

**SCHEME OF ARRANGEMENT**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013**

**AMONG**

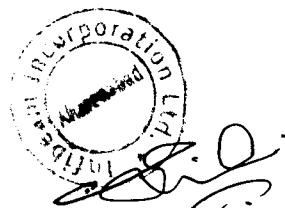
**AVENUES INDIA PRIVATE LIMITED (“TRANSFEROR COMPANY”)**

**AND**

**INFIBEAM INCORPORATION LIMITED (“TRANSFeree COMPANY”)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**



## PREAMBLE

### A. BACKGROUND

This Scheme of Arrangement (“Scheme”) for amalgamation is presented under the provisions of Sections 230 to 232 of the 2013 Act (as defined hereinafter) for amalgamation of the Transferor Company (as defined hereinafter) into and with the Transferee Company (as defined hereinafter); pursuant to the relevant provisions of the 2013 Act (as defined hereinafter) and the relevant provisions of this Scheme. The amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme shall be in accordance with Section 2(1B) of the IT Act (as defined hereinafter). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

The Transferee Company had entered into a definitive MOU with the Transferor Company on 13 February 2017. The MOU was further amended and replaced with an amended definitive MOU on 31 March 2017 (hereinafter referred to as “Amended MOU”). Pursuant to the Amended MOU, the Transferee Company has agreed to acquire control over the business and operations of the Transferor Company with effect from 1 April 2017, and subsequently merge the Transferor Company into the Transferee Company. Accordingly, the Transferor Company is a subsidiary company of the Transferee Company with effect from April 1, 2017 by virtue of obtaining control.

### B. DESCRIPTION OF COMPANIES

- 1. Infibeam Incorporation Limited** (hereinafter referred to as “Infibeam” or “Transferee Company”), bearing CIN L64203GJ2010PLC061366 was incorporated on 30 June 2010 in accordance with the applicable provisions of the Companies Act, 1956. Further, the company has received its commencement of business certificate on July 3, 2010 from the Registrar of Companies, Gujarat. The Company is primarily engaged in business of ecommerce, software development services, maintenance, web development and other ancillary services.

The registered office of the Transferee Company is currently situated at 9th Floor, “A” Wing, Gopal Palace Opp. Ocean Park, Near Nehrunagar Satellite Road, Ahmedabad – 380 015 Gujarat, India.<sup>1</sup>

The Equity Shares of Infibeam are listed at BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).

- 2. Avenues India Private Limited** (hereinafter referred to as “Avenues” or “Transferor Company”), bearing CIN U72200MH2001PTC130689 was incorporated on 1 February 2001 in accordance with the applicable provisions of the Companies Act, 1956. The Company is engaged in providing services of online payment gateway, online reservation for hotels, and conducting online events, donation,

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<sup>1</sup> Infibeam has initiated the process of changing its current registered office within the State of Gujarat and is in the process of obtaining the requisite approvals in this regard under Sections 13 and other applicable provisions of the 2013 Act. It may be noted that since the new registered address would also be located in the state of Gujarat, the jurisdictional NCLT filing of application and petition pursuant to this scheme by Infibeam Incorporation Limited would remain the same.



admission, collection solution and web based membership management solutions.

The registered office of the Transferor Company is currently situated at Plaza Asiad, Level 2, Junction of station Road and S.V Road, Santacruz (W) Mumbai – 400054, Maharashtra, India.<sup>2</sup>

The Equity shares of the Transferor Company are not listed on any of the stock exchanges.

### **C. RATIONALE FOR THIS SCHEME**

The rationale for the amalgamation of the Transferor Company with the Transferee Company is, *inter alia*, as follows:

- (i) Consolidate the business of Transferor Company with the Transferee;
- (ii) To gain advantage of enhanced revenues by integration of the electronic merchant stores of the Transferee Company with the payment processing gateway system of the Transferor Company;
- (iii) Further expansion of the Transferee Company's business which would benefit the respective shareholders, as it is expected that the combined entity resulting out of such an arrangement will have better prospects of growth and that this would enable the management of the Transferee Company to vigorously pursue revenue growth and expansion opportunities;
- (iv) Availability of increased resources and assets for the Transferee Company which can be utilized for strengthening the customer base and servicing existing as well as new customers innovatively and efficiently;
- (v) Building a strong infrastructural capability to effectively meet future challenges in the ever-evolving E-Commerce sector and a strategic fit for servicing existing market;
- (vi) Leading to increased competitive strength and efficiencies for the Transferee Company; and
- (vii) Create enhanced value for the shareholders and allow a focused strategy in operations, which would be in the best interest of all shareholders, creditors, employees and all persons connected with the Transferor and Transferee Companies

### **D. PARTS OF THIS SCHEME**

This Scheme is divided into the following sections:

#### **SECTION I**

#### **AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEE COMPANY**

**Part A** deals with the definitions, interpretation and share capital details of the Transferor Company and the Transferee Company.

**Part B** deals with amalgamation of the Transferor Company into and with the Transferee Company, in accordance with Sections 230 to 232 of the 2013 Act and other relevant provisions of the 2013 Act and in

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<sup>2</sup> The Transferor Company is in the process of shifting its registered office from the State of Maharashtra to the State of Gujarat and obtaining the requisite approvals (including approval of the Central Government) in this regard under Sections 13 and other applicable provisions of the 2013 Act. It may be noted that the filing of application and petition pursuant to this scheme by Avenues India Private Limited will be made in the jurisdiction of the NCLT of the new registered office.



compliance with Section 2(1B) and other applicable provisions of the IT Act.

**Part C** deals with the discharge of the consideration for the amalgamation of the Transferor Company into and with the Transferee Company.

**Part D** deals with the accounting treatment in the books of the Transferee Company, transfer of the authorized share capital from the Transferor Company to the Transferee Company, dissolution without winding up of the Transferor Company, exemptions under SAST Regulations (*as defined hereinafter*) and Taxes.

## **SECTION II**

### **GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME**

**Section II** deals with the general terms and conditions applicable to this Scheme.



## SECTION I

### AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEEE COMPANY

#### PART A

#### WHEREAS:

- A. In terms of this Scheme, it is now proposed, *inter alia*, to amalgamate the Transferor Company into and with the Transferee Company with effect from the Effective Date (*as defined hereinafter*), transfer the authorized share capital of the Transferor Company to the Transferee Company and effect dissolution without winding up of the Transferor Company, pursuant to and under Sections 230 to 232 of the 2013 Act and other relevant provisions of the 2013 Act, in the manner provided for in this Scheme.
- B. The amalgamation of the Transferor Company into and with the Transferee Company pursuant to and in accordance with this Scheme shall be in compliance with Section 2(1B) and other applicable provisions of the IT Act.

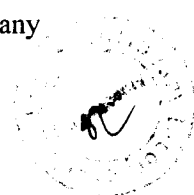
#### 1. DEFINITIONS

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- (a) **“2013 Act”** means the Companies Act, 2013, any re-enactment thereof, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- (b) **“Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the 2013 Act read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- (c) **“Applicable Laws”** means any statute, law, regulation, ordinance, rule, regulation, judgment, order, decree, clearance, approval, terms of any approval, permit or no-objection of any Governmental Authority, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time;
- (d) **“Appointed Date”** means 1 April 2017, or such other date as may be mutually agreed by the Board of Directors of the Transferor Company and the Transferee Company.
- (e) **“Board of Directors”**, with respect to a company, means the board of directors of such company, as constituted from time to time in accordance with the provisions of its Articles of Association and Applicable Laws and, unless repugnant to the subject, context or meaning thereof, includes every committee of the Board ;
- (f) **“CCPS”** means Compulsorily Convertible Preference Shares
- (g) **“Effective Date”** means the date on which the certified copies of the Order of NCLT, Ahmedabad under Sections 230 and 232 of the 2013 Act sanctioning the Scheme is filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Transferee Company and the Transferor Company;
- (h) **“ESOP Schemes”** means the Employee Stock Options Schemes formulated by the Transferee Company;
- (i) **“Equity Shares”** with respect to a company, means the fully paid up equity shares of such company;



- (j) **“Governmental Authority”** means any competent governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other entity having, under any law, rule, regulation or order, jurisdiction over, or the power to regulate or pass orders binding upon, any person or matter and shall include The Reserve Bank of India (“RBI”) or any stock exchanges on which securities of any of such person are currently listed or may be listed in future, or arbitral tribunal or dispute resolution body empowered to pass orders binding on any person;
- (k) **“Intangible Assets”** means and includes all intellectual property rights and licenses of every kind and description throughout the world, in each case whether registered or unregistered, and including any applications for registration of any of the following, including without limitation inventions (whether patentable or not), patents, rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; copyrights and copyrightable subject matter; trademarks, service marks, trade names, domain names, logos, slogans, trade dress, design rights together with the goodwill symbolized by any of the foregoing; know-how, confidential and proprietary information, trade secrets, moral rights; any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world; and goodwill, whether or not covered in the foregoing, in connection with the businesses of the Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company including business information and records; and product registrations and approvals;
- (l) **“IT Act”** means the Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- (m) **“Merger Entity”** means, the Transferor Company and the Transferee Company individually, and **“Merger Entities”**, the two of them collectively;
- (n) **“Promoter Group”** has the meaning assigned to such term in Regulation 2(1)(zb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time;
- (o) **“Promoter”** has the meaning assigned to such term in Regulation 2(1)(za) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time;
- (p) **“Record Date”** means such date after the Effective Date as may be fixed by the Board of Directors of the Transferee Company for determining the equity shareholders of the Transferor Company who will be allotted Equity Shares of the Transferee Company pursuant to the Scheme being effective;
- (q) **“RoC”** means the Registrar of Companies, Gujarat;
- (r) **“SAST Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- (s) **“Scheme”** or **“Scheme of Arrangement”** or **“this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Hon’ble Tribunal or this Scheme with such modification(s), if any;
- (t) **“SEBI”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- (u) **“Stock Exchanges”** means the stock exchanges where the Equity Shares of the Transferee Company are listed and admitted to trading, viz, BSE and NSE;



- (v) **“Transferor Company”** shall have the meaning assigned to it in Point 2 of Part B of the Preamble of this Scheme and shall include but not be limited to:
- (i) all assets, whether moveable or immovable, plant and machinery, equipment, stocks and inventory including all rights, title, interest, claims, covenants in such assets of the Transferor Company;
  - (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;
  - (iii) all debts, borrowings and liabilities, whether present or future, secured or unsecured, availed by the Transferor Company, whether or not disclosed in the books of accounts;
  - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or any excess payment (including all amounts claimed as refund, whether or not so recorded in the books of accounts), tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, CENVAT, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax, goods and service tax etc.) of every kind and description whatsoever of the Transferor Company, including interest thereon, if any;
  - (v) rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under Applicable Law, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the IT Act, the rules and regulations thereunder, or any other Applicable Law, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or anywhere outside India;
  - (vi) all Intangible Assets of every kind and description whatsoever of the Transferor Company, whether appearing in the books of accounts or otherwise;
  - (vii) all contracts, agreements or arrangements of any kind, and all other rights including lease rights, licenses, memorandum of undertakings, letter of intents, undertakings, warranties, assurances, representations, claims, insurance policies, etc and facilities of every kind and description whatsoever of the Transferor Company;
  - (viii) all permanent employees of the Transferor Company;
  - (ix) all advance payments, earnest monies and/or security deposits or other entitlements of the Transferor Company;
  - (x) 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; and
  - (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company;
- (w) **“Transferee Company”** shall have the meaning assigned to it in Point 1 of Part B of the Preamble of this Scheme;
- (x) **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal, Ahmedabad Bench.



## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per the Scheme, shall come into legal operation from the Appointed Date, but shall be operative from the Effective Date.

## 3. INTERPRETATION

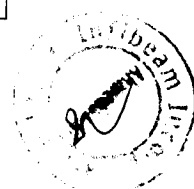
- (a) The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning assigned to them under the 2013 Act, the IT Act, and other Applicable Laws.
- (b) In this Scheme, unless the context otherwise requires:
- (i) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
  - (ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
  - (iii) the words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
  - (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
  - (v) the term “Clause” refers to the specified clause in Section I or Section II of this Scheme, as the case may be;
  - (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute; and
  - (vii) words in the singular shall include the plural and *vice versa*.

## 4. SHARE CAPITAL AND FINANCIAL POSITION OF THE COMPANIES

### 4.1. Share Capital of the Transferee Company

4.1.1. The Share Capital of the Transferee Company as on 30 June 2017 is as under:

Share Capital	Amount (Rs.)
<i>Authorized Equity Share Capital</i>	
6,30,00,000 equity shares of Rs. 10/- each	63,00,00,000
<b>Total</b>	<b>63,00,00,000</b>
<i>Issued, Subscribed and Fully Paid Up Equity Share Capital</i>	
5,42,78,339 equity shares of Rs. 10/- each	54,27,83,390
<b>Total</b>	<b>54,27,83,390</b>





- 4.1.2. Certain employee stock options granted to the employees of the Transferee Company which are vested may be exercised by the relevant employee before the Effective Date. The details of the employee stock options which have (i) been granted to the employees of the Transferee Company but which have not vested as on the appointed date and (ii) been granted and vested in the employees of the Transferee Company but which have not been exercised as on the Appointed Date are set out below:

**Employee stock options granted and accepted but which have not vested**

75,405 (Seventy five thousand four hundred and five) employee stock options which may be exercised for 75,405 (Seventy five thousand four hundred and five) Equity Shares of the Transferee Company

**Employee stock options granted, accepted and vested but not exercised**

3,27,245 (Three lakh twenty seven thousand two hundred and forty five) employee stock options which may be exercised for 3,27,345 (Three lakh twenty seven thousand two hundred and forty five) Equity Shares of the Transferee Company.

**4.2. Share Capital of the Transferor Company**

- 4.2.1. The Share Capital of the Transferor Company as on 30 June 2017 is as under:

Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
50,00,000 equity shares of Rs. 10/- each	5,00,00,000
2,50,000 CCPS of Rs. 10/-	25,00,000
<b>Total</b>	<b>5,25,00,000</b>
<i>Issued, Subscribed and Fully Paid Up</i>	
50,00,000 equity shares of Rs. 10/- each	5,00,00,000
2,00,000 CCPS of Rs. 10/-	20,00,000
<b>Total</b>	<b>5,20,00,000</b>

- 4.2.2. The Equity shares of the Transferor Company are not listed on any of the stock exchanges in India.

**4.3. Summary of Financial position of the Transferor Company and Transferee Company as on Appointed date is as follows:**

- 4.3.1. Transferor Company:

Particulars	Amount in INR
Net worth	1,23,56,86,713
Turnover (Gross Sales)	1,57,24,23,309
Current Assets	2,12,11,48,331
Non-Current Assets	24,96,27,569
Current Liabilities	1,11,72,40,536
Long Term Liabilities	1,78,48,651



4.3.2. Transferee Company:

<b>Particulars</b>	<b>Amount in INR</b>
Net worth	8,04,95,74,719
Turnover (Gross Sales)	53,14,52,134
Current Assets	6,47,95,56,280
Non-Current Assets	3,17,67,45,173
Current Liabilities	1,60,22,58,703
Long Term Liabilities	44,68,031

**PART B**

**5. AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY**

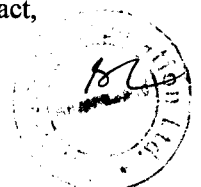
**5.1. Transfer and vesting of assets, liabilities and entire business of the Transferor Company into and with the Transferee Company**

5.1.1. With effect from the Appointed Date and upon the Scheme being effective, the Transferor Company, together with all its present and future properties, assets (including Intangible Assets), investments, rights, obligations, liabilities, benefits and interests therein, whether known or unknown, shall amalgamate into and with the Transferee Company, and all present and future properties, assets, liabilities, investments, rights, obligations, liabilities, benefits and interests of the Transferor Company shall become the property of, and an integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by the Transferor Company on its properties and assets in favour of lenders, as a going concern, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company shall stand amalgamated into and with the Transferee Company, in the manner described in sub-paragraphs (a) – (n) below:

- (a) With effect from the Appointed Date and upon the Scheme being effective, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company. Upon this Scheme coming into effect on the Effective Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfil all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company, by the relevant Governmental Authorities pursuant to the sanction of this Scheme by the NCLT and upon this Scheme coming into effect on the Effective Date;



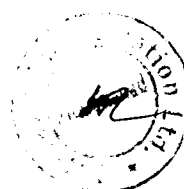
- (b) With effect from the Appointed Date and upon the Scheme being effective, all the assets of the Transferor Company which are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company. 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) With effect from the Appointed Date and upon the Scheme being effective, any and all other movable property (except those specified elsewhere in this Scheme) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances relating to the Transferor Company which are recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons, cheques on hand shall, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts thereunder;
- (d) With effect from the Appointed Date and upon the Scheme being effective, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recordal of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the Registrar of Companies as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed inter alia by the Transferee Company;
- (e) With effect from the Appointed Date and upon the Scheme being effective, all incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;



- (f) With effect from the Appointed Date and upon the Scheme being effective, all letters of intent, contracts, deeds, bonds, agreements, memorandum of understanding, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements, and other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company is a party or beneficiary or obligor thereto. 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, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of Transferee Company;
- (g) With effect from the Appointed Date and upon the Scheme being effective, all permits, grants, no-objection certificates, licenses (including the licenses granted to the Transferor Company by any Governmental Authority for the purpose of carrying on its business or in connection therewith), permissions (including statutory and regulatory permissions), approvals, clearances, registrations (including relating to sales tax, service tax, excise, value added tax, goods and service tax), (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, goods and service tax, tax credits, tax refunds, tax holidays, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates), tenancies, quotas, recommendations, privileges, powers, offices, facilities of every kind and description of whatsoever nature, easements, goodwill, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, and shall be appropriately transferred or assigned by the concerned Governmental Authority in favour of Transferee Company;
- (h) With effect from the Appointed Date and upon the Scheme being effective, all Intangible Assets of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company; provided that the Transferee Company may take such actions as may be necessary and permissible to get the Intangible Assets, intellectual property rights and licenses transferred to and / or registered in the name of the Transferee Company;

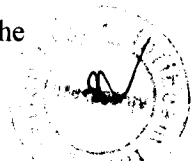


- (i) With effect from the Appointed Date and upon the Scheme being effective, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company. Upon this Scheme coming into effect on the Effective Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company including those before any Governmental Authority, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Company or of anything contained in this Scheme but the proceedings shall 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 vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;
- (j) With effect from the Appointed Date and upon the Scheme being effective, all employees of the Transferor Company as on the day immediately prior to the Effective Date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, with the benefit of continuity of service 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 as are applicable to employees of the Transferee Company on the Effective Date of such amalgamation and shall be entitled to be governed by employment policies or to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all employees, class of employees or any particular employee. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon this Scheme coming into effect on the Effective Date, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, 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, and the Transferee Company shall continue to abide by agreement(s)/settlement(s) entered into by the Transferor Company with any of its employees prior to the Appointed Date. It is the aim and intent of this Scheme that upon this Scheme coming to effect on the Appointed Date and upon the Scheme coming into effect on the Effective Date, all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. For the avoidance of doubt, it is clarified that with regard to provident fund, gratuity, leave encashment, deferred cash benefits and long term incentive plans and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, Transferee Company shall stand substituted for Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is clarified that



the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and formalities as may be required to be carried out for transfer of such fund, assets, value, etc. to the Transferee Company in this regard;

- (k) the Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable; and
- (l) The Transferee Company has formulated ESOP Schemes/ employee benefit schemes in accordance with law. Upon this Scheme coming into effect:
  - (i) The employees of the Transferor Company shall be entitled to the stock options of the Transferee Company under the existing ESOP Scheme of the Transferee Company or a new ESOP Scheme or any other scheme formulated by the Transferee Company, subject to the terms of entitlement, vesting and exercise of the said Scheme, which shall be at the discretion of the Transferee Company as set out below;
  - (ii) The Transferee Company may at its discretion, describe the terms and conditions of the ESOP Scheme or other employee benefit schemes for the employees of the Transferor Company so as to align the policies of the Transferor Company with those of the Transferee Company.
  - (iii) It is hereby clarified that where the employees of the Transferor Company become entitled to ESOP or any other employee benefit schemes of the Transferee Company, subject to terms and conditions under clause (ii) above immediately upon the Scheme being effective and subsequently, no further approval of the shareholders of the Transferee Company would be required in this connection under section 62 of the 2013 Act and/ or any other applicable law.
  - (iv) The Board of Directors of the Transferee Company or duly authorized committees thereof shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to this clause no. (l) of clause 5.1.1 of Part B of Section I of this Scheme.
- (m) With effect from the Appointed Date and upon the Scheme being effective, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- (n) With effect from the Appointed Date and upon the Scheme being effective, and the consequent amalgamation of Transferor Company into and with the Transferee Company, the secured creditors of Transferee Company, if any, shall only continue to be entitled to security over such properties and assets forming part of Transferee Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company and the secured creditors of Transferor Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in Transferor Company, as existing immediately prior to the



amalgamation of Transferor Company into and with Transferee Company. For the avoidance of doubt, it is clarified that all the assets of Transferor Company and Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors.

5.1.2. The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, if so required under any Applicable Laws or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of Transferee Company, *inter alia*, in its capacity as the successor entity of the Transferor Company.

5.1.3. The Transferee Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company . For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents 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 Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

## PART C

### 6. CONSIDERATION

6.1. The share exchange ratio stated in Clause 6.2 of Section I of this Scheme has been determined by the Board of Directors of the Transferor Company and the Transferee Company based on their independent judgment after taking into consideration the valuation report dated 11<sup>th</sup> July, 2017 provided by Paresh Parekh & Co., and the fairness opinion dated 12<sup>th</sup> July, 2017 provided by merchant banker, RBSA Capital Advisors LLP.



6.2. Upon this Scheme becoming effective, Transferee Company shall without any further application or deed, issue and allot Equity Shares credited as fully paid up, to the extent indicated below, to the shareholders of the Transferor Company (except the Transferee Company itself), holding shares in Transferor Company and whose names appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized, by the respective Board of Directors in the following manner:

260 (Two Hundred Sixty) fully paid Equity Shares of Rs. 10/- each of Transferee Company shall be issued and allotted for every 100 (One Hundred) Shares of Rs.10/- each held in Transferor Company at a premium of Rs. 1,468/- per share.

In the event that the Transferee Company restructures its equity share capital by way of sub-division / share split / consolidation / issue of bonus shares before the allotment of Equity Shares under this Scheme, the number of Equity Shares to be allotted by the Transferee Company will be modified accordingly to take into account the effect of such corporate actions.

6.3. Subject to Applicable Laws, the Equity Shares of Transferee Company that are to be issued in terms of this Clause 6 shall be issued in dematerialised form. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Transferor Company to enable it to issue the aforementioned Equity Shares.

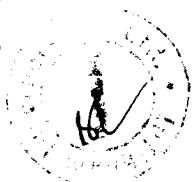
6.4. If, applying the Share Exchange Ratio, a person eligible to receive Equity Shares of the Transferee Company pursuant to the Clause 6.2, becomes entitled to receive any fractional Equity Shares of Transferee Company (a “**fractional entitlement**”), such person shall be entitled to receive instead of such fractional entitlement, Equity Shares of the Transferee Company as follows:

(a) if the fractional entitlement is less than 0.5 (zero point five) it shall be rounded down so that such person will receive, zero (0) Equity Shares of the Transferee Company instead of such fractional entitlement; and

(b) if the fractional entitlement is 0.5 (zero point five) or more it shall be rounded up so that such person will receive, one (1) Equity Share of the Transferee Company instead of such fractional entitlement.

Pursuant to the rounding up or rounding down as per (a) and (b) above, the total number of shares that will be issued to shareholders of the Transferor Company, may vary from the total number of shares of the Transferee Company to be issued as set forth in Clause 6.2 of this Section I above.

6.5. On the approval of this Scheme by the members of the Transferee Company pursuant to Sections 230-232 of the 2013 Act and/or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 13, 42 and 62(1)(c) of the 2013 Act and/or any other applicable provisions of the 2013 Act, rules and regulations framed thereunder as may be applicable for the aforesaid issuance of Equity Shares to the equity shareholders of the Transferor Company, and no further resolution or actions shall be required to be undertaken





by the Transferee Company under Sections 13, 42 or 62(1)(c) of the 2013 Act or any other applicable provisions of the 2013 Act and rules and regulations framed thereunder, including, *inter alia*, issue of a letter of offer.

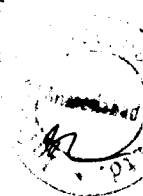
- 6.6. The Equity Shares issued by Transferee Company to the shareholders of Transferor Company shall rank *pari-passu* with the existing Equity Shares of Transferee Company subject to other provision of this Scheme. The Transferee Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of Equity Shares under this Scheme, by following the requisite procedure under applicable provisions of law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Transferee Company.
- 6.7. With effect from the Appointed Date and upon the Scheme being effective and on allotment of new Equity Shares by the Transferee Company, the Equity Shares and CCPS held in Transferor Company by the Transferee Company, if any, shall stand automatically cancelled. It is hereby clarified that no new shares will be issued or payment made in cash, whatsoever, by the Transferee Company in lieu of such shares.

#### PART D

### 7. ACCOUNTING TREATMENT

- 7.1. The Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of accounts in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in the following manner:
- (a) All the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded in the books of accounts of the Transferee Company at fair values as determined by the independent valuer and adopted by the Board of Directors of the Transferee Company and Transferor Company.
- (b) The Transferee Company shall issue the new Equity Shares of face value of Rs. 10 (Rupees Ten) each, fully paid, at a premium of Rs. 1,468/- (Rupees One Thousand Four Hundred and Sixty Eight) per share. The Transferee Company shall credit the aggregate face value of the Equity Shares issued and allotted under Clause 6 to the Equity Share Capital account and the aggregate amount of premium shall be credited by Transferee Company to the Securities Premium account in its books of accounts.

Any excess of the amount of the consideration [as per Clause (b)] over the value of net assets of the Transferor Company acquired by the Transferee Company [as per Clause (a)] and after giving effect to Clauses 7.2 below shall be treated as intangible assets (including goodwill) as valued by the independent valuer and in accordance with applicable Indian Accounting Standards. If the amount of the consideration [as per Clause (b)], after giving effect to Clause 7.2 below, is lower than the value of net assets acquired [as per Clause (a)], the difference shall be treated as Capital Reserve.



7.2. The inter-company balances and investments, if any, appearing in the books of accounts of Transferee Company and Transferor Company, if any, will stand cancelled.

## 8. TRANSFER OF THE AUTHORIZED SHARE CAPITAL

8.1. As an integral part of this Scheme and upon the effectiveness of this Scheme, the authorised equity share capital of the Transferor Company amounting to Rs. 5,00,00,000 (Rupees five crore) and authorized preference share capital amounting to Rs. 25,00,000 ( Rupees twenty five lakhs) shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company. Consequent to transfer of the existing authorised share capital of the Transferor Company, the authorised share capital of the Transferee Company of Rs. 63,00,00,000 (Rupees sixty three crore), divided into 6,30,00,000 (Six crore thirty lakh) Equity Shares of Rs. 10 (Rupees Ten) each, shall stand increased by an aggregate amount of Rs. 5,00,00,000 (Rupees five crore), and the resultant authorised share capital of the Transferee Company shall be Rs. 68,00,00,000 (Rupees sixty eight crore) divided into 6,80,00,000 (six crore eighty lakh) Equity Shares of Rs. 10 (Rupees Ten) each and preference share capital of Rs. 25,00,000 ( Rupees twenty five lakh Only) divided into 2,50,000 (two lakh fifty thousand) 0.01% cumulative compulsorily convertible preference shares of Rs. 10 (Rupees Ten) each, without any further act, instrument or deed by the Transferee Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Transferor Company on such authorized capital, the benefit of which stands vested in the Transferee Company pursuant to this Scheme becoming effective on the Effective Date. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall stand, without any further action or deed, modified and be substituted by the following:

*“The Authorised Equity Share Capital of the Company is Rs. 68,00,00,000 (Rupees sixty eight crore) divided into 6,80,00,000 (six crore eighty lakh) Equity Shares of Rs. 10 (Rupees ten) each. The Board of Directors of the Company shall have the power to classify the unclassified shares of the Company into several classes / kinds or vice versa, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as the Board of Directors may decide.”*

*“The Authorised Preference Share Capital of the Company is Rs. 25,00,000 ( Rupees twenty five lakhs) divided into 2,50,000 (two lakh fifty thousand) 0.01% Cumulative Compulsorily Convertible Preference Shares of Rs. 10 (Rupees ten) each. The Board of Directors of the Company shall have the power to classify the unclassified shares of the Company into several classes / kinds or vice versa, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as the Board of Directors may decide”*

8.2. For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferee Company and, or, the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then this Clause 8 of Section I of this Scheme shall automatically stand modified / adjusted accordingly to take into account the effect of such change.



8.3. It is hereby clarified that for the purposes of this Clause 8 of Section I of this Scheme, the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Transferee Company and no further resolution under Section 13 of the 2013 Act and/or any other applicable provisions of the 2013 Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc.

## **9. EXEMPTION UNDER SAST REGULATIONS**

For the avoidance of doubt, it is clarified that pursuant to amalgamation of the Transferor Company into and with the Transferee Company, the issuance of Equity Shares of the Transferee Company to the shareholders of the Transferor Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in terms of this Scheme and the consequent grant of certain rights to the shareholders who hold shares beyond a certain threshold as may be prescribed from time to time in the charter documents of the Transferee Company, is exempt under the provisions of Regulation 10(1)(d) of the SAST Regulations, and therefore, the requirement to make an "open offer" shall not be triggered in terms of the provisions of the SAST Regulations.

## **10. DECLARATION OF DIVIDEND AND BONUS**

10.1. Except with the express consent of the Board of Directors of Transferee Company during the pendency of the present Scheme being sanctioned and up to the Effective Date, the Transferor Company shall not declare any dividend or bonus issue for period commencing from the Appointed Date up to and including the Effective Date.

10.2. Subject to the provisions of this Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

10.3. It is clarified that the aforesaid provisions in respect of declaration of dividends and bonus are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends/ bonus which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, subject to such approval of the shareholders, as may be required.

## **11. TAXES**

11.1. This Scheme has been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act.

11.2. Upon this Scheme coming into effect on the Effective Date, all deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of



appropriate taxes or on payment of tax deducted at source (such as under Section 43B, Section 40, Section 40A etc. of the IT Act) shall be eligible for deduction to the Transferee Company upon fulfilment of the required conditions under the IT Act. Without prejudice to the generality of the above, the Transferee Company shall be entitled to claim all benefits, incentives, losses (including book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including credits for taxes deducted at source, paid against its tax, duty liabilities, advance tax, income tax, minimum alternate tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax, etc.) to which the Transferor Company is entitled to, and all such benefits, incentives, losses, depreciation and credits shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme becoming effective, notwithstanding the certificates, challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Transferor Company.

- 11.3. Upon this Scheme coming into effect on the Effective Date, all taxes payable by the Transferor Company including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be, of the Transferee Company, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company.
- 11.4. All tax assessment proceedings / appeals of whatsoever nature pertaining to the Transferor Company shall be continued and, or, enforced as and from the Effective Date, by or against the Transferee Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company into and with the Transferee Company.
- 11.5. Upon this Scheme becoming effective, the Transferee Company shall be entitled to give effect to the scheme on amalgamation becoming effective, file and/or revise its, income tax returns, TDS returns, tax payment certificates and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, goods and service tax, etc., and shall also have the right to claim refunds, advance tax credits, minimum alternate tax credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as it may deem fit, consequent to the implementation this Scheme and as a result of the amalgamation of the Transferor Company into and with the Transferee Company.

## **12. DISSOLUTION OF THE TRANSFEROR COMPANY**

Upon this Scheme coming into effect, the Transferor Company shall, without any further act, instrument or deed of the Transferor Company or the Transferee Company, stand dissolved without winding up.

## **13. MISCELLANEOUS**

- 13.1. Post effectiveness of this Scheme, the Equity Shares to be issued and allotted by the Transferee Company in terms of Clause 6 of Section I of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the

provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.

- 13.2. None of the shareholders of the Transferor Company shall be considered to be the Promoters or form a part of the Promoter Group of the Transferee Company upon effectiveness of the Scheme on the Effective Date.

## **SECTION II**

### **GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME**

#### **1. APPLICATION TO THE NCLT**

The Transferee Company and the Transferor Company shall make applications/petitions under Sections 230 to 232 of the 2013 Act, as applicable and other applicable provisions of the 2013 Act to the NCLT for the sanction of this Scheme and all matters ancillary or incidental thereto.

#### **2. CONDITIONALITY OF THIS SCHEME**

The Transferor Company and the Transferee Company shall file the drawn-up order of the NCLT approving this Scheme with the RoC only upon the fulfilment of all of the following conditions:

- (a) SEBI and the Stock Exchanges approving this Scheme and the other transactions contemplated in this Scheme;
- (b) The Scheme being approved by the shareholders of the Transferee Company through resolution passed in terms of Para 9 (a) & (b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March, 2017, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against it since as per Para 9(b)(iv) of the above circular, the pre-scheme public shareholding may be reduced by more than 5% upon this scheme being effective;
- (c) Further, the Scheme shall be subject to receipt of approval of Governmental Authority, if applicable; and
- (d) The satisfaction (or waiver in writing) of such other conditions as may be mutually agreed between the Transferor Company and the Transferee Company in writing;

#### **3. EFFECTIVENESS OF THIS SCHEME**

- 3.1. On fulfilment of the conditions set forth in Clause 2 of Section II of this Scheme, this Scheme shall become effective on the date on which the Transferor Company and the Transferee Company file the drawn-up order of the NCLT approving this Scheme with the RoC (“Effective Date”). For the avoidance of doubt, it being clarified that in case the Transferor Company and the Transferee Company make such filings on different dates, then the last date on which such filings are made with RoC shall be deemed to be the Effective Date.



- 3.2. Upon the sanction of this Scheme and after this Scheme has become effective in terms of Clause 3.1 of Section II of this Scheme, the amalgamation of the Transferor Company into and with the Transferee Company shall be deemed to have occurred, pursuant to this Scheme, in accordance with Section 2(1B) of the IT Act and pursuant to the provisions of Sections 230 to 232 of 2013 Act and other relevant provisions of the 2013 Act.

#### **4. SEQUENCING OF EVENTS**

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder:

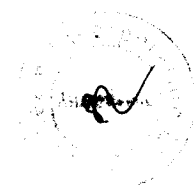
- (a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with Section I of this Scheme;
- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company in accordance with Clause 8 of Section I of this Scheme, and consequential increase in the authorised share capital of the Transferee Company;
- (c) dissolution of the Transferor Company without winding-up, in accordance with Clause 12 of Section I of this Scheme;
- (d) issue and allotment of Equity Shares of the Transferee Company to the shareholders of the Transferor Company as on the Record Date, in accordance with Clause 6 of Section I of this Scheme;

#### **5. IMPLEMENTATION STEPS AND PROTECTIVE COVENANTS**

The Transferor Company and the Transferee Company shall execute with one or more of their respective shareholders such agreements / documents as may be necessary (i) for implementation of the Scheme and for facilitating the integration of the business of the Transferor Company and the Transferee Company and (ii) to provide representations, warranties and indemnities in relation to the implementation of the Scheme.

#### **6. MODIFICATIONS/AMENDMENTS TO THIS SCHEME**

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, assent to any modifications/amendments to this Scheme and/ or to any conditions or limitations that the NCLT and / or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.



## **7. REMOVAL OF DIFFICULTIES**

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Tribunal or any directive or orders of any Governmental Authority or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

## **8. WITHDRAWAL OF THIS SCHEME**

The Scheme may be withdrawn from the NCLT upon the occurrence of the following events:

- (i) by mutual consent of the Transferor Company and the Transferee Company, acting through their respective Board of Directors; or
- (ii) by either of the Merger Entities, in accordance with the terms as agreed between the Merger Entities.

## **9. SEVERABILITY**

If any part of this Scheme is invalid, ruled illegal by any court/Tribunal / Governmental Authority, or unenforceable under present or future laws, then it is the intention of the Transferee Company and the Transferor Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferee Company and the Transferor Company may, through mutual consent and acting through their respective Board of Directors, attempt to bring about appropriate modification to this Scheme, as will best preserve for each of them, the benefits and obligations of this Scheme, including but not limited to such part.

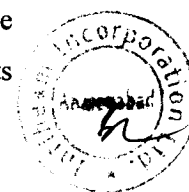
## **10. COSTS, CHARGES AND EXPENSES**

Each of the Transferor Company and the Transferee Company, shall bear all their respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in making this Scheme effective and matters incidental thereto.

## **11. CONDUCT OF BUSINESS**

11.1. Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of the Transferor Company and Transferee Company, and up to and including the Effective Date, the Transferor shall be deemed to carry on the business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and in trust for the Transferee Company.

11.2. Transferor Company hereby undertake to hold the said assets with utmost prudence and reasonable diligence until the Effective Date and they shall not, undertake any additional financial commitments



of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of their subsidiaries or group companies or any third party; or sell, transfer, alienate, charge, mortgage or encumber or deal with the whole or part of any of the assets to be transferred pursuant to the Scheme, save and except in each case in the following circumstances:

- (i) if the same is in its ordinary course of business as carried out on the Appointed Date;
- (ii) if the same is provided in this Scheme; or
- (iii) if written consent of Transferee Company has been obtained.

11.3. With effect from the Appointed Date, all the profits or losses or income or expenditure accruing or arising to Transferor Company shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of Transferee Company;

11.4. Transferor Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Transferee Company.

11.5. Transferor Company shall not make any change in the capital structure either by any increase (by issue of equity shares or shares on a rights basis, bonus shares, convertible debentures or any other form of convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect or have the potential of affecting this Scheme except under any of the following circumstances:

- (i) by mutual consent of the respective Board of Directors of Transferor Company and the Board of Directors of Transferee Company; or
- (ii) as may be provided under this Scheme.

11.6. Transferor Company shall not, without the prior consent in writing of the Board of Directors of Transferee Company, undertake any new business.

11.7. The Transferee Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for the time being in force for carrying on the business.

## 12. REPEAL AND SAVINGS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Effective Date, to the end and intent that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deeds and things done and executed by the Transferor Company.

