SCHEME OF ARRANGEMENT FOR AMALGAMATION

BETWEEN

LUMAX METTALICS PRIVATE LIMITED

("TRANSFEROR COMPANY")

AND

LUMAX AUTO TECHNOLOGIES LIMITED

("TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

FOR AMALGAMATION OF

LUMAX METTALICS PRIVATE LIMITED

("TRANSFEROR COMPANY")

WITH

LUMAX AUTO TECHNOLOGIES LIMITED

("TRANSFEREE COMPANY")

UNDER THE PROVISIONS OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013

PARTS OF THE SCHEME

This Scheme is divided into the following parts:

1. **Part I:**
   This part of Scheme contains general provisions applicable as used in this Scheme including Definitions and Capital Structure of the Companies;

2. **Part II:**
   This part of Scheme deals with Amalgamation of Lumax Mettalics Private Limited ('Transferor Company') with Lumax Auto Technologies Limited ('Transferee Company') pursuant to present scheme in accordance with the provisions of Section 230 – 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. **Part III:**
   This part of Scheme deals with the Accounting Methodology adopted for the Amalgamation.

4. **Part IV:**
   This part of Scheme contains miscellaneous provisions i.e. application / petition to Hon'ble National Company Law Tribunal ("NCLT") of relevant jurisdiction and conditionality of Scheme.

SCHEME OF ARRANGEMENT FOR AMALGAMATION
UNDER THE PROVISIONS OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013

BETWEEN
LUMAX METTALICS PRIVATE LIMITED
("TRANSFEROR COMPANY")
AND
LUMAX AUTO TECHNOLOGIES LIMITED
("TRANSFEREE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

A. AN OVERVIEW OF SCHEME OF ARRANGEMENT

This Scheme of Arrangement is presented under the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (as defined hereinafter) read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (as defined hereinafter) before the National Company Law Tribunal of relevant jurisdiction, for Amalgamation of Lumax Mettalics Private Limited ('Transferor Company') with Lumax Auto Technologies Limited ('Transferee Company').

B. BACKGROUND AND DESCRIPTION OF COMPANIES

1. **LUMAX METTALICS PRIVATE LIMITED (herein after also referred to as 'LMPL' or 'Transferor Company'),** bearing CIN U35999DL2013PTC261221 was incorporated on 28th November, 2013 under the provisions of the Companies Act, 1956 as a Private Limited Company with the name and style of Lumax Gill-Austem Auto Technologies Private Limited having registered office at B-86, Mayapuri Industrial Area, Phase -1, New Delhi-110064. Thereafter, on 9th November, 2020 the name of the Company was changed from Lumax Gill-Austem Auto Technologies Private Limited to Lumax Mettalics Private Limited. The Registered office of the Transferor Company is presently situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046. As per Memorandum of Association of the Transferor Company, some of the main objects of the Transferor Company is to carry on the business of manufacturers of, dealers in, importers and exporters, fabricators, hirers, repairers, cleaner, stores and warehouses of Automobile parts, components such as seating mechanism, seating assemblies and head restraint, other plastic and sheet metal components, automobile lighting, agricultural implements and their Ancillaries (including motor cars, trucks, buses, tractor, dozers, road rollers, motor cycles, cycle cars, motors, scooters, bicycles, etc.)

   The Transferor Company is wholly owned subsidiary of Transferee Company.

2. **LUMAX AUTO TECHNOLOGIES LIMITED (herein after also referred to as 'LATL' or 'Transferee Company')** bearing CIN L31909DL1981PLC349793 was incorporated on 30th October, 1981 as a Private Limited Company under the provisions of the Companies Act, 1956 with the name & style of Lumax Auto Electricals Private Limited under the jurisdiction of Registrar of Companies, Maharashtra. Thereafter, on 2nd November, 1988, the name of the Transferee Company was changed from Lumax Auto Electricals Private Limited to Dhanesh Auto Electricals Private Limited. Subsequently, on 30th May, 2002,

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the name of the Transferee Company was changed from Dhanesh Auto Electricals Private Limited to Dhanesh Auto Electricals Limited pursuant to obtaining status of a deemed Public Company. Later, on 2nd August, 2006, the name of the Transferee Company was changed from Dhanesh Auto Electricals Limited to Lumax Auto Technologies Limited. On 8th May, 2019, the registered office of the Transferee Company was shifted from the state of Maharashtra to the state of New Delhi. The Registered office of the Transferee Company is presently situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046. As per Memorandum of Association of the Transferee Company, some of the main objects of the Transferee Company is to carry on the business as manufacturers of, dealers in, importers and exporters, hirers, repairers, cleaner, stores and warehouses of Automobile parts, agricultural implements and their Ancillaries (including motor cars', trucks, buses', tractor, dozers', road rollers', motor cycles, cycle cars', motors', scooters', bicycles', carriages and conveyance parts and ancillaries) whether propelled or assisted by means of petrol, motor spirit, steam, gas, diesel oil, electrical, animal or other power.

The Transferee Company is widely held listed company and its shares are listed on BSE Limited and National Stock Exchange of India Limited.

C. RATIONALE FOR THE SCHEME OF ARRANGEMENT

- The Transferor Company is a wholly owned subsidiary of Transferee Company and managed by same set of management. Also, both the Companies are engaged in the similar line of business, hence, after consolidation of both the companies in a single entity, management would be able to effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities engaged in similar nature of business, reducing the multiplicity of legal and regulatory compliances, rationalizing costs etc.

- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Company and Transferee Company.

- Further, the independent operations of the Transferor Company and Transferee Company leads to incurrence of significant costs, duplication of administrative & establishment costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving and better financial management of resources. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.

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- The Amalgamation of Transferor Company and Transferee Company will create synergy benefits for the stakeholders of both the Companies and it shall optimize the valuation of the consolidated Transferee Company. The amalgamation would also increase operational efficiency and integrate business functions.

- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues and service range.

- The other benefits the proposed amalgamation include:
  I. Optimum and efficient utilization of financial resources and rationalization of capital, resources, assets and facilities;
  II. Enhancement of competitive strengths including financial resources;
  III. Obtaining synergy benefits;
  IV. Better management and focus on growing the businesses due to reduction of managerial overlaps which are necessarily involved in running multiple entities;
  V. Reduction of overheads, administrative, managerial and other expenditure;
  VI. Simplification of corporate structure, by way of reducing the number of entities in the group;

D. The Board of Directors of both the Companies, therefore, considered it desirable and expedient to amalgamate the Transferor Company with the Transferee Company.

E. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Section 230-232 and other relevant provisions of the Companies Act, 2013 and applicable Rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, subject to sanction of Hon'ble National Company Law Tribunal (NCLT) of relevant jurisdiction, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

PART-I
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below:

1.1. **"Act":** means the Companies Act, 2013, and will include any statutory modifications, re-enactments or amendments thereof.

1.2. **"Applicable Law(s)"**: means (a) all the applicable statutes, notification, enactments, act of legislature, listing regulations, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders, or governmental approvals of, or agreement with, any relevant authority, as may be in force from time to time.

1.3. **"Appointed Date"**: means 1st April, 2022 being the date with effect from which the Scheme shall be applicable or such other date as may be approved by the Hon'ble Tribunal or any other competent authority.

1.4. **"Board" or "Board of Directors":** shall have the same meaning as under the Act.

1.5. **"BSE":** shall mean BSE Limited.

1.6. **"Effective Date":** means the date on which certified copy of the order(s) of the National Company Law Tribunal (NCLT) under Sections 230 and 232 of the Companies Act, 2013 sanctioning the Scheme, is filed with the Registrar of Companies after obtaining the sanctions, orders or approvals referred to in Clause 2 of PART-IV of this Scheme.

Any references in this Scheme to the words "*upon the Scheme becoming effective*" or "*effectiveness of this Scheme*" or "*date of coming into effect of the Scheme*" or "*Scheme coming into effect*" shall mean the Effective Date.

1.7. **"Law" or "Applicable Law":** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal or court.

1.8. **"Listing Regulations":** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any re-enactment thereof.

1.9. **"NCLT" or "National Company Law Tribunal":** means the National Company Law Tribunal of relevant jurisdiction, or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.

1.10. **"NSE":** means National Stock Exchange of India Limited.

1.11. **'Official Liquidator'** or **'OL'**: means Official Liquidator having jurisdiction over the Transferor Company.

1.12. **"Registrar of Companies" or "RoC":** means the Registrar of Companies, NCT of Delhi & Haryana.

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1.13. **"Rules":** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

1.14. **"Scheme" or "Scheme of Amalgamation":** means this Scheme of Arrangement for amalgamation among **"Lumax Mettalics Private Limited"** and **"Lumax Auto Technologies Limited"** with their respective Shareholders and creditors as set out herein and approved by the Board of Directors of the respective Companies, in its present form and with any modifications as may be approved by the Hon'ble NCLT.

1.15. **"SEBI":** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.16. **"SEBI Master Circular":** means Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI or any other circular issued by SEBI applicable to scheme of arrangement for amalgamation from time to time.

1.17. **"Stock Exchanges"** shall mean BSE and NSE, where the equity shares of the Transferee Company are currently listed.

1.18. **"Transferee Company" or "Lumax Auto Technologies Limited" or "LATL":** shall mean Lumax Auto Technologies Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046.

1.19. **"Transferor Company" or "Lumax Mettalics Private Limited" or "LMPL":** shall mean Lumax Mettalics Private Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046.

1.20. **"Companies":** Transferor Company and Transferee Company are collectively referred as Companies.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE:

The Scheme sets out herein in its present form or with any modification(s), if any made as per Clause 3 of PART-IV of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

3. CAPITAL STRUCTURE:

The Capital Structure of the Transferor Company and Transferee Company as on 1st April, 2021 and immediately before the implementation of the Scheme are as under:

3.1. Lumax Mettalics Private Limited ("Transferor Company")

Particulars	Amount (Rs.)
Authorized Share Capital 1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
Issued, Subscribed and Paid-Up Share Capital 99,47,428 Equity Shares of Rs. 10/- each fully paid up	9,94,74,280

There is no change in the Capital Structure of the Transferor Company as on the date of approval of Scheme by the Board of Director of Transferor Company.

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As on date the entire Share Capital of the Transferor Company is held by the Transferee Company.

3.2. **Lumax Auto Technologies Limited ("Transferee Company")**

Particulars	Amount (Rs.)
Authorized Share Capital 18,05,00,000 Equity Shares of Rs.2/- each	36,10,00,000
Issued, Subscribed and Paid-Up Share Capital 6,81,57,705 Equity Shares of Rs. 2/- each fully paid up	13,63,15,410

There is no change in the Capital Structure of the Transferee Company as on the date of approval of Scheme by the Board of Director of Transferee Company.

PART-II

TRANSFER & VESTING OF UNDERTAKING

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and whole of undertaking(s), properties and liabilities of the Transferor Company shall, in terms of the provisions of Section 230 and 232 and other applicable provisions of the Companies Act, 2013 and pursuant to the orders of the Hon'ble NCLT or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of the Transferee Company.

2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of the Transferor Company shall stand transferred to and be vested in the Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favor of banks and financial institutions, as the case may be, in the manner described hereinafter.

3. **TRANSFER OF ASSETS**

   3.1 With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade marks, patents, copyrights and their right to use available to the Transferor Company as on Appointed Date or any date which may be taken after the Appointed Date but till the Effective Date, shall get transferred to the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

   3.2 With effect from the Appointed Date and upon the Scheme becoming effective, Certificates of Registration as available with the Transferor Company as on Appointed Date or any date which may be taken by the Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

   3.3 With effect from the Appointed Date and upon the Scheme becoming effective all the assets of the Transferor Company as are movable in nature including, but not limited to, stock of securities, computer and equipment, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, Goods and Service Tax (GST), pre-paid taxes, levies/liabilities, CENVAT/VAT credits, input credits for GST if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all other assets, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

   3.4 With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of the Transferor Company as on Appointed Date or any date which may be taken by the Transferor Company after the Appointed Date but till the Effective Date, shall get transferred to the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

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3.5 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.

3.6 With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble NCLT and the Scheme becoming effective in accordance with the terms hereof.

3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is the party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.8 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company to which the Transferor Company is the party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.9 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Company or granted to the Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of the Transferee Company upon the vesting of the Transferor Company into Transferee Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to the Transferee Company pursuant to this scheme.

4. TRANSFER OF LIABILITIES

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company.

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4.2 Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by the Transferor Company after the Appointed Date but till the Effective Date for their respective operations shall be deemed to be of the Transferee Company.

4.3 The transfer and vesting of the entire business and undertaking of the Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company, as the case may be.

Provided that the securities, charges and mortgages, if any, subsisting over, and in respect of part thereof, of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company vested in the Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become operative.

4.4 Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to the Transferor Company to which the Transferor Company is the party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

4.5 Loans or other obligations, if any, due between Transferee Company and Transferor Company, shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company or vice-versa is concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

5. LEGAL PROCEEDINGS

5.1 With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company shall bear the burden and the benefits of any legal or other proceedings including direct and indirect tax assessments, if any, initiated by or against the Transferor Company.

However, all legal, administrative and other proceedings of whatsoever nature by or against the Transferor Company pending in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to the Transferor Company or its properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against the Transferor Company; and from the Effective Date, shall be continued and enforced by or against the Transferee Company in the same manner

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and to the same extent as would or might have been continued and enforced by or against theTransferor Company.

5.2 If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company's business and undertakings 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 Transferor Company as if this Scheme had not been made.

6. STAFF, WORKMEN AND EMPLOYEE MATTERS

With effect from the Appointed Date and upon the Scheme becoming effective, all persons that were employed by the Transferor Company immediately before such date shall become employees of the Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees in the Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by the Transferor Company with any union/employee thereof. 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 occurrence of the Effective Date, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by the Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of the Transferor Company and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the 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.

7. TAXATION AND OTHER MATTERS

7.1 With effect from the Appointed Date, all the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company, accordingly, the Transferee Company shall be entitled to set off and carry forward the losses of the Transferor Company. Moreover, the Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like Sales Tax/ Service Tax/ Goods and Service Tax (GST)/ Excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by the Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make

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such revisions in the sales tax /Service Tax/Goods and Services Tax(GST) returns and to claim refunds/credits are expressly reserved in favor of the Transferee Company.

7.2 Transferee Company shall be entitled to revise all its Statutory returns relating to Income Tax and to claim refunds/credits of advance and TDS /or set off the tax liabilities of the Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds / credits of advance tax and TDS/or set off the tax liabilities is expressly granted.

7.3 It is expressly clarified that with effect from the Appointed Date, all taxes payable by the Transferor Company shall be treated as the liability of the Transferee Company AND all refunds of taxes paid TDS shall be treated as the tax asset of the Transferee Company as the case may be.

7.4 From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and Demat accounts of the Transferor Company in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/ Demat accounts of the Transferor Company in their existing names.

7.5 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Hon'ble NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take note of them on file, pursuant to the vesting orders of the sanctioning Hon'ble NCLT.

8. CONDUCT OF BUSINESS

8.1 With effect from the Appointed Date and till the Scheme come into effect:

a. Transferor Company shall be deemed to carry on all its businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company; and all the profits accruing to the Transferor Company and all taxes thereon or gains or losses arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of the Transferee Company.

b. Transferor Company shall carry on its businesses with reasonable diligence and in the same manner as they had been doing hitherto, and it shall not alter or substantially expand its businesses except with the concurrence of the Transferee Company during the pendency of Scheme before the Hon'ble NCLT.

c. Transferor Company shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber any of its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferee Company, as the case may be.

d. Transferor Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferee Company, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of the Transferee Company.

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e. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in its books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

8.2 Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Company.

8.3 For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Companies Act, 2013 in respect of this Scheme by the Hon'ble NCLT, Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon vesting of the Transferor Company's businesses and undertakings in accordance with the provisions of Sections 230 and 232 of the Companies Act, 2013. Transferee Company shall be authorized 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.

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PART-III

ISSUE OF SHARES & ACCOUNTING TREATMENT

1. CONSIDERATION & ISSUE OF SHARES

1.1. Upon the Scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall be stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment to be made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company as the Transferor Company is wholly owned subsidiary of the Transferee Company.

1.2. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

2. INCREASE IN AUTHORIZED SHARE CAPITAL

2.1. With effect from the Effective Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferor Company or Transferee Company and notwithstanding anything contained in Section 61 of the Companies Act, 2013, the Authorized Share capital of the Transferor Company as appearing in its Memorandum of Association on the Effective Date shall get clubbed with the Authorized Share Capital of the Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date. The Face Value of Equity share shall remain same as of the Transferee Company after clubbing of Authorized Capital.

2.2. Further, in terms of section 232(3)(i) of the Act, upon coming into effect, the fee and duty paid on the Authorized Equity Share Capital of the Transferor Company shall be set off against the fee payable on Authorized Share Capital of Transferee Company, without any further act or deed.

2.3. On approval of the Scheme by the members of the Transferee Company and Hon'ble NCLT, under Sections 230 – 232 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company.

2.4. Accordingly, the Capital Clause V of the Memorandum of Association of the Transferee Company shall, without any further act or deed be replaced by the following clause:

"The Authorized Share Capital of the Company is Rs. 46,10,00,000/- (Rupees Forty-Six Crores Ten Lakhs only) consisting of 23,05,00,000 (Twenty-Three Crore Five Lakhs) equity shares of Rs. 2/- each."

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Further, Article 4(a) of the Articles of Association of the Transferee Company, shall without any further act or deed be replaced by the following:

"The Authorized Share Capital of the Company is Rs. 46,10,00,000/- (Rupees Forty-Six Crores Ten Lakhs only) consisting of 23,05,00,000 (Twenty-Three Crore Five Lakhs) equity shares of Rs. 2/- each."

3. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the Transferee Company shall account for the amalgamation in its books as per the "Pooling of Interest Method" of accounting as laid down in Appendix –C of the Indian Accounting Standard (Ind AS) 103 (Business Combination of entities under common control) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time such that:

3.1 The Transferee Company shall upon the Scheme coming into effect, record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the respective book values thereof and in the same form as appearing in the books of the Transferor Company on the Appointed Date.

3.2 The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the same values as they appear in the financial statements of the Transferor Company.

3.3 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.

3.4 The value of investments, if any, held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation.

3.5 The surplus/deficit, if any arising after taking effect of above clause 3.1, 3.2, 3.3 and 3.4 shall be adjusted in the "Capital Reserve Account" in the books of the Transferee Company.

3.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference shall be quantified and adjusted in the books of the Transferee Company.

3.7 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

4. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee

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Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as if done and executed on behalf of the Transferee Company.

5. DISSOLUTION OF TRANSFEROR COMPANY

On occurrence of the Effective Date, the Transferor Company shall, without any further act or deed, shall stand dissolved without winding up.

PART – IV
OTHER PROVISIONS

1. APPLICATION/PETITION TO NCLT :

1.1. Transferor Company and Transferee Company shall, with all reasonable dispatch, make application/petition to the Hon'ble NCLT, under Section 230 – 232 of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of its respective members and/or creditors and for sanctioning the Scheme with such modifications as may be approved by the Hon'ble NCLT.

1.2. On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Company and Transferee Company shall, with all reasonable dispatch, apply to the Hon'ble NCLT, for sanctioning the Scheme under Sections 230 - 232 of the Companies Act, 2013, and for such other orders, as the said NCLT may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding-up.

2. CONDITIONALITY OF SCHEME:

The Scheme is conditional upon and subject to:

2.1. The Scheme being agreed to by the respective requisite majority of members and creditors of the Transferor Company and Transferee Company;

2.2. The Scheme being approved by the Hon'ble NCLT;

2.3. Due compliance with any condition(s) stipulated by any relevant Government Authority prior to the effectiveness of the Amalgamation;

2.4. All certified copies of the order(s) of the Hon'ble NCLT sanctioning this Scheme being filed with the Registrar of Companies of relevant jurisdiction.

2.5. This Scheme although to come into operation from the Appointed Date shall not become effective until the necessary certified copies of the order(s) under Sections 230 to 232 of the Companies Act, 2013 shall be duly filed with the Registrar of Companies of relevant jurisdiction.

2.6. Such other conditions as may be mutually agreed between the Transferor Company and Transferee Company.

3. MODIFICATION OR AMENDMENT

3.1. Transferee Company and Transferor Company (acting through their Board of Directors) may assent to any modifications or amendments to this Scheme which the Hon'ble NCLT and/or other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for any question or doubt or difficulty that may arise for implementing and/or carrying out the scheme or which is generally in the benefit or interest of the shareholders and/or creditors. Transferee Company and Transferor Company (acting through their respective Board of Directors) and after the dissolution of Transferor Company; Transferee Company (by its Board of directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Hon'ble NCLT or of any directive or order(s) of any

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other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

3.2. The Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Hon'ble NCLT or any other authority is not on terms acceptable to them.

3.3. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or its shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.

4. GENERAL TERMS AND CONDITIONS

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme) levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provision of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company. All such costs, charges, fees, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of the Transferee Company.

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