

b. Rationale of the amalgamation:

- a. MFCWL's business strategy is to drive phygital (i.e. using physical plus digital channels) auto transactions for its customers. Though the journey initiates on Car&Bike.com (which is operated by FGVL) in researching, identifying and booking used vehicles, the journey culminates using MFCWL's Superstores and Franchisee dealerships to complete the transactions of these vehicles. A closer working integration is critical for a smooth customer experience and for the company to identify the areas of friction and effort. Hence, merger of both entities would enable better end to end control of activities under one entity, ensuring better identification responsibility & accountability resulting in synergies and cost cutting due to simplified and unified workflow under one entity. As elaborated below.
- b. Brand integration: MFCWL has started the process to integrate its two large consumer facing brands – Car & Bike and Mahindra First Choice Wheels. Going forward, as approved by the Board, Car & Bike will be the primary consumer facing brand. The Mahindra First Choice endorsement will continue for a pre-defined interval at storefronts, certification & warranty products to inspire consumer trust.
- c. Operational simplicity: In line with above strategy, all process, systems and organization also need tight integration and coordination. Housing the teams and capabilities under a single company will help achieve this simplicity.
- d. Management has internally discussed and analyzed benefits that could arise on consolidation of the Transferor Company with Transferee Company due to the similar nature of businesses of the Transferor Company. The benefits of the amalgamation to the respective companies and other stake holders of respective companies, inter-alia, are mentioned below:
 - Consolidation of businesses of the group;
 - Optimal and efficient utilization of capital;
 - Reduction in number of companies and regulatory compliances thereof;
 - Streamlining the group structure;
 - Ease of management;
 - Integration and efficiency of operations, economies of scale and financial position;
 - Reduction of overheads including administrative, managerial, and other expenditure, optimal utilization of resources; and
 - Greater financial strength and flexibility for the merged entity.

c. Rationale of Capital Reduction:

The accumulated losses of the Transferee Company have substantially wiped off the value represented by its share capital and hence, has given rise to the need for re-adjustment of capital in its books of accounts.

d. Parts of the Scheme:

The Composite Scheme of Amalgamation and Arrangement is divided into following four parts:



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- (i) **Part I** – Deals with the definitions, interpretations and share capital;
- (ii) **Part II** – Deals with Composite Scheme of Amalgamation and Arrangement of FGVL with MFCWL;
- (iii) **Part III** – Deals with Capital reduction of the Transferee Company in accordance with Section 66 and other applicable provisions of the Act.
- (iv) **Part IV** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

PART I

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1) Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1. **'Act' or 'the Act'** means the Companies Act, 2013 and any rules, regulations, notifications, circulars or guidelines issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. **'Applicable Law(s)'** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions or law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **'Appointed Date'** means the opening hours of 1st day of April, 2024 or such other date as may be directed or approved by the NCLT or any other Appropriate Authority for amalgamation of FGVL with MFCWL.
- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including, the Regional Director, Registrar of Companies, Official Liquidator or the NCLT.
- 1.5. **'Board of Directors' or "Board"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a



committee duly constituted and authorised or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;

- 1.6. **'Effective Date'** means the last of the dates on which the conditions mentioned in Clause 21(a) are satisfied.
- 1.7. **"Employees"** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.8. **"Encumbrance"** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term "Encumbered" shall be construed accordingly;
- 1.9. **"Governmental Authority"** means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 1.10. **'Registrar of Companies'** means the Registrar of Companies, Mumbai, Maharashtra having jurisdiction over the Transferor Company and the Transferee Company.
- 1.11. **'Scheme'** or **'the Scheme'** or **'this Scheme'** means this Composite Scheme of Amalgamation and Arrangement in its present form as submitted to the Tribunal with any modification(s) made under Clause 24 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 1.12. **"Transferee Company" or "MFCWL"** means Mahindra First Choice Wheels Limited, a public limited company incorporated on 22nd December, 1994 under the Companies Act, 1956 with CIN U64200MH1994PLC083996, having its registered office at Gateway Building, Apollo Bunder, Mumbai, Maharashtra 400 001;
- 1.13. **"Transferor Company" or "FGVL"** means Fifth Gear Ventures Limited, a public limited company incorporated on 01st September, 2015 under the Companies Act, 2013 with CIN U74999MH2015PLC357932 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai, Maharashtra - 400 018;



1.14. **"Tribunal" or "NCLT"** means the National Company Law Tribunal, Mumbai Bench, having jurisdiction in relation to the Transferee Company and Transferor Company, being constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of Company under Sections 230 to 238 or a petition for capital reduction under Section E6 of the Companies Act, 2013, if applicable.

1.15. **"Undertaking"** means all the undertakings and entire business, activities and operations of the Transferor Company, as a going concern, including, without limitation:

- a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad including, without limitation, all land whether freehold or leasehold or otherwise, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, project work-in-progress machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, websites, domain names (including but not limited to carandbike.com), vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad whether or not so recorded in the books of accounts or disclosed in the balance sheet of the Transferor Company;



- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, unexecuted/open orders of all customers, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, privileges, including any license(s) and approval(s), incentives deductions, exemptions, rebates, allowances, amortization, tax credits (including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, accumulated losses and allowance for unabsorbed depreciation under Income-tax Act (pursuant to compliance under section 72A of the Income-tax Act, 1961), tax refunds, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual period, , the input credit balances (including, State Goods & Services Tax ("SGST"), Union Territory Goods and Services Tax ("UTGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Services Tax ("CGST") credits) under the Goods and Service Tax ("GST") laws, GST refunds, CENVAT/MODVAT credit balances under Central Excise Act, 1944, sales tax law], all other rights including sales tax deferrals and exemptions and other benefits, duty drawback claims, rebate receivables, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/incentives/ exemptions/given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts or disclosed in the balance sheet of the Transferor Company;
- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities, liabilities towards bank guarantees, performance guarantees and letters of credit, trade payables, creditors, advance from Customers and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company;
- d. all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), technology, authorization and support letters received from OEMs for business, drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company;



- e. All staff and Employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its Employees, with respect to the payment of bonus, performance pay, leave encashment, gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise and;
- f. Any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions and approvals, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, grants, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme. The headings herein shall not affect the construction of this Scheme unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders.
- ii. references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).
- iii. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.



2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or 'upon this Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

Part II of the Scheme shall be deemed to have taken effect, prior to Part III of the Scheme;

Part III of the Scheme shall be deemed to have taken effect, post Part II of the Scheme;

3) SHARE CAPITAL

The share capital of Transferor Company as on 31st December, 2023 is as under:

| Particulars | Amount (Rupees) |
|---|------------------|
| Authorized Capital | |
| 5,00,000 equity shares of Rs. 10 each | 50,00,000 |
| Total | 50,00,000 |
| Issued, Subscribed and Paid – up Capital | |
| 3,37,405 equity shares of Rs.10 each | 33,74,050 |
| Total | 33,74,050 |

The equity shares of the Transferor Company are not listed on any Stock Exchange.

- 3.2. Subsequent to the above date, there has been no change in the authorised, issued and paid-up share capital of the Transferor Company.
- 3.3. The share capital of the Transferee Company as on 31st December, 2023 is as under:

| Particulars | Amount (Rupees) |
|---------------------------|-----------------|
| Authorized Capital | |



| | |
|--|-----------------------|
| 9,50,00,000 Ordinary (Equity) Shares of Rs. 10 each | 95,00,00,000 |
| 7,50,00,000 0.001% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each | 75,00,00,000 |
| Total | 1,70,00,00,000 |
| Issued, Subscribed and Paid - up Capital | |
| 9,34,76,531 Ordinary (Equity) Shares of Rs. 10 each | 93,47,65,310 |
| 1,26,00,000,0.001 % Non-Cumulative Compulsorily Convertible | 12,60,00,000 |
| Less: 29,30,401 Equity shares of Rs. 10 each, paid up and issued to ESOP Trust but not yet allotted to employees | (2,93,04,010) |
| Total | 103,14,61,300 |

- 3.4 There has been no change in the capital structure of the Transferee Company subsequent to 31st December, 2023 till the date of approval of the Scheme by the Board of the Transferee Company.



PART II
MERGER OF FGVL WITH MFCWL

Section 1 – Transfer and vesting

4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern.

5 Transfer and Vesting of Assets

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- a. All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall or any kind of moveable property whatsoever, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- b. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company by operation of law pursuant to sanctioning of the Scheme and upon the Scheme becoming effective and with effect from the Appointed Date, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into



effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard from the Transferor Company.

- c. Without prejudice to the provisions of Clause 5(a) and 5(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause 5(c) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- e. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.



- f. all the profits or costs, charges, or expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- g. all taxes (including but not limited to advance tax, self-assessment tax, regular tax, Minimum Alternate tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, value added tax, sales tax, service tax, customs duty, CGST, UTGST, IGST, SGST, etc.), including any interest, penalty, surcharge and cess, if any, paid /payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims or credits thereof, shall be treated as the tax paid / payable by the Transferee Company, or as the case may be, refunds/claims/credits, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, deductions otherwise admissible such as under Sections 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company;
- h. all the benefits under the various incentive schemes and policies that the Transferor Company are entitled to, including tax credits, tax deferral, exemptions, holidays and benefits, subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not 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 and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies; and
- i. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without



any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

6 Contracts, Deeds etc.

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company are a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or oblige thereto or thereunder.
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.



7 Transfer and Vesting of Liabilities

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 Liabilities have arisen in order to give effect to the provisions of this Clause 7.
- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d. Loans, advances and other obligations (including any bank guarantees, performance guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.



8 Encumbrances

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4, Clause 5 and Clause 6 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.
- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- d. Any reference in any security documents or arrangements (to which any of the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- f. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.



- g. The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

9 Employees of Transferor Company

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company in India shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company. Further, the Employees of the Transferor Company who have been granted / vested with employee stock options in the Transferee Company, should continue to be eligible to exercise their stock option in the Transferee Company on the same terms, and the term of service and performance of the Employees in the Transferor Company should be taken into account by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company, unless otherwise determined by the Transferee Company. Provided further that, in the event of variation in the employment policies of the Transferor Company and the Transferee Company, the Transferee Company is entitled to modify, alter such employment policies of the Transferor Company to align them with the employment policies of the Transferee Company and the Employees shall be bound by such modified policies till the time it is not prejudicial to the interests of the employees of the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.
- c. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the



employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.

- d. In relation to those Employees for whom the Transferor Company are making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

10 Legal, Taxation and other Proceedings

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- c. In case of any litigation, suits, recovery proceedings including but not limited to any claims by ex-employees pertaining to any dispute prior to the Effective Date which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company. The Transferee Company may initiate any legal proceedings for and on behalf of Transferor Company



Section 2 – Conduct of Business

- 11** From the date on which the Board of Directors of the Transferor Company and the Transferee Company approve this Scheme until the Effective Date:
- a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
 - b. The Transferor Company shall carry on their business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
 - c. all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
 - d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
 - e. all taxes (including, without limitation, income tax, Minimum Alternate Tax, sales tax, service tax, VAT, excise and custom duties, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST), Union Territory Goods and Services Tax (UTGST), and Integrated Goods and Service Tax law (IGST), foreign taxes, etc.) paid or payable by the Transferor Company or credits thereof, in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST, UTGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax, self-assessment tax, regular tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the



same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

- f. If and to the extent there are inter-corporate loans, deposits, balances or agreements as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, stand cancelled and there shall be no obligation/ outstanding balance in that behalf.
- g. Without prejudice to the provisions of Clauses 4 to 11, with effect from the Appointed Date, all inter-party transactions amongst Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- h. For the avoidance of doubt, it is hereby clarified that nothing in the scheme shall prevent the Transferee Company and/or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity shareholders; and
- i. For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring concurrently with the Scheme.

Section 3 – Discharge of Consideration and Cancellation of share capital of Transferor Company

12 Discharge of Consideration and Cancellation of Shares

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme becoming effective, no consideration shall be payable by the Transferee Company and the shares of the Transferor Company held by the Transferee Company (or its nominee shareholders) will stand cancelled, without any further act, instrument or deed and pursuant to merger.

Section 4 - Increase in Authorised Share Capital of Transferee Company

- 13 As a part of this Scheme and upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, if any, including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company. The capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Schedule 1.



- 14 It is clarified that for the purposes of Clause 13 above, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.

It is also clarified that the consents of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the aforesaid additions in the Memorandum of Association of the Transferee Company and that no further resolutions under the applicable provisions of the Act shall be required to be separately passed. All actions taken in accordance with this Clause shall be deemed to be in full compliance of Sections 61 and 64 and other applicable provisions of the Act and rules and regulations issued thereunder and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the Transferee Company.

15 Amendment to Memorandum of Association of Transferee Company, validity of existing resolutions etc.

- 15.1. In order to carry on the activities currently being carried on by the Transferor Company and upon coming into effect of the Scheme, applicable main objects in the memorandum of association of the Transferor Company shall be added to the matters which are necessary for furtherance of the objects of the memorandum of association of Transferee Company, to the extent such objects are not already covered by those of Transferee Company. The objects clause as set out in Schedule 2 shall be added to the memorandum of association of Transferee Company and the memorandum of association of Transferee Company shall be further reformatted and renumbered as per the applicable provisions of the Act.
- 15.2. It shall be deemed that the members of Transferee Company have also resolved and accorded all relevant Consents under Section 13 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Act for the amendment to the memorandum of association of Transferee Company.
- 15.3. Upon coming into effect of the Scheme and with effect from the Appointed Date of the respective Transferor Company, the resolutions of the Board of Directors of the Transferor Company, including resolutions of any committees authorized by and comprising inter alia of members of the Board of Directors of Transferor Company, as are considered necessary by the Board of Directors of Transferee Company and which are validly subsisting, shall be considered as resolutions of Transferee Company.



PART III

CAPITAL REDUCTION OF THE TRANSFEREE COMPANY

16 CAPITAL REDUCTION

- 16.1 This Scheme is made pursuant to the provisions of Section 66 of the Act read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Act (to the extent applicable) and provides for adjusting the Retained Earnings Account (pursuant to the merger of Transferor Company and the Transferee Company under Part II of this Scheme) against the Securities Premium Account balance of the Transferee Company.
- 16.2 The Retained Earnings Account of the Transferee Company as on the Appointed Date and pursuant to the merger shall be adjusted fully against the credit balance of the securities premium account.
- 16.3 The reduction in the securities premium account shall be effected as an integral part of the Scheme upon the order of the NCLT sanctioning the Scheme coming into effect notwithstanding anything contained in the provisions of Section 66 of the Act, and other applicable provisions of the Act, statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to Article 10 of the Articles of Association of the Transferee Company and such an order shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction.
- 16.4 Notwithstanding anything contained in the Act, pursuant to the provisions of Sections 230-232 read with Section 66 and other applicable provisions of the Act, the Securities Premium account of the Transferee Company shall stand reduced to the extent of the debit balance in the Retained Earnings account (accumulated losses) of the Transferee Company as on the Appointed Date, in accordance with provisions of the Scheme.
- 16.5 The consent of the Shareholders of the Transferee Company to this Scheme shall be deemed to be the consent of its Shareholders for the purpose of effecting the reduction under the provisions of Section 66 read with other applicable provisions of the Act as well and no further compliances would be separately required.
- 16.6 Notwithstanding the reduction in the equity share capital of the Transferee Company, the Company shall not be required to add "And Reduced" as suffix to its name.

PART IV

DISSOLUTION OF TRANSFEROR COMPANY. GENERAL

CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

17) Accounting and Tax Treatment

a. Applicability of provisions of Income Tax Act and other Tax Regulations



- i. The provisions of this Scheme as they relate to the merger of the Transferor Company with the Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the Income Tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.
- ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for purposes of carry forward and set-off of tax losses, unabsorbed depreciation, credits and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, UTGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.
- iii. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- iv. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- v. All taxes (including but not limited to advance tax, self-assessment tax, regular tax, dividend distribution tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, UTGST etc.), including any interest, penalty, surcharge and/or cess



paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims or credits shall be treated as the tax liability or refunds/ claims/credits, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income Tax Act, allowance for unabsorbed depreciation under Income Tax Act, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the Income Tax Act, exemptions, credits, deductions/holidays, remissions, reductions, service tax input credits, GST input credits, export benefits, central value added tax credits, value added/sales tax/entry tax credits or set-offs etc., as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon coming into effect of this Scheme.

- vi. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 17(a)(iii) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, foreign taxes and carry forward of accumulated losses, unabsorbed depreciation etc., pursuant to the provisions of this Scheme.
- vii. The taxes (including but not limited to advance tax, self-assessment tax, regular tax, dividend distribution tax, securities transaction tax, tax deducted at source, tax collected at source, service tax, value added tax, sales tax, excise and custom duties, CGST, SGST, UTGST, IGST), including any interest, penalty, surcharge and/or cess, if any, paid by the Transferor Company under the Income Tax Act, 1961, Central Goods and Services Tax Act, State Goods and Services Tax, Integrated Goods and Services Tax Act and Union Territory Goods and Service Tax Act, or any other statute for the period commencing from the Appointed Date shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.

b. Accounting Treatment

- i. In the books of Transferee Company on merger:

Upon the Scheme being effective and with effect from Appointed Date, 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 pooling of interest method prescribed under Indian Accounting Standard 103 on Business Combinations ('Ind AS 103') in



Appendix C 'Business combination of entities under common control' notified under Section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India in the following manner:

- (a) All the assets and liabilities and reserves (if any) 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 the carrying value of assets, liabilities and reserves pertaining to the Transferor Company as appearing in the consolidated financial statements of the ultimate parent of the Transferee Company as at the appointed date.
- (b) Investment in the equity of the Transferor Company as appearing in the books of the Transferee Company, shall stand cancelled. The difference between the aggregate value of net assets and reserves (after considering the values as arrived under clause (a) above) of the Transferor Company acquired by the Transferee Company upon their transfer to and vesting in the Transferee Company under the Scheme and the amount of investment held by the Transferee Company as appearing in the books of the Transferee Company, as on the Appointed Date shall be transferred to 'Amalgamation Adjustment Reserve Account'.
- (c) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations amongst the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be.
- (d) The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of combination. However if the amalgamation has occurred after that date, the prior period information shall be restated only from the actual date.
- (e) In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

In the books of Transferee Company on capital reduction:

The debit balance in the retained earnings account (accumulated losses) of the Transferee Company (post giving effect to clause 17.b above) as on the Appointed Date and pursuant



to merger would be offset against the credit balance of the securities premium of the Transferee Company (post giving effect to Clause 17. b above).

ii. In the books of Transferor Company

In case of merger of the Transferor Company with Transferee Company, as the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company.

18) Resolutions

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

19) Savings of concluded transactions

The transfer and vesting of undertaking under Clause 4 to 9 above and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

20) Dissolution of the Transferor Company

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



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21) Conditionality to the scheme

- a. The effectiveness of the Scheme is conditional upon and subject to:
- i. The requisite sanction or approval from Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
 - ii. The certified copy of the order of the Tribunal under Sections 230 to 232 read with section 66 and other applicable provisions of the Act sanctioning the scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor and Transferee Company.
- b. On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger and reduction of capital set out in this Scheme, related matters and this Scheme itself.

22) Effect of Non Receipt of Approvals/Sanctions

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and the Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

If any part of this Scheme hereof is invalid, held illegal or unenforceable, under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

23) Applications



The Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/petitions to the Tribunal under Sections 230 to 232 read with section 66 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

24) Modifications or amendments to the Scheme

- a) The Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors.
- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

25) Costs, Charges and Expenses

All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.



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Schedule I

1. MEMORANDUM OF ASSOCIATION

The Capital Clause V of the Memorandum of Association of the Transferee Company shall state as follows:

"V(a) The Authorised Share Capital of the Company is Rs. 170,50,00,000/- (Rupees One Hundred Seventy Crores and Fifty Lakh only) divided into 9,55,00,000 (Nine Crores Fifty Five Lakhs) Equity Shares of Rs.10/- each and 7,50,00,000 (Seven Crores Fifty Lakhs) 0.001 % Non-cumulative Compulsorily Convertible Preference Shares (NCCPS) of Rs. 10/- each with power to increase and/or reduce the capital of the Company."



Schedule II

1. MEMORANDUM OF ASSOCIATION

The Object clause of the Memorandum of Association of the Transferee Company shall be amended to include the following object clauses:

- To carry on the business of operating, establishing, providing and managing e[1]commerce, m-commerce websites, mobile applications, etc., in relation to dealing in all kinds of items related to Automobile Industry.
- To carry on the business of providing consultancy, solutions and services related to online or otherwise operating, establishing, providing and managing, including making, producing, design, develop, maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, licence or otherwise deal in everything related to automobile industry.
- To provide consultancy services addressed to Automobile products and components of automobile Industry and to establish or development of websites, Portal Sites for the same.

RAMESH IYER
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by RAMESH IYER
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