F) "**Board**" in relation to any company, means the board of directors of such company and shall, unless repugnant to the context thereof, include a committee of directors duly authorised by such board of directors;

(G) "**CCI**" means the Competition Commission of India;

(H) "**Clause**" means a clause of this Scheme;

(I) "**Consent**" means any notice, consent, approval, permission, authorisation, waiver, permit, clearance, no objection, license, exemption, of, from or to any Person;

(J) "**Contract**" means any agreement(s), contract(s), sub-contract(s), arrangement(s), memoranda of undertaking(s), guarantee(s) and indemnity(ies), memoranda(s) of agreement, expression(s) of interest, bid(s), letter(s) of intent, letter(s) of agreed points, instrument(s), understanding(s), commitment(s), purchase order(s) work order(s), deed(s), bond(s), warranty(ies), insurance(s), lease(s), license(s), tender(s), undertaking(s) or commitment(s) of any nature (whether or not the same is absolute, revocable, contingent, conditional, binding or otherwise (whether written or otherwise), including all amendment(s) and modification(s) thereto), to which the Transferor Company is a party or by which any of the assets held by the Transferor Company are bound;

(K) "**Effective Date 1**" shall have the meaning set forth in Clause 45 of Part IV of this Scheme;

(L) "**Effective Date 2**" shall mean the date falling 3 (three) days from the Effective Date 1;

(M) "**Encumbrance**" means any present or future mortgage, charge, pledge, assignment, hypothecation, lien, equitable interest, assignment by way of security, conditional sales contract, right of other Persons, title defect, voting trust agreement, pre-emptive right, restriction on transfer, option, security interest, title retention agreement or other encumbrance of any kind, or a contract to give any of the foregoing, including any restriction imposed under Applicable Law or contract on the transferability of any asset, whether present or future, and any security agreement or arrangement of any description whatsoever which has an economic or financial effect similar to the granting of security under Applicable Law and the term "**Encumber**" or "**Encumbered**" shall be construed accordingly;

(N) "**Equity Shares**" with respect to a company, mean the fully paid-up equity shares of such company;

(O) "**ESOP**" means employee stock options;

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(P) "**Governmental Authority**" means any supranational, national, state, municipal or local government authority (including any subdivision, court, administrative or regulatory agency or commission or other authority thereof), quasi government authority, statutory authority, regulatory authority, agency, government department, board, commission, administrative authority, tribunal or court or any authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof, over the Transferor Company and/or the Transferee Company, including the SEBI, the Stock Exchanges and the CCI;

(Q) "**Identified Shares**" means 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares of the Transferor Company;

(R) "**Income Tax Act**" means the (Indian) Income Tax Act, 1961, together with all applicable by-laws, rules, regulations, circulars, notifications, orders, ordinances, policies, directions and similar Applicable Laws or supplements issued thereunder;

(S) "**Liabilities**" shall have the meaning set forth in Clause 15;

(T) "**Merger Cooperation Agreement**" means the merger cooperation agreement dated February 7, 2024 executed between the Transferor Company and the Transferee Company;

(U) "**Person**" means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association (including unincorporated association), organization, partnership or proprietorship, body corporate, corporation (including any non-profit corporation), estate, society, firm, or any other enterprise or other entity, including any governmental agency or regulatory body, in each case, whether or not having separate legal personality and whether acting in an individual, fiduciary or other capacity;

(V) "**Proceedings**" shall have the meaning set forth in Clause 17(a);

(W) "**Record Date**" shall mean the date fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company that are to be issued the Equity Shares of the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme;

(X) "**Registered Valuer**" means a Person registered as a valuer in terms of Section 247 of the Act;

(Y) "**RoC**" means the Registrar of Companies having jurisdiction over the Transferee Company and/or the Transferor Company (as applicable);

(Z) "**Sanction Orders**" means the orders of the Tribunals approving the Scheme;

(AA) "**Scheme**" means this composite scheme of arrangement amongst the Transferor Company and the Transferee Company and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and rules made thereunder;

(BB) "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time;

(CC) "**SEBI LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(DD) "**SEBI Scheme Circular**" means the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI on scheme of arrangement by listed entities and any other related circular(s) issued by the SEBI, as in effect from time to time;

(EE) "**Share Transfer**" shall have the meaning set forth in Clause 38;

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(FF) "**Stock Exchanges**" means the stock exchanges where the equity shares of the Transferor Company and the Transferee Company are listed and are admitted to trading, *viz*, the BSE Limited and the National Stock Exchange of India Limited;

(GG) "**Tax**" means and includes all taxes on income, profit, sales, use, goods, services, asset, capital gains, fringe benefit, gift, gratuity, provident fund, minimum alternate tax, buyback distribution tax, securities transaction tax, dividend distribution tax, withholding taxes, tax collected at source, equalization levy, property tax, value-added tax, sales tax, transfer taxes, goods and service tax, duties of custom and excise, octroi duty, wealth tax, entry tax, stamp duty, customs and similar charges of any jurisdiction, and other governmental charges or duties, levies, imposts or other taxes whether direct or indirect, whether central, state or local, including any surcharge or cess (including education cess, health and education cess, secondary and higher education cess) thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; including payable in a representative capacity;

(HH) "**Transferee Company**" shall have the meaning ascribed to it in the preamble;

(II) "**Transferee Company ESOP Plan**" means the PPL Employee Stock Option Plan 2021, as may be amended, modified from time to time;

(JJ) "**Transferee Company Stock Options**" means the employee stock options granted by the Transferee Company under Transferee Company ESOP Plan;

(KK) "**Transferee Shareholder**" means Zuari Maroc Phosphates Private Limited, having corporate identity number U46692OR2002PTC017414 and its registered office at 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N. Marg, Khordha, Bhubaneswar, Orissa, India, 751 001;

(LL) "**Transferor Company**" shall have the meaning ascribed to it in the preamble;

(MM) "**Transferor Shareholder**" means Zuari Agro Chemicals Limited, having corporate identity number L65910GA2009PLC006177 and its registered office at Jai Kisaan Bhawan, South Goa, Zuarinagar, Goa, India, 403 726;

(NN) "**Tribunals**" means collectively, (i) the National Company Law Tribunal, Bangalore Bench having jurisdiction over the Transferor Company; and (ii) the National Company Law Tribunal, Cuttack Bench having jurisdiction over the Transferee Company, as applicable, and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act, and "**Tribunal**" shall mean each of them individually;

(OO) "**Trustee**" shall have the meaning ascribed to it in Clause 26;

(PP) "**Undertaking**" means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):

(a) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including investments of all kinds including but not limited to securities (whether marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, security deposits, advances extended, earnest monies, advance rentals, payment against warrants, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture(s), fixtures, share of any joint assets, and other facilities including without limitation all rights, title, interests, claims, covenants and undertakings in such assets of the Transferor Company;

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(b) all permits, registrations, rights, entitlements, licenses, permissions, approvals (including licenses and approvals from any Governmental Authority), subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, minimum alternate Tax, self-assessment Tax, brought forward book losses and book unabsorbed depreciation to the extent such amounts are not set-off against book profits computed under Section 115JB of the Income Tax Act, brought forward Tax losses and unabsorbed depreciation under the provisions of the Income Tax Act, brought forward interest expenses to the extent not claimed as deduction under Section 94B of the Income Tax Act, other income Tax credits, withholding tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax holidays, Tax refunds (including those pending with any Tax authority), advantages, and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;

(c) all authorities, Consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post- dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits of the Transferor Company;

(d) all privileges and benefits of, or under, all Contracts whether written, oral or otherwise, or other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, 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 2;

(e) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever (whether registered or unregistered), any applications for registration of any intellectual property, goodwill, confidential and proprietary information, receivables, belonging to or utilized for the business and activities of the Transferor Company;

(f) all records, books, files, papers, computer programs, software licenses, engineering and process information, production methodologies, production plans, manuals, data, catalogues, quotations, websites, sales and advertising material, marketing strategies, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form or any other form, in connection with or relating to the Transferor Company;

(g) insurance covers and claims to which the Transferor Company is a party, or to the benefit of which the Transferor Company is eligible;

(h) all legal, Tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Transferor Company;

(i) all present, and contingent future liabilities of the Transferor Company including all

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debts, loans (whether denominated in rupees or a foreign currency or whether secured or unsecured), borrowings, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form) of the Transferor Company; and

(j) all employees of the Transferor Company.

9. **INTERPRETATION**

In this Scheme, unless the context requires otherwise:

(a) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

(b) words in the singular shall include the plural and *vice-versa*;

(c) the terms "hereof", "herein", or similar expressions used in this Scheme mean and refer to this Scheme and not to any particular clause of this Scheme;

(d) wherever the word "include", "includes", or "including" is used in this Scheme, it shall be deemed to be followed by the words "without limitation";

(e) any reference to any enactment, rule, regulation, notification, circular or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all rules, regulations, circulars, notifications, instruments or orders made under such enactment;

(f) any reference to an "agreement" or "document" shall be construed as a reference to such agreement or document as amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document;

(g) where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words; and

(h) any reference to "INR" is to Indian National Rupees.

10. **SHARE CAPITAL**

(a) The share capital structure of the Transferor Company as on February 7, 2024 is as follows:

| Particulars | Amount in INR |
|---|---|
| **Authorised Share Capital:** | |
| 12,40,00,000 (Twelve Crores Forty Lakhs) equity shares of INR 10 (Indian Rupees Ten) each | 1,24,00,00,000 (Indian Rupees One Hundred and Twenty Four Crores only) |
| 6,00,000 (Six Lakhs) 13% (thirteen percent) redeemable cumulative preference shares of INR 100 (Indian Rupees One Hundred only) each | 6,00,00,000 (Indian Rupees Six Crores only) |
| **TOTAL** | **1,30,00,00,000 (Indian Rupees One Hundred and Thirty Crores only)** |

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| | |
|---|---|
| **Issued shares:** | |
| 12,00,00,044 (Twelve Crores and Forty Four) equity shares of INR 10 (Indian Rupees Ten) each | 1,20,00,00,440 (Indian Rupees One Hundred and Twenty Crores Four Hundred and Forty only) |
| **TOTAL** | **1,20,00,00,440 (Indian Rupees One Hundred and Twenty Crores Four Hundred and Forty only)** |
| **Subscribed and fully paid-up shares:** | |
| 11,85,15,150 (Eleven Crores Eighty Five Lakhs Fifteen Thousand One Hundred and Fifty) equity shares of INR 10 (Indian Rupees Ten) each | 1,18,51,51,500 (Indian Rupees One Hundred and Eighteen Crores Fifty One Lakhs Fifty One Thousand and Five Hundred only) |
| Forfeited shares (amount originally paid-up) | 3,35,000 (Indian Rupees Three Lakhs Thirty Five Thousand only) |
| **TOTAL** | **1,18,54,86,500 (Indian Rupees One Hundred and Eighteen Crores Fifty Four Lakhs Eighty Six Thousand and Five Hundred only)** |

The Equity Shares of the Transferor Company are listed on the Stock Exchanges.

(b) The share capital structure of the Transferee Company as on February 7, 2024 is as follows:

| Particulars | Amount in INR |
|---|---|
| **Authorised Share Capital:** | |
| 90,00,00,000 (Ninety Crores) equity shares of INR 10 (Indian Rupees Ten only) each | 9,00,00,00,000 (Indian Rupees Nine Hundred Crores only) |
| 1,00,00,000 (One Crore) 7% (seven percent) non-cumulative redeemable preference shares of INR 100 (Indian Rupees One Hundred only) each | 1,00,00,00,000 (Indian Rupees One Hundred Crores only) |
| **TOTAL** | **10,00,00,00,000 (Indian Rupees One Thousand Crores only)** |
| **Issued, subscribed and fully paid up shares** | |
| 81,47,39,453 (Eighty One Crores Forty Seven Lakhs Thirty Nine Thousand Four Hundred and Fifty Three) equity shares of INR 10 (Indian Rupees Ten only) each | 8,14,73,94,530 (Indian Rupees Eight Hundred and Fourteen Crores Seventy Three Lakhs Ninety Four Thousand Five Hundred and Thirty only) |
| **TOTAL** | **8,14,73,94,530 (Indian Rupees Eight Hundred and Fourteen Crores Seventy Three Lakhs Ninety Four Thousand Five Hundred and Thirty only)** |

The Equity Shares of the Transferee Company are listed on the Stock Exchanges.

The aforesaid issued, subscribed, and paid-up share capital of the Transferee Company does not include the ESOPs outstanding for exercise under the Transferee Company ESOP Plan. Upon

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exercise of the Transferee Company Stock Options in accordance with the terms and conditions of the Transferee Company ESOP Plan, the Transferee Company shall be required to issue fully paid-up Equity Shares of the Transferee Company in accordance with the terms and conditions of the Transferee Company ESOP Plan to such holders of the Transferee Company Stock Options and accordingly the issued, subscribed, and paid-up share capital of the Transferee Company may undergo a change.

## F. DATE OF TAKING EFFECT OF THE SCHEME

Part II of the Scheme shall be effective on and from the Appointed Date 2 and shall be operative on and from the Effective Date 2. Part III of the Scheme shall be effective on and from the Appointed Date 1 and shall be operative on and from Effective Date 1.

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PART II

## AMALGAMATION

### SECTION A: AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

11. **TRANSFER OF THE UNDERTAKING**

Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and subject to the provisions of this Scheme, including the completion of the Share Transfer as set out in Part III of this Scheme: (a) the Transferor Company shall stand amalgamated with and into the Transferee Company; and (b) the Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and other Applicable Law, be and stand transferred to and vested in the Transferee Company, as a going concern and shall become the property of and an integral part of the Transferee Company by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, deed, matter or thing so as to become, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and in accordance with Sections 230 to 232 and other applicable provisions of the Act, the Income Tax Act and Applicable Law.

12. **TRANSFER OF ASSETS**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

(a) all the estate, assets, rights, claims, title, interest, properties, and authorities comprised in the Undertaking shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, rights, claims, title, interest, properties, and authorities of the Transferee Company;

(b) all assets of the Transferor Company, that are movable in nature (including investment in shares and marketable securities) or incorporeal property or that are otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by vesting and recordal or by operation of law pursuant to this Scheme, including without limitation equipment(s), furniture(s), fixture(s), book(s), record(s), file(s), paper(s), computer program(s), engineering and process information, manual(s), data, production methodology(ies), production plan(s), catalogues, quotation.(s), website(s), sales and advertising material, marketing strategy(ies), list of present and former customers, customer credit information, customer pricing information, and other record(s), whether in physical form or electronic form or in any other form, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed, stand transferred to and vested in and deemed to be transferred and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law. 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, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;

(c) all other movable assets of the Transferor Company (except those specified elsewhere in this Clause), including without limitation, actionable claims, earnest monies, receivables, bills, sundry debts and receivables, credits, 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 any Governmental Authority or other authorities or bodies, customers and any other Persons, cheques on hand, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed become the property of the Transferee Company, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Transferor Company may, upon the receipt of

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the Sanction Orders, if so required, also give notice in such form as it may deem fit and proper to the debtors or obligors or any other Person, that pursuant to the Sanction Orders, the said debtors should pay to the Transferee Company, the debt, investment, loan, claim, bank balances and deposit or advance of the Transferor Company or make the same on account of the Transferor Company and the right of the Transferor Company to recover and realize the same shall stand vested in the Transferee Company;

(d) all immovable properties (including land, together with buildings and structures standing thereon), and rights, title and interests thereon or embedded to the land and all rights, title and interests and claims in any immovable properties of the Transferor Company, whether or not included in the books of the Transferor Company, whether freehold or leasehold or licensed or right of way or otherwise, all tenancies, and all documents of title, lease or license or rent agreements, security deposits, advance, prepaid lease/license fee, rights and easements in relation thereto, shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed on the same terms and conditions that exist with respect to the Transferor Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to such immoveable property including refund of any security deposits, advance, prepaid fee and shall be liable to pay the appropriate rent, rates and taxes and fulfill all obligations in relation to or applicable to such immovable properties. Upon Part II of the Scheme coming into effect on the Effective Date 2 and with on and from the Appointed Date 2, the title to all immovable properties shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing of the Sanction Orders with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The relevant Governmental Authorities may rely on the Scheme along with the copy of the Sanction Orders, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Transferee Company as the owner or lessee (as the case may be) of the immovable properties. The Transferee Company shall, upon receipt of the Sanction Orders be entitled to the delivery and possession of all documents of title in respect of such immovable property and incorporeal assets, if any, in this regard;

(e) the Transferee Company will be entitled to all intellectual property of the Transferor Company, including patents, trade and service marks, logo, domain names, database rights, copyrights, trade secrets, know-how, brands, marketing authorisations, marketing tangibles, designs, industrial designs, software, confidential processes, inventions, licenses, computer programs, manuals, data, catalogues, sales material and any other intellectual property or proprietary right whether owned by, licensed or assigned to the Transferor Company, whether or not the same are registered, along with all rights including those attached to goodwill, title, interest, labels and brand registrations, and all such other industrial or intellectual rights of whatsoever nature, and all intellectual property of the Transferor Company shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. Necessary filings, intimations, updates, etc., as may be required in terms of Applicable Law shall be undertaken with the relevant Governmental Authority, in order to reflect the foregoing and shall be carried out by the Transferee Company and Transferor Company, as may be applicable;

(f) all goodwill and past track record of the Transferor Company, including without limitation, the profitability, experience, credentials and market share, shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company and shall be deemed to be the goodwill and track record of the Transferee Company for all commercial and regulatory purposes including the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients;

(g) all bank accounts operated or entitled to be operated by the Transferor Company shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the



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name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realize monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. It is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company on or after the Effective Date 2, 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; and

(h) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instrument of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible for, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

13. **TRANSFER OF CONTRACTS, ETC.**

(a) Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, subject to the provisions of this Scheme, all Contracts, insurance policies, applications, and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or have effect immediately before the Effective Date 2, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It is hereby clarified that upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all inter-se Contracts, and other instruments between the Transferor Company and the Transferee Company, if any, will stand cancelled and there shall be no further inter-se rights and obligations of the Transferor Company and the Transferee Company in this regard.

(b) Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date 2, including without limitation all rights and benefits (including without limitation benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, by operation of law pursuant to the Sanction Orders without the requirement of any further act, instrument or deed, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company.

(c) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, in accordance with the provisions hereof, if so required under the Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any Contract to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of

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the Transferor Company to be carried out or performed.

14. **TRANSFER OF LICENSES AND APPROVALS**

(a) Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all approvals, allotments, Consents, concessions, clearances, credits, awards, sanctions, exemptions, benefits, Tax deferrals, subsidies, incentives, refunds, grants, registrations, no-objection certificates, permits, quotas, rights, entitlements, assignments, authorisations, pre-qualifications, bids, acceptances, tenders, statutory licenses or other licenses (including the licenses granted by any Governmental Authority or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, privileges, powers, facilities, special status, letter of allotments and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date 2, including the benefits of any applications made for any of the foregoing, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be and remain in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

(b) It is hereby clarified that if the Consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said party or the Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 in accordance with the terms hereof.

15. **TRANSFER OF LIABILITIES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or a foreign currency), sundry creditors, debentures, loans raised and used, advances duties and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of the Transferor Company of every kind, nature, and description whatsoever and howsoever arising and whenever due, raised or incurred or utilized for its business activities and operations ("**Liabilities**"), whether or not recorded in its books and records shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Effective Date 2 so as to become the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same.

16. **TRANSFER OF ENCUMBRANCES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

(a) the transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to Encumbrances, if any, affecting the same, as and to the extent hereinafter provided;

(b) all Encumbrances over the Transferor Company's assets existing immediately prior to the Effective Date 2, shall in so far as they secure or pertain to Liabilities of the Transferor Company, shall, after the Effective Date 2, continue to relate and attach to such assets or any

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part thereof to which they are related or attached prior to the Effective Date 2 and as are transferred to the Transferee Company. Such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company;

(c) if any assets of the Transferor Company have not been Encumbered in respect of any Liabilities transferred pursuant to this Scheme, such assets shall remain unencumbered, and any existing Encumbrance shall not be extended to and shall not operate over any other assets of the Transferor Company or the Transferee Company. The 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 interests of the Transferor Company and therefore, assets of the Transferor Company or the Transferee 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

(d) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and / or modification(s) of charge(s), with the RoC to give formal effect of the above provisions, if required.

17. **TRANSFER OF LEGAL AND OTHER PROCEEDINGS**

Without prejudice to the generality of Clause 11 above, upon the coming into effect of Part II of this Scheme on the Effective Date 2 and with effect from the Appointed Date 2:

(a) any suits, actions, claims, cause of actions, appeals, legal or other proceedings (including tax proceedings), arbitration proceedings before any Governmental Authority or any other tribunal(s) and other proceedings of whatsoever nature ("**Proceedings**") by or against the Transferor Company which is pending prior to the Effective Date 2 or which may be instituted at any time in the future, shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with and into the Transferee Company pursuant to and in accordance with this Scheme or of anything contained in this Scheme, but the Proceedings 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, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed;

(b) the Transferee Company shall be deemed to be authorised under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

18. **TRANSFER OF EMPLOYEES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2:

(a) all persons who were employed in the Transferor Company immediately before the Effective Date 2 shall become employees of the Transferee Company pursuant to the Sanction Orders, on terms and conditions which are overall not less favourable than those that were applicable to such employees immediately prior to Effective Date 2 and without any break or interruption in service. It is clarified that such employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall not less favourable than those that were applicable to such employees immediately before Effective Date 2;

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(b) with regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme upon Part II of this Scheme coming into effect on the Effective Date 2, (i) all contributions made to such funds by the Transferor Company on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company, and shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be, and (ii) all contributions made by such employees, including interests/ investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be. Where applicable and required, in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the Sanction Orders, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company;

(c) any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee past or present, forming part of the Transferor Company shall not abate, be discontinued or in any way prejudicially affected by reason of the Scheme and shall be continued/ continue to operate against the relevant employee and the Transferee Company shall be entitled to take any relevant action or sanction, without the requirement of any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company;

(d) notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:

(i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or

(ii) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.

(e) the Transferee Company shall, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, take into account the past services of such employees with the Transferor Company;

(f) the Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with its employees; and

(g) employment information, whether in physical or electronic form, including personnel files including hiring documents, payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations, where relevant), disciplinary records, supervisory files relating to the employees of Transferor Company and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Transferee Company pursuant to the Sanctions Orders.

## 19. TREATMENT OF TAXES

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

(a) all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the

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Transferor Company, including all or any refunds, claims or entitlements as to Tax credits, Taxes paid in advance, and / or Taxes deducted at source, and / or Taxes collected at source, including refunds or claims pending with the revenue authorities, if any, whether or not the same is reflected in Form 26AS/ Form AIS of the Transferor Company, shall, for all purposes be treated as the Taxes / cess / duties, liabilities or refunds of the Transferee Company by operation of law pursuant to the Sanctions Orders, without the requirement of any further act, instrument or deed;

(b) all deductions otherwise admissible to Transferor Company including without limitation deduction admissible on actual payment or on deduction of appropriate Taxes or on payment of Tax deducted at source (including, but not limited to, claim for sum prescribed under Section 43B, Section 40, Section 35DD and Section 94B of the Income Tax Act, claim for deduction of provisions written back by the Transferor Company previously disallowed in the hands of Transferor Company under the Income Tax Act, claim for debt or part of debt written off by Transferor Company under Section 36(1)(vii) read with Section 36(2) of the Income Tax Act where such debt or part of debt were offered to Tax by the Transferor Company, and claim for any deferred payments) shall be eligible for deduction to the Transferee Company in the same manner and to the same extent as would have been enjoyed, availed or utilized by the Transferor Company before the Effective Date 2 by operation of law pursuant to the Sanctions Orders, without the requirement of any further act, instrument or deed;

(c) the unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to service Tax / goods and service Tax on input goods consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission, as an integral part of the Scheme, by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed;

(d) to the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective financial statements, income Tax returns (including under Section 170A of the Income Tax Act, Tax deducted at source or Tax collected at source), withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired;

(e) the Transferee Company shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Effective Date 2; and (ii) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Effective Date 2;

(f) notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Effective Date 2, shall, for all purposes, be treated as unabsorbed Tax depreciation and accumulated losses of the Transferee Company and the Transferee Company shall be eligible to set off unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Effective Date 2 against future taxable income of the Transferee Company in the same manner and to the same extent as would have been enjoyed, availed or utilized by the Transferor Company before the Effective Date 2;

(g) it is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of account shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax;

(h) any Tax liability under the Income Tax Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Effective Date 2, shall be transferred to the Transferee Company. Any surplus in the provision for taxation or duties or levies in the accounts of the Transferor

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Company, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date 2 will also be transferred to the account of the Transferee Company, by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed;

(i) all Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as on the Effective Date 2, shall be continued and / or 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. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with and into the Transferee Company pursuant to and in accordance with this Scheme or anything contained in this Scheme;

(j) any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date 2, shall also belong to and be received by the Transferee Company; and

(k) without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax (if applicable)) to which the Transferor Company is entitled to in terms of applicable tax laws, shall be available to and vest in the Transferee Company by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed.

20. The Transferee Company and the Transferor Company shall, respectively, take such actions as may be necessary and permissible in order to give formal effect to the provisions of Part II of this Scheme, including, without limitation, making appropriate filings with any Person (including the relevant Governmental Authorities), and such Person (including the relevant Governmental Authorities) shall take the same on record, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 in accordance with the terms hereof.

21. The Transferee Company shall, at any time after Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer/ obtain the approvals, Consents, Contracts, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company, including in connection with the transfer of properties of the Transferor Company to the Transferee Company. The Transferee Company shall file appropriate applications/ documents and make appropriate filings with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above on behalf of the Transferor Company, inter alia, in its capacity as the successor entity of the Transferor Company.

**SECTION B: CONSIDERATION FOR AMALGAMATION**

22. The Board of the Transferee Company shall determine the Record Date for the issue and allotment of Equity Shares to the shareholders of the Transferor Company.

23. Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 and in consideration of the amalgamation including the transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, instrument or deed issue and allot to each equity shareholder of the Transferor Company as on the Record Date, 187 (One Hundred and Eighty Seven) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferor Company.

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24. The share exchange ratio stated in Clause 23 above has been taken on record and approved by the Boards of each of the Transferor Company and Transferee Company after taking into consideration the joint valuation report dated February 7, 2024 provided by SSPA & CO., Chartered Accountants and Pawan Shivkumar Poddar, both who are Registered Valuers issued to the Transferor Company and the Transferee Company.

25. The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Company pursuant to Clause 23 of Section B of Part II of this Scheme shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company. The Equity Shares of the Transferee Company issued pursuant to Clause 23 of Section B of Part II and in lieu of the locked-in shares of the Transferor Company, if any, will be subject to lock-in for the remaining lock-in period of such locked-in shares, in accordance with the SEBI Scheme Circular.

26. If any shareholder of the Transferor Company becomes entitled to a fractional Equity Share to be issued by the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme, the Transferee Company shall not issue such fractional Equity Share to such shareholder of the Transferor Company, but shall consolidate all such fractional entitlements of all shareholders of the Transferor Company and the Board of the Transferee Company shall, without the requirement of any further act, instrument or deed, issue and allot such Equity Shares that represent the consolidated fractional entitlements to a trustee nominated by the Board of the Transferee Company ("**Trustee**") and the Trustee shall hold such Equity Shares, with all additions or accretions thereto, in trust for the benefit of the shareholders of the Transferor Company who are entitled to the fractional entitlements (and their respective heirs, executors, administrators or successors) for the specific purpose of selling such Equity Shares in the market within a period of 90 (ninety) days from the date of allotment of shares, and on such sale, distribute to the shareholders in proportion to their respective fractional entitlements, the net sale proceeds of such Equity Shares and dividends or distributions made on such Equity Shares (after deduction of applicable Taxes and costs incurred and subject to withholding Tax, if any). It is clarified that any such distribution shall take place only after the sale of all the Equity Shares of the Transferee Company that were issued and allotted to the Trustee pursuant to this Clause 26.

27. The Equity Shares issued by the Transferee Company in terms of Clause 23 of Section B of Part II of the Scheme shall be issued in dematerialized form and the register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of such Equity Shares by the Transferee Company in terms of this Scheme. The shareholders of the Transferor Company who hold equity shares in the Transferor Company in physical form shall provide requisite details relating to his/ her/ its accounts with a depository participant to the Transferee Company prior to the Effective Date 2 to enable the Transferee Company to issue Equity Shares in terms of Clause 23 of Section B of Part II of the Scheme.

However, if no such details have been provided to the Transferee Company by the relevant shareholder(s) holding equity shares in the Transferor Company in physical form prior to the Effective Date 2, the Transferee Company shall issue the corresponding Equity Shares in dematerialized form to the trustee nominated by the Board of the Transferee Company who shall hold such Equity Shares in trust for the benefit of the relevant shareholder(s) of the Transferor Company.

28. Upon Part II of this Scheme coming into effect on the Effective Date 2 and upon the Equity Shares of the Transferee Company being issued and allotted by it to the equity shareholders of Transferor Company in terms of Clause 23 of Section B of Part II of this Scheme, the Equity Shares of the Transferor Company, shall be deemed to have been automatically cancelled, and any liability in respect of the same shall stand extinguished.

29. The Equity Shares allotted and issued in terms of Clause 23 of Section B of Part II of this Scheme, shall be listed and/or admitted to trading on the Stock Exchanges, where the Equity Shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall make all requisite applications, and take all steps to list the Equity Shares issued and allotted pursuant to



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Clause 23, listed on the Stock Exchanges and obtain the final listing and trading permissions for such Equity Shares.

30. The Equity Shares issued and allotted in terms of Clause 23 of Section B of Part II of this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchange with respect to such Equity Shares.

31. Upon the Scheme coming into effect in accordance with its terms, in addition to the existing promoters of the Transferee Company (i.e., Zuari Maroc Phosphates Private Limited), Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gaurav Agarwala, Zuari Agro Chemicals Limited, Adventz Finance Private Limited, Zuari Industries Limited and their affiliates (if any), shall each be and deemed to be the "promoters" of the Transferee Company.

32. On the approval of this Scheme by the Board and members of each of the Transferor Company and the Transferee Company pursuant to Sections 230-232 of the Act and other relevant provisions of the Act, if applicable, it shall be deemed that the Board and members of each of the Transferee Company and Transferor Company have also accorded their consent under Sections 13, 42, 61, 62(1)I and 64 of the Act and/ or any other applicable provisions of the Act and the relevant provisions of the Articles, as may be applicable, for the aforesaid issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company and amendment of the memorandum of association of the Transferee Company for reclassification and enhancement of the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 13, 42, 61, 62(1)(c) or 64 of the Act and/ or any other applicable provisions of the Act. Upon Part II of this Scheme coming into effect on the Effective Date 2, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of the Act with the RoC or any other applicable Governmental Authority to record the amalgamation of Transferor Company with and into the Transferee Company, issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company, amendment of the memorandum of association of the Transferee Company and dissolution of the Transferor Company, in the manner set out in Section C of Part II of this Scheme.

33. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.

**SECTION C: DISSOLUTION OF THE TRANSFEROR COMPANY**

34. Upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, subject to Clause 49 of Part IV, the Transferor Company shall, without the requirement of any further act, instrument or deed, shall stand dissolved without winding up pursuant to the Sanction Orders.

35. On and from the Effective Date 2, subject to Clause 49 of Part IV: (i) the Board of the Transferor Company, shall, without the requirement of any further acts, resolutions, filings, instruments, or deeds, cease to exist and stand dissolved; and (ii) the name of the Transferor Company shall be struck off from the records of the RoC.

**SECTION D: ACCOUNTING TREATMENT**

36. Notwithstanding anything to the contrary contained in the Scheme, pursuant to Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company shall account for the amalgamation of the Transferor Company with the Transferee Company in its books of account as per the acquisition method in accordance with accounting principles as laid down in the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant clarifications issued by the Institute of Chartered Accountants of India.

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37. As the Transferor Company shall stand dissolved without being wound up upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as mentioned in Section C of Part II of this Scheme, there shall be no accounting treatment in the books of account of the Transferor Company.

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## PART III

## TRANSFER OF SHARES OF THE TRANSFEROR COMPANY

38. In order to ensure that the existing promoter group of the Transferee Company continues to hold more than 50% (fifty percent) of the share capital of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as an integral part of the Scheme, the Transferor Shareholder shall transfer the Identified Shares to the Transferee Shareholder, in accordance with Applicable Law, such that upon the transfer of the Identified Shares by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1, the Transferee Shareholder receives full legal and beneficial ownership of the Identified Shares and all rights, title and interest relating thereto, including all dividends, distributions or any return of capital declared, paid or made by the Transferor Shareholder, free and clear of Encumbrances ("**Share Transfer**"). The Transferee Shareholder may raise funds / financing from its shareholder(s) and/or from external source(s) (as may be required) to fund the Share Transfer as contemplated in this Part III of the Scheme.

39. The transfer of all the Identified Shares from the Transferor Shareholder to the Transferee Shareholder shall take place on the Effective Date 1, at a price of INR 144 (Indian Rupees One Hundred and Forty Four) per Identified Share, and the Transferee Shareholder shall pay an aggregate cash consideration of INR 564.57 Crores (Indian Rupees Five Hundred and Sixty Four Crores and Fifty Seven Lakhs approximately) for the Share Transfer, subject to any Taxes that need to be deducted at source, if any.

40. All Taxes payable under Applicable Law, including income Tax, capital gains Tax or any other Tax, if any, relating to the transfer of the Identified Shares as may be applicable on the Transferor Shareholder shall be the sole responsibility of the Transferor Shareholder.

41. The Share Transfer shall take place and come into effect on the Effective Date 1 and with effect from the Appointed Date 1.

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## PART IV

## GENERAL TERMS AND CONDITIONS

42. **TRANSFER OF THE AUTHORIZED SHARE CAPITAL AND AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY**

(a) As an integral part of this Scheme and upon Part II of the Scheme coming into effect on the Effective Date 2, the authorised share capital of the Transferor Company, comprised of INR 1,24,00,00,000 (Indian Rupees One Hundred and Twenty Four Crores only) of equity share capital, divided into 12,40,00,000 (Twelve Crores Forty Lakhs) equity shares of face value of INR 10 (Indian Rupees Ten only) each and INR 6,00,00,000 (Indian Rupees Six Crores only) of preference share capital divided into 6,00,000 (Six Lakhs) 13% (thirteen percent) redeemable cumulative preference shares of face value of INR 100 (Indian Rupees One Hundred only) each, shall stand reclassified entirely as INR 1,30,00,00,000 (Indian Rupees One Hundred and Thirty Crores only) of equity share capital, divided into 13,00,00,000 (Thirteen Crores) equity shares of face value of INR 10 (Indian Rupees Ten only) each, and shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company.

(b) As a consequence, the authorised share capital of the Transferee Company as set out in Clause 10(b) of Part I of this Scheme shall stand enhanced to INR 1,130,00,00,000 (Indian Rupees One Thousand One Hundred and Thirty Crores only) divided into 103,00,00,000 (One Hundred and Three Crores) equity shares of face value of INR 10 (Indian Rupees Ten only) each and INR 100,00,00,000 (Indian Rupees One Hundred Crores only) divided into 1,00,00,000 (One Crore) and 7% (seven percent) non-cumulative redeemable preference shares of face value of INR 100 (Indian Rupees One Hundred only) each, without the requirement of any further act, instrument or deed, and the liability of the Transferee Company for payment of any additional fees or stamp duty in respect of such increase shall be limited to the difference between the fee or stamp duty payable by the Transferee Company on its increased authorized share capital after this entire Scheme comes into effect, and the fee or stamp duty paid by the Transferor Company, if any, on its authorised share capital, from time to time.

(c) Subsequent to the reclassification and enhancement of the authorised share capital of the Transferee Company as contemplated in this Clause 42, the authorised share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and read as follows:

> *"The Authorised Share Capital of the Company is INR 1,130,00,00,000 (Indian Rupees One Thousand One Hundred and Thirty Crores only) divided into 103,00,00,000 (One Hundred and Three Crores) Equity Shares of face value INR 10 (Indian Rupees Ten only) amounting to INR 1,030,00,00,000 (Indian Rupees One Thousand and Thirty Crores only), and 1,00,00,000 (One Crore) 7% (seven percent) Non-Cumulative Redeemable Preference Shares of face value INR 100 (Indian Rupees One Hundred only) each amounting to INR 100,00,00,000 (Indian Rupees One Hundred Crores only) with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the Share Capital."*

(d) For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferor Company and/or the Transferee Company, as the case may be, undergoes any change, prior to Part II of this Scheme coming into effect on the Effective Date 2, then this Clause 42 of Part IV of this Scheme shall automatically stand modified/ adjusted accordingly to take into account the effect of such change.

(e) On the approval of this Scheme by the Board and the members of the Transferor Company and Transferee Company pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and the rules made thereunder, the SEBI Scheme Circular and the SEBI LODR Regulations, if applicable, it shall be deemed that the Board and the members of the Transferor Company and Transferee Company have also accorded their consent under Sections 13, 61 and 64 of the Act and/ or any other applicable provisions of the Act

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and the rules made thereunder, the relevant provisions of the SEBI LODR Regulations and the Articles, as may be applicable, for effecting the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferor Company and/or the Transferee Company under Sections 13, 61 or 64 of the Act and/ or any other applicable provisions of the Act and the rules made thereunder, the relevant provisions of the SEBI LODR Regulations and/or the Articles. Upon Part II of this Scheme coming into effect on the Effective Date 2, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and the rules made thereunder with RoC or any other applicable Governmental Authority in respect of the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, in the manner contemplated under this Clause 42 of Part IV of this Scheme.

43. **VALIDITY OF EXISTING RESOLUTIONS**

The resolutions and powers of attorney of / or executed by the Transferor Company shall upon Part II of the Scheme coming into effect on Effective Date 2, stand terminated and revoked, and all authorities granted (including powers of attorney and board resolutions passed granting authority(ies) to Persons), to represent or act for and on behalf of the Transferor Company, including any authority granted to any Person(s) who is not an employee of the Transferor Company, to represent, interact or deal with, or enter into any arrangement with, any Governmental Authority, for and on behalf of the Transferor Company shall stand terminated and revoked.

44. **APPLICATIONS TO GOVERNMENTAL AUTHORITIES**

(a) The Transferor Company and the Transferee Company shall make all necessary application(s) and petition(s) to the Tribunal under Sections 230 to 232 and other applicable provisions of the Act and the rules made thereunder, for sanction of this Scheme and all matters ancillary or incidental thereto, under provisions of Applicable Law and obtain such other approvals, as required under Applicable Law.

(b) Upon Part II of the Scheme being effective from the Effective Date 2, the members of the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act and the rules made thereunder and Applicable Law for giving effect to the provisions contained in this Scheme.

(c) The Transferee Company and the Transferor Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority (including the Ministry of Chemicals and Fertilizers), if required under any Applicable Law for such Consents and approvals, as agreed between the Transferee Company and the Transferor Company, which they may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed.

45. **CONDITIONS PRECEDENT TO EFFECTIVENESS**

Part III of the Scheme shall become effective on the date on which the last of the following conditions are fulfilled ("**Effective Date 1**"):

(i) <u>Approval of the members:</u>

1. the requisite majorities in number and value of such classes of members of each of the Transferor Company and Transferee Company, as may be directed by the Tribunals or any other competent authority, as may be applicable, approving this Scheme; and

2. this Scheme being approved by the public shareholders of each of the Transferor Company and the Transferee Company through e-voting in terms of paragraph 10(a) of Part I of the SEBI Scheme Circular and the votes cast by the public shareholders of the Transferor Company and the Transferee Company in favour of this Scheme being more than the number of votes cast by public shareholders of the Transferor Company and the Transferee Company (respectively) against this Scheme,

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in each case, in compliance with the provisions of the Act, the SEBI Scheme Circular and / or the SEBI LODR Regulations.

(ii) the requisite majorities in number and value of such classes of secured and/or unsecured creditors of Transferor Company and Transferee Company, as applicable, as may be directed by the Tribunal or any other competent authority, as may be applicable, approving this Scheme;

(iii) the Transferee Company and Transferor Company having procured the approval of the CCI to consummate this Scheme, in accordance with the provisions of Applicable Laws, in a form and substance satisfactory to each of the Transferor Company and the Transferee Company;

(iv) the Stock Exchanges having issued their observation/no-objection letters as required under the SEBI LODR Regulations read with the SEBI Scheme Circular, in a form and substance satisfactory to each of the Transferor Company and the Transferee Company;

(v) receipt of the Sanction Orders under the provisions of Sections 230-232 of the Act and receipt of certified copies of the Sanction Orders;

(vi) the certified copies of the Sanction Orders having been filed by the Transferor Company and the Transferee Company (as the case may be), with the respective RoC within the timeline specified under Applicable Law;

(vii) the satisfaction (or waiver in writing) of such other conditions precedent as have been mutually agreed between the Transferor Company and the Transferee Company in writing, in the Merger Cooperation Agreement.

46. The Scheme shall not come into effect unless the aforementioned conditions precedent mentioned in Clause 45 above are satisfied (or to the extent permissible under Applicable Law, waived by the Transferee Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other Person.

47. Each of the Transferor Company and the Transferee Company shall file the Sanction Orders with the respective RoC within the timeline specified under Applicable Law. In case Part II of the Scheme does not become effective on Effective Date 2 and Part III of the Scheme does not become effective on Effective Date 1, within a period of 30 (thirty) days of receipt of respective Sanction Orders, the Transferor Company and the Transferee Company (as the case may be) shall be entitled to promptly file the Sanction Orders with the respective RoC in the requisite form(s), along with the necessary clarification letter(s), as may be required, within the time period prescribed under Applicable Law or the Sanction Orders. Upon Part II of the Scheme coming into effect in accordance herewith, the Transferor Company and the Transferee Company (as the case may be) shall file the requisite form(s), along with the necessary letter(s), as may be required, with their respective RoC.

48. The amalgamation of the Transferor Company with the Transferee Company pursuant to Part II of this Scheme shall be operative on and from the Effective Date 2 and shall be effective on and from the Appointed Date 2.

49. **SEQUENCING OF ACTIONS**

The Scheme shall be implemented in the following sequence:

*Firstly, the following action under Part III of this Scheme shall occur on the Effective Date 1:*

(a) Transfer of Identified Shares from the Transferor Shareholder to the Transferee Shareholder in accordance with Part III of this Scheme;

*Subsequently and only after the action stated in (a) above has been undertaken and the Share Transfer having consummated, the following actions under Part II and Part IV of this Scheme shall occur pursuant to the effectiveness of Part II of this Scheme:*

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(a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part II of this Scheme;

(b) transfer of the authorised share capital of the Transferor Company to the Transferee Company in accordance with Clause 42 of Part IV of this Scheme, and consequential increase in the authorised share capital of the Transferee Company;

(c) dissolution of the Transferor Company without winding-up in accordance with Clause 34 of Section C of Part II of this Scheme; and

(d) issue and allotment of Equity Shares of the Transferee Company by the Transferee Company to the equity shareholders of the Transferor Company (as of the Record Date) in accordance with Clause 23 of Section B of Part II of this Scheme.

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

The Transferor Company and Transferee Company will be at liberty to apply to the respective Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms hereof, in terms of the Act and the rules made thereunder.

Subject to the provisions of the SEBI Scheme Circular, the Transferee Company and the Transferor Company may, by mutual written consent and acting through their respective Boards (which shall include any committee constituted by the respective boards), assent to any modifications/ amendments to this Scheme and/ 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 them.

51. **REMOVAL OF DIFFICULTIES**

The Transferor Company or Transferee Company (as the case maybe), may, by mutual consent and acting through their respective authorised representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the Tribunals or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

52. **WITHDRAWAL OF THE SCHEME**

The Scheme shall be withdrawn from the Tribunals by the Transferor Company and the Transferee Company upon the occurrence of the following events:

(a) by mutual consent of the Transferor Company and the Transferee Company, acting through their respective board of directors; or

(b) upon termination of the Merger Cooperation Agreement.

53. **TAX NEUTRALITY**

This Scheme is in compliance with the provisions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, such that, *inter alia* upon Part II of this Scheme becoming effective on the Effective Date 2 and with effect from the Appointed Date 2:

(a) all the properties of the Transferor Company, immediately before the Effective Date 2, shall become the properties of the Transferee Company, by virtue of the amalgamation;

(b) all the Liabilities of the Transferor Company, immediately before the Effective Date 2, shall become the liabilities of the Transferee Company, by virtue of the amalgamation; and

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(c) shareholders holding at least 3/4th (three-fourths) in value of the shares in the Transferor Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) will become shareholders of the Transferee Company by virtue of the amalgamation.

If any terms or provisions of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, the provisions of Section 2(1B) of the Income Tax Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act and such modification shall not affect other terms or provisions of this Scheme.

54. **ENTIRE EFFECT**

Each section of this Scheme is inextricably inter-linked with the other sections and the Scheme shall be given effect only in its entirety in the sequence set out in Clause 49 of Section IV of the Scheme.

55. **COSTS**

(a) The Transferor Company and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the Tribunals, including without limitation, costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with any valuation report and the fairness opinion issued by their respective valuers and merchant bankers.

(b) Save as otherwise agreed, all stamp, transfer, registration, and other similar taxes, duties, charges and fees (including in relation to the registration and the stamping of the Sanction Orders) payable or assessed in connection with this Scheme, the issuance of Equity Shares by the Transferee Company and the transfers contemplated by the Scheme shall be borne by the Transferee Company and the Transferee Company shall be entitled to claim deduction of all such expenses in accordance with the provisions of Section 35DD of the Income Tax Act.

56. **SEVERABILITY**

If any provision of this Scheme becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Scheme, and the Transferor Company and the Transferee Company will negotiate in good faith to agree to replace such illegal, void, or unenforceable provision of this Scheme with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision or act in accordance with a judgment, order, decree, or declaration made by a court of competent jurisdiction. The balance of this Scheme shall be enforceable in accordance with its terms.

57. **REPEAL AND SAVING**

The provisions of the Act and rules made thereunder shall not be required to be separately complied with, in relation to acts done by the Transferor Company or the Transferee Company as per direction of the Tribunal or the Sanction Orders.

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