

COMPOSITE SCHEME OF ARRANGEMENT

INVOLVING AMALGAMATION OF

SUN PHARMACEUTICAL MEDICARE LIMITED

("Transferor Company No. 1")

AND

GREEN ECO DEVELOPMENT CENTRE LIMITED

("Transferor Company No. 2")

AND

FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED

("Transferor Company No. 3")

AND

REALSTONE MULTITRADE PRIVATE LIMITED

("Transferor Company No. 4")

AND

SKISEN LABS PRIVATE LIMITED

("Transferor Company No. 5")

WITH

SUN PHARMACEUTICAL INDUSTRIES LIMITED

("Transferee Company")

AND

RECLASSIFICATION OF GENERAL RESERVE OF

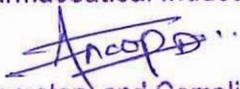
SUN PHARMACEUTICAL INDUSTRIES LIMITED

AND THEIR RESPECTIVE SHAREHOLDERS

**[Pursuant to sections 230 to 232 of the Companies Act, 2013 and the
relevant rules and regulations made thereunder]**

CERTIFIED TRUE COPY

For Sun Pharmaceutical Industries Limited


Company Secretary and Compliance Officer

GENERAL

1. PREAMBLE:

1.1. This Scheme of Arrangement provides for:

- (a) amalgamation of **Sun Pharmaceutical Medicare Limited**, [hereinafter referred to as "Transferor Company No. 1"], **Green Eco Development Centre Limited** [hereinafter referred to as "Transferor Company No. 2"], **Faststone Mercantile Company Private Limited** [hereinafter referred to as "Transferor Company No. 3"], **Realstone Multitrade Private Limited** [hereinafter referred to as "Transferor Company No. 4"] and **Skisen Labs Private Limited** [hereinafter referred to as "Transferor Company No. 5"] [and together referred to as "Transferor Companies"] with **Sun Pharmaceutical Industries Limited** [hereinafter referred to as "Transferee Company"]; and
- (b) reclassification and transfer of amounts standing to the credit of the General Reserve (*as defined hereinafter*) to the Retained Earnings (*as defined hereinafter*) of the Transferee Company (*as defined hereinafter*). This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

1.2. DESCRIPTION OF COMPANIES

- (a) **The Transferor Company No. 1:** Sun Pharmaceutical Medicare Limited, ('SPML'), having CIN- U36900GJ2017PLC095132, is an unlisted public limited company incorporated on January 16, 2017 under the provisions of the Companies Act, 2013 and having its registered office at SPARC, Tandalja, Vadodara - 390012, Gujarat, India. It is primarily engaged in the business of manufacturing and marketing of pharmaceutical products. The equity shares of the Transferor Company No. 1 are not listed on any of the stock exchanges.



The entire paid-up share capital of the Transferor Company No. 1 is held by a wholly owned subsidiary of the Transferee Company, i.e. Sun Pharma Laboratories Limited and hence the Transferor Company No. 1 is indirectly, a wholly owned subsidiary of the Transferee Company.

- (b) **The Transferor Company No. 2:** Green Eco Development Centre Limited, ('GEDCL'), having CIN- U90009GJ2010PLC062892, is an unlisted public limited company incorporated on November 12, 2010 under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 4708, GIDC Estate Ankleshwar Bharuch - 393002, Gujarat, India to carry out the business of disposal of industrial wastes. The equity shares of the Transferor Company No. 2 are not listed on any of the stock exchanges.

The entire paid-up share capital of the Transferor Company No. 2 is held by the Transferee Company and hence the Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company.

- (c) **The Transferor Company No. 3:** Faststone Mercantile Company Private Limited, ('FMCPL'), having CIN- U51900GJ2006PTC133844, is a private limited company incorporated on January 25, 2006 under the provisions of the Companies Act, 1956 and having its registered office at Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara - 390012, Gujarat, India to carry out the business of trading in various products.

The entire paid-up share capital of the Transferor Company No. 3 is held by the Transferee Company and hence the Transferor Company No. 3 is a wholly owned subsidiary of the Transferee Company.

- (d) **The Transferor Company No. 4:** Realstone Multitrade Private Limited, ('RMPL'), having CIN- U51900GJ2006PTC133238, is a private limited company incorporated on January 16, 2006 under the provisions of the Companies Act, 1956 and having its



registered office at Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara - 390012, Gujarat, India to carry out the business of trading in various products.

The entire paid-up share capital of the Transferor Company No. 4 is held by the Transferee Company and hence the Transferor Company No. 4 is a wholly owned subsidiary of the Transferee Company.

- (e) **The Transferor Company No. 5:** Skisen Labs Private Limited, ('SLPL'), having CIN- U73100GJ2005PTC133239, is a private limited company incorporated on January 13, 2005 under the provisions of the Companies Act, 1956 and having its registered office at Sun Pharma Advanced Research Centre (SPARC), Tandalja, Vadodara - 390012, Gujarat, India to carry out R&D for pharmaceutical business.

The entire paid-up share capital of the Transferor Company No. 5 is held by the Transferee Company and hence the Transferor Company No. 5 is a wholly owned subsidiary of the Transferee Company.

- (f) **The Transferee Company:** Sun Pharmaceutical Industries Limited (CIN- L24230GJ1993PLC019050) is a listed public limited company incorporated on March 01, 1993 under the provisions of the Companies Act, 1956. It came into existence by conversion of a partnership firm in the name and style of "Sun Pharmaceutical Industries" into a company in the name and style of Sun Pharmaceutical Industries Limited on March 01, 1993 under the provisions of Part IX of the Companies Act, 1956 with its running business activities. It has its registered office at SPARC, Tandalja, Vadodara - 390012, Gujarat, India. It is engaged in the business of development, manufacture, marketing, sale, trading and export of various pharmaceutical products, investment and other allied activities. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.



2. RATIONALE FOR THE SCHEME

2.1 Rationale for Amalgamation of Transferor Companies with Transferee Company

All Transferor Companies (*as defined hereinabove*) are wholly-owned subsidiaries of the Transferee Company. The amalgamation of Transferor Companies with Transferee Company would *inter alia* have the following benefits:

- (a) Greater efficiency in overall combined business including economies of scale, efficiency of operations, efficient cash flow management eliminating inter-corporate dependencies.
- (b) Optimum utilisation of resources by pooling in the managerial, technical and administrative resources and efforts.
- (c) Reduction in legal and regulatory compliance enabling better compliance efficiency at the consolidated level.
- (d) Certain pharmaceutical products manufactured by one of the transferor company i.e. SPML are sold in the regulated markets are exported through Transferee Company and this amalgamation would further help in consolidation of exports.

The amalgamation of the Transferor Companies with the Transferee Company will combine the business, activities and operations of the Transferor Companies and the Transferee Company into a single company with effect from the Appointed Date (*as defined hereinafter*) and shall be in accordance with the provisions of the Income Tax Act, 1961, and rules framed thereunder including Section 2(1B) thereof or any amendments thereto.

2.2 Rationale for reclassification and transfer of the General Reserve of the Transferee Company to Retained Earnings

Over the years, the Transferee Company has built up significant reserves through transfer of profits to the general reserve in accordance with provisions of the erstwhile Companies Act, 1956 and



erstwhile rules notified thereunder, namely, the Companies (Transfer of Profits to Reserves) Rules, 1975. While the excess reserves can be profitably utilized for the Company's overall growth strategy, the Board of Directors (*as defined hereinafter*) of the Transferee Company is of the view that even after considering the foreseeable investments required for such opportunities over the next few years, the fund represented by the General Reserve are in excess of the Transferee Company's current and anticipated operational needs.

3. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- (i) **Part A** – deals with definition of the terms used in this Scheme and setting out the share capital of the Transferor Companies and the Transferee Company and details of other equity of the Transferee Company;
- (ii) **Part B** – deals with amalgamation of the Transferor Companies with the Transferee Company;
- (iii) **Part C** – deals with reclassification and transfer of General Reserve of the Transferee Company; and
- (iv) **Part D** – deals with the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.



PART A
DEFINITIONS AND SHARE CAPITAL

4. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 4.1 **“Act”** means the Companies Act, 2013, and rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereto from time to time.
- 4.2 **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 4.3 **“Appointed Date”** means April 01, 2023 or such subsequent date (if any) as may be decided by the Board of Directors as applicable, of the Transferor Companies and the Board of Directors of the Transferee Company or such date as may be approved by the National Company Law Tribunal or such other appropriate date as the Appropriate Authority may decide.
- 4.4 **“Board of Directors”** or **“Board”** means the Board of Directors of each of the Transferor Companies or the Board of Directors of the Transferee Company, as the case may be, and shall include any duly constituted committee or authorised official(s) thereof.
- 4.5 **“Effective Date”** means the date on which the certified copy of the order of the National Company Law Tribunal sanctioning the Scheme is filed with the respective Registrar of Companies, Gujarat. Reference in the Scheme to “coming into effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date.
- 4.6 **“Government Authority”** or **“Appropriate Authority”** means the central government, any applicable state or local government, legislative body, regulatory or administrative authority, agency or



commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Reserve Bank of India, any relevant tax authority or arbitration or arbitral body having jurisdiction, and other government as may be applicable.

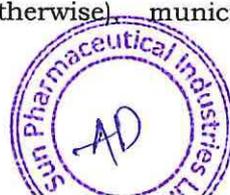
- 4.7 **“General Reserve”** means an amount reflected in the standalone financial statements of the Transferee Company as on March 31, 2023 as ‘general reserve’ under ‘Other Equity’ which has been built up primarily through transfer of retained undistributed profits pursuant to provisions of the Companies Act, 1956 and erstwhile rules notified thereunder, namely, the Companies (Transfer of Profit to Reserves) Rules, 1975.
- 4.8 **“Members”** or **“Shareholders”** means every person holding shares of the Company at the relevant time and the term “Members” or “Shareholders” shall be construed accordingly.
- 4.9 **“National Company Law Tribunal”** or **“NCLT”** or **“Tribunal”** means Ahmedabad Bench of the national company law tribunal having jurisdiction over the Transferee Company and Transferor Companies.
- 4.10 **“Retained Earnings”** means and includes the amounts as reflected in the standalone financial statements of the Transferee Company as on March 31, 2023, as ‘retained earnings’ under ‘Other Equity’, and representing the cumulative profit/ (loss) of the Transferee Company.
- 4.11 **“Scheme”** means this scheme of arrangement in its present form, submitted to the National Company Law Tribunal or any other Appropriate Authority in the Relevant Jurisdiction, or with any modification(s) made under in this Scheme, as approved or directed by the National Company Law Tribunal or any other Appropriate Authority.
- 4.12 **“SEBI”** means the Securities and Exchange Board of India.
- 4.13 **“SEBI LODR Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and any amendments thereof.



4.14 **“Stock Exchanges”** means National Stock Exchange of India Limited and the BSE Limited.

4.15 **“Undertakings of the Transferor Companies”** shall mean the entire business and the whole of the undertakings of the Transferor Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions,



tenancies or license in relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, 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, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Companies employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, 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 Companies or in connection with or relating to the Transferor Companies 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 Companies, in each case, whether in India or abroad.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies business activities and operations.



- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies.
- (iv) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertakings of the Transferor Companies vested in the Transferee Company by the



virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

(vii) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

(viii) All permanent and temporary employees engaged by the Transferor Companies at various locations.

4.16 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, as the case may be.

4.17 Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured, of the Transferor Companies and/or the Transferee Company. No compromise is offered under this Scheme to any of the creditors, either secured and/ or unsecured, of the Transferor Companies and/or the Transferee Company. The liability towards the creditors of the Transferor Companies under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company in its ordinary course of business.

4.18 The Scheme does not seek to reduce or otherwise alter the issued, subscribed and paid-up capital of the Transferee Company in any manner and the same will therefore remain unaltered.



5. SHARE CAPITAL AND OTHER EQUITY

5.1 Transferor Company No. 1

The share capital of SPML, the Transferor Company No. 1 as per the Audited Financial Statements as on March 31, 2023 is as under:

Particulars	Amount (INR)
<i>Authorised share capital</i>	
250,000 equity shares of face value of INR 10/- each	2,500,000
TOTAL	2,500,000
<i>Issued, subscribed and paid-up share capital</i>	
250,000 fully-paid up equity shares of face value of INR 10/- each	2,500,000
TOTAL	2,500,000

5.2 Transferor Company No. 2

The share capital of GEDCL, the Transferor Company No. 2 as per the Audited Financial Statements as on March 31, 2023 is as under:

Particulars	Amount (INR)
<i>Authorised share capital</i>	
700,000 equity shares of face value of INR 10/- each	7,000,000
TOTAL	7,000,000
<i>Issued, subscribed and paid-up share capital</i>	
700,000 fully-paid up equity shares of face value of INR 10/- each	7,000,000
TOTAL	7,000,000

5.3 Transferor Company No.3

The share capital of FMCPL, the Transferor Company No. 3 as per the Audited Financial Statements as on March 31, 2023 is as under:

Particulars	Amount (INR)
<i>Authorised share capital</i>	



10,000 equity shares of face value of INR 10/- each	100,000
TOTAL	100,000
<i>Issued, subscribed and paid-up share capital</i>	
10,000 fully-paid up equity shares of face value of INR 10/- each	100,000
TOTAL	100,000

5.4 **Transferor Company No. 4**

The share capital of RMPL, the Transferor Company No. 4 as per the Audited Financial Statements as on March 31, 2023 is as under:

Particulars	Amount (INR)
<i>Authorised share capital</i>	
10,000 equity shares of face value of INR 10/- each	100,000
TOTAL	100,000
<i>Issued, subscribed and paid-up share capital</i>	
10,000 fully-paid up equity shares of face value of INR 10/- each	100,000
TOTAL	100,000

5.5 **Transferor Company No. 5**

The share capital of SLPL, the Transferor Company No. 5 as per the Audited Financial Statements as on March 31, 2023 is as under:

Particulars	Amount (INR)
<i>Authorised share capital</i>	
17,000,000 equity shares of face value of INR 10/- each	170,000,000
TOTAL	170,000,000
<i>Issued, subscribed and paid-up share capital</i>	
16,360,000 fully-paid up equity shares of face value of INR 10/- each	163,600,000
TOTAL	163,600,000



5.6 **Transferee Company**

The Share Capital of SPIL, the Transferee Company as per the Audited Financial Statements as on March 31, 2023 is as under:

Particulars	Amount (INR)
<i>Authorised share capital</i>	
5,990,000,000 equity shares of face value of INR 1/- each	5,990,000,000
100,000 cumulative preference shares of face value of INR 100/- each	10,000,000
Total	6,000,000,000
<i>Issued, subscribed and paid-up share capital</i>	
2,399,334,970 fully-paid up equity shares of face value of INR 1/- each	2,399,334,970
Total	2,399,334,970

5.7 There has been no change in the above capital structure of the Transferor Companies and Transferee Company as on the date of filing of this Scheme.

5.8 **Other Equity of the Transferee Company**

The Reserve and Surplus of the Transferee Company, as per the Audited Standalone Financial Statements of the Transferee Company as on March 31, 2023, is as under:

Particulars	Amount (INR in Million)
<u>Reserve and Surplus forming part of the reclassification specified in Part C of this Scheme</u>	
• General Reserve	51,435.0
Total (as defined and referred to in this Scheme)	51,435.0



<u>Other Reserve, Surplus and Other Comprehensive Income (OCI) not forming part of the reclassification specified in Part C of this Scheme</u>	
<u>Reserve and Surplus</u>	
• Capital reserve	22,258.5
• Securities premium	11,874.1
• Amalgamation reserve	43.8
• Capital redemption reserve	7.5
• Retained earnings	127,908.8
<u>Other Comprehensive Income (OCI)</u>	
• Equity instrument through OCI	(13.3)
• Debt instrument through OCI	-
• Foreign currency translation reserve	21,543.5
• Effective portion of cash flow hedges	26.4

6. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set-out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal or any other Appropriate Authority shall take effect from the Appointed Date and shall be operative from the Effective Date.



PART B

AMALGAMATION OF THE TRANSFEROR COMPANIES
WITH THE TRANSFEREE COMPANY

7. TRANSFER AND VESTING OF THE ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANIES

7.1 *General:* Upon the Scheme becoming effective and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, if any, all the assets and liabilities of the Transferor Companies including the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and/ or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, all the assets and liabilities of the Transferor Companies including the Undertakings of the Transferor Companies by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable. Notwithstanding anything to the contrary contained in this Scheme, the provisions of this Scheme and all clauses hereunder shall be given effect to from the Appointed Date.

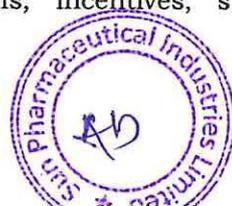
7.2 *Transfer of assets:* Without prejudice to the generality of this Clause, upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies including assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, and including all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections



230 to 232 of the Act 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 Scheme becoming effective pursuant to the provisions of Sections 230 to 232 of the Act. 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 in order to give effect to the provisions of this sub-clause.

- (ii) In respect of such assets owned and belonging to the Transferor Companies including Undertakings of the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies, and shall become the property of the Transferee Company in pursuance of the provisions of Section 230 to 232 and other applicable provisions of the Act.
- (iii) In respect of movables, other than those dealt with in this Clause, of the Transferor Companies including the sundry debts, 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 Authority, quasi government, local or other authority or body or with any company or other person, the same shall, without any further act, instrument or deed, on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions,



grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertakings of the Transferor Companies, and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Section 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, 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.

7.3 *Transfer of liabilities:* Without prejudice to the generality of this clause, upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, (whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties and obligations of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the



contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Without prejudice to the foregoing provisions of this Clause, upon the Scheme becoming effective, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not) shall pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.
- (iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Companies for the operations of the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertakings of the Transferor Companies shall vest in terms of this Scheme and to the extent they are



outstanding on the Effective Date, shall also without any further act, deed or instrument, be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

- (v) The Transferor Companies may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the National Company Law Tribunal sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- (vi) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the National Company Law Tribunal having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Companies.
- (vii) The transfer and vesting of the assets comprised in the Transferor Companies including the assets comprised in Undertakings of the Transferor Companies, to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secures or relate to the Liabilities shall, after the Effective Date, without any further act, deed or instrument, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Companies have not been encumbered in respect of the Liabilities, 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 Transferor Companies. 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.

(viii) Without prejudice to the provisions of the foregoing Clauses and upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall execute such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.

(ix) It is expressly provided that no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

7.4 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 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 shall stand modified and / or superseded by the foregoing provisions.

7.5 Subject to the terms of this Scheme, the transfer and vesting of the assets and liabilities of the Transferor Companies including the Undertakings of the Transferor Companies under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded 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 made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

7.6 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realise all monies and complete and enforce



all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

7.7 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the name of the bank accounts of the Transferor Companies would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies shall be instituted, or as the case may be, continued by or against the Transferee Company after the Scheme becoming effective.

7.8 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure smooth transition and sales of products and inventory of the Transferor Companies manufactured and / or branded and / or labelled and / or packed in the name of the Transferor Companies prior to the Effective Date or which are being manufactured and / or branded and/ or labelled and/ or packed in the name of the Transferor Companies on or after the Effective Date so long as outstanding inventories (including packing materials) are completely used and

exhausted, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventories (including packing materials) pertaining to the Transferor Companies at manufacturing locations or warehouses or retail stores or for the purpose of export or otherwise, without making any modifications whatsoever to such products and / or their branding, packing or labelling notwithstanding anything contrary provided under any Applicable Laws. All invoices payment related documents pertaining to such products and inventories (including packing materials) may be raised in the name of the Transferee Company after the Effective Date and if raised in the name of the Transferor Companies, shall be paid and discharged by the Transferee Company.

- 7.9 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that if any assets (including estates, claims, rights, entitlements, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, permissions, authorisations, schemes, arrangements or other instruments of whatsoever nature which belongs to any of the Transferor Companies or to which any of the Transferor Companies is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets or be entitled to all the rights, powers or interests in such instruments in trust in the name of the Transferor Companies for its benefit in terms of this Scheme, in so far as it is permissible so to do, till such time the formal transfer is effected.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 8.1 Upon the Scheme becoming effective and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

8.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Companies including the Undertakings of the Transferor Companies occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any Applicable Laws or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which any of the Transferor Companies is 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, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above as which the Transferor Companies are obliged or bound to carry out or perform.

8.3 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

9. LEGAL PROCEEDINGS

9.1 Upon the effectiveness of the Scheme, all suits, appeal, actions and other legal proceedings of whatsoever nature by or against the Transferor Companies pending and/ or arising on or before the Appointed Date shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or of anything contained in this Scheme, but shall be transferred in the name of the Transferee Company and shall be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would be or might have been continued, prosecuted or enforced by or against the Transferor Companies as if the same had been filed by, pending and/ or arising against the Transferee Company.

9.2 The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Companies referred to in this Clause, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Companies and the Transferee Company shall make relevant applications in that behalf and the Transferor Companies and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the assets and liabilities of the Transferor Companies including the Undertakings of the Transferor Companies, the effectiveness of contracts, deeds and other instruments and the continuance of the legal proceedings shall not affect any transactions or proceedings already concluded by the Transferor Companies, on or before the Effective Date or on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies, in respect thereto, as if done and executed on its behalf.

11. STAFF AND EMPLOYEES

Upon the Scheme becoming effective:

11.1 All employees who are in service of the Transferor Companies (if any) on the Effective Date, shall be deemed to have become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service (including as to remuneration) not less favourable than those subsisting with the Transferor Companies as on the Effective Date.

11.2 The existing provident fund, gratuity fund and pension and other benefits provided by the Transferor Companies to its employees or any other special funds created or existing for the benefit of the employees of the Transferor Companies shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and until such time shall be maintained separately. In the event that the



Transferee Company does not have its own funds with respect to any such matters, the Transferee Company shall create its own fund(s) to which the contributions pertaining to the employees of Transferor Companies shall be transferred.

- 11.3 The Transferee Company agrees that for the purpose of payment of any gratuity or other terminal benefits, the past services of such permanent and confirmed employees, if any, with the Transferor Companies shall also be taken into account.
- 11.4 The liabilities of the employees/ officers towards the Transferor Companies shall stand transferred to the Transferee Company. Further, any prosecution or disciplinary action, initiated, pending or contemplated against any employee or officer by the Transferor Companies as on the Effective Date shall be continued under the extant provisions of the Transferor Companies and any penalty/ penalties imposed in this regard on any officer or employee would continue to operate against the concerned employee or officer and shall be enforced fully and effectually by the Transferee Company.
- 11.5 Without prejudice to the generality of the aforesaid, the Transferee Company shall have the right to transfer the employees of the Transferor Companies to any branch, office, region, establishment, division, profit/ cost center or department of the Transferee Company or its subsidiaries or affiliate/ associate companies, situated anywhere in India or overseas, if warranted and as may be deemed necessary from time to time.
- 11.6 Except with the prior approval of the Transferee Company, the Transferor Companies shall not, between Appointed Date and Effective Date, vary the terms and conditions of the employment of the employees unless such variance in the terms and conditions of employment of the employees are in the ordinary course of business.
- 11.7 The Transferee Company shall be liable to pay and shall pay to each of the officers and employees such compensation in the event of the retrenchment of any of them as they may be entitled to receive according to any agreement between them and the Transferor Companies or between them and the Transferee Company, as the case



may be, or as may be required by any law for the time being in force, such compensation to be paid to each of them on the basis that their service has been continuous and has not been interrupted by virtue of the Undertakings of the Transferor Companies having been taken over by the Transferee Company under this Scheme.

12. TAX TREATMENT

- 12.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including that resulting from a retrospective amendment of law or for any other reason whatsoever till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified, unless the Board of Directors decide otherwise, to the extent required to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 12.2 All taxes and duties including cess and surcharge if any (including but not limited to income tax, tax deducted at source, tax collected at source, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, professional tax, entry tax, local body tax etc.) paid or discharged by the Transferor Companies in respect of the operations and/or the profits of the business of the Transferor Companies before the Appointed Date whether by way of direct payment, deduction at source, advance tax or otherwise howsoever shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 12.3 All the profits or income, taxes (including advance tax, tax deducted at source and minimum alternate tax credit) or any costs, charges, expenditure accruing or arising to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purposes be treated and deemed to be accrue from the Appointed Date as the profits or income, taxes (including tax losses, minimum alternate tax credit), costs, charges, expenditure or



losses of the Transferee Company, as the case may be.

- 12.4 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, goods and services tax laws, service tax laws, excise duty laws and all other applicable tax laws, and to claim refunds and or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 12.5 All tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Companies pending and / or arising at the Appointed Date shall be continued and / or enforced until the Effective Date by the Transferor Companies. 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 Companies. 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 Companies with the Transferee Company or anything contained in the Scheme.
- 12.6 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 12.7 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies due to the Transferor Companies consequent to the assessment made on the Transferor Companies (including any refund for which no credit is taken in the accounts of the Transferor Companies) as on the date immediately preceding the Appointed Date



shall also belong to and be received by the Transferee Company upon the Scheme becoming effective.

- 12.8 The tax and duty payments including cess and surcharge if any (including without limitation income tax, service tax, excise duty, central sales tax, goods and services tax act, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Companies after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Companies / the Transferee Company on transactions with the Transferee Company/Transferor Companies, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 12.9 Upon the Scheme becoming effective, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 12.10 All intangible assets belonging to but not recorded in the books of account of the Transferor Companies and all intangible assets arising or recorded in the process of the amalgamation, if any, in books of account of the Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and the Transferee Company shall be eligible for depreciation thereunder at the prescribed rates.
- 12.11 Without prejudice to the generality of the foregoing, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and services tax act, customs duty drawback etc.) to which any of the Transferor Companies is entitled to in terms of Applicable Law(s), shall be available to and vest in the Transferee Company, upon the Scheme becoming effective.



12.12 Upon the Scheme becoming effective, all tax compliances under any tax laws by the Transferor Companies on or after the Appointed Date shall be deemed to be made by the Transferee Company.

13. INTELLECTUAL PROPERTY RIGHTS

Upon the effectiveness of the Scheme, the Transferee Company will be entitled to all the brands, patents, trademarks, copyrights, technical know-how and all other intellectual property rights of the Transferor Companies including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

14. CONSIDERATION FOR AMALGAMATION

14.1 The Transferor Companies are (direct or indirect) wholly-owned subsidiary companies of the Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be issued and allotted in lieu of shares held by it or its subsidiary companies in the Transferor Companies and the entire paid-up share capital of the Transferor Companies shall be cancelled and extinguished without any further act, deed or instrument as an integral part of this Scheme.

14.2 The investments in the shares of the Transferor Companies appearing in the books of accounts of the Transferee Company or other subsidiary companies of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.



15. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY (FOR THE MERGER OF TRANSFEROR COMPANY NO. 1/SPML WITH THE TRANSFEREE COMPANY)

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company No. 1 in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- 15.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company No. 1 vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company.
- 15.2 The identity of the reserves of the Transferor Company No. 1 shall be preserved and the Transferee Company shall record the reserves of the Transferor Company No. 1 in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company.
- 15.3 Pursuant to the amalgamation of the Transferor Company No. 1 with the Transferee Company, inter-company balances, if any, between the Transferee Company and the Transferor Company No. 1 appearing in the books of the Transferee Company shall stand cancelled;
- 15.4 The surplus/deficit, if any arising after taking the effect of clause 15.1 and clause 15.2, after adjustment of clause 15.3 shall be recognised as Capital Reserve in the financial statements of the Transferee Company.
- 15.5 In case of any difference in accounting policy between the Transferor Company No. 1 and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.



- 15.6 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger of the Transferor Company No. 1, as stated above, as if the merger had occurred from the beginning of the comparative period presented
- 15.7 For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Transferor Company No. 1 are completed.
- 15.8 Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

16. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY (FOR THE MERGER OF TRANSFEROR COMPANY NO. 2 to TRANSFEROR COMPANY NO. 5 WITH THE TRANSFEEE COMPANY)

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the merger /amalgamation of the Transferor Company No. 2 to Transferor Company No. 5 ("each of the Transferor Company") in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- 16.1 The Transferee Company shall record the assets and liabilities, if any, of each of the Transferor Company vested in it pursuant to this Scheme at the respective book values and in the same form as appearing in the financial statements of each of the Transferor Company;
- 16.2 The value of all investments, net of the impairment loss (if any) in accordance with Ind AS, held by the Transferee Company in the each of the Transferor Company shall stand cancelled pursuant to amalgamation;
- 16.3 Pursuant to the amalgamation of each of the Transferor Company with the Transferee Company, the inter-company balances between the



Transferee Company and/or each of the Transferor Company, if any, appearing in the books of each of the Transferor Company and/or the Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf;

- 16.4 The surplus/deficit, if any arising after taking the effect of clause 16.1, and clause 16.2, after giving the effect of the adjustments referred to in clause 16.3, shall be recognised in the Statement of profit and loss in the financial statements of the Transferee Company;
- 16.5 For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of each of the Transferor Company are completed;
- 16.6 Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

17. DISSOLUTION OF THE TRANSFEROR COMPANIES

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



PART C

RECLASSIFICATION AND TRANSFER OF GENERAL RESERVE OF THE TRANSFeree COMPANY

18. RECLASSIFICATION OF THE GENERAL RESERVE OF THE TRANSFeree COMPANY

- 18.1. Upon the Scheme becoming effective and with effect from Appointed Date (after giving effect to Part B of this Scheme), the entire amount of Rs. 51,435.0 million standing to the credit of the General Reserve of the Transferee Company, as on March 31, 2023 shall be reclassified, transferred to and shall form part of the 'Retained Earnings' of the Transferee Company for the previous financial years, arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed in the manner provided in the Act and other applicable laws.
- 18.2. Pursuant to this Scheme, there is no outflow/ payout of funds from the Transferee Company and hence, the interest of the shareholders/creditors is not adversely affected. The Scheme does not involve distribution of capital reserve or revenue reserves and shall be in accordance with the accounting standards prescribed under provisions of Section 133 of the Act.
- 18.3. The transfer of General Reserve of the Transferee Company, as stated in Clause 4.7 above, shall be effected as an integral part of this Scheme and the approval of the Scheme by the Members shall be deemed to be sufficient for the purpose of effecting the re-classification and transfer of the amounts standing to the credit of the General Reserve to the Retained Earnings and no further resolution under any other applicable provisions of the Act would be required to be separately passed.
- 18.4. It is further clarified that transfer of the amounts standing to the credit of General Reserve to the Retained Earnings of the Transferee Company as contemplated in the Clause 18.1 should not entail or should not be deemed as any obligation on the Transferee Company for declaration or distribution of dividend for the purpose of Section 123 of the Act,



and rules notified thereunder.

19. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY (FOR RECLASSIFICATION OF GENERAL RESERVE OF THE TRANSFEREE COMPANY)

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the reclassification of general reserve of the Transferee Company in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other accounting principles generally accepted in India, in its books of accounts such that:

- 19.1 The amount of Rs. 51,435 million (Rupees Fifty One Thousand Four Hundred Thirty Five million only) standing credit of the General Reserve of the Transferee Company shall be reclassified and transferred to Retained Earnings of the Transferee Company;
- 19.2 The Transferee Company will pass appropriate adjustment entries in a prudent and commercially acceptable manner;
- 19.3 For accounting purposes, the reclassification of general reserve of the Transferee Company will be given effect on the date when all substantial conditions for the reorganization of the capital of the Transferee Company are completed.



PART D

**GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME
AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY
CONNECTED THERETO**

**20. AGGREGATION AND INCREASE IN AUTHORISED SHARE CAPITAL
AND AMENDMENT TO MEMORANDUM AND ARTICLES OF
ASSOCIATION OF THE TRANSFEREE COMPANY**

20.1 Upon the Scheme becoming effective, the authorised share capital of each of the Transferor Companies shall stand reclassified and transferred to and be added to the authorised share capital of the Transferee Company, without any further act or deed and without any further payment of the stamp duty or the registration fees. The fees and stamp duty, paid by each of the Transferor Companies on the respective authorised share capital shall be set off against the amount of duty and fees payable on the increased amount of capital. Any differential amount of duty shall be paid by the Transferee Company. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies having jurisdiction and no separate procedure or instrument or deed shall be required to be followed under the Act.

Clause V of the memorandum of association of the Transferee Company shall, upon the Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

“V. The Authorized Share Capital of the Company is Rs. 6,179,700,000/- (Rupees Six Billion One Hundred Seventy Nine Million Seven Hundred Thousand only) divided into 6,169,700,000 (Six Billion One Hundred Sixty Nine Million Seven Hundred Thousand) Equity Shares of Re. 1 (Rupee One only) and 100,000 (One Hundred Thousand) preference shares of face value Rs.100 (Rupees One Hundred only) each, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in



accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company.”

- 20.2 The approval of this Scheme by the shareholders of the Transferee Company under Sections 230-232 of the Act, shall be deemed to have been an approval under Section 13, Section 61 and Section 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

21. VALIDITY OF RESOLUTIONS

Upon the Scheme becoming effective, the resolutions, if any, of the Transferor Companies, 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 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.

22. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANIES TILL EFFECTIVE DATE

- 22.1 From the Appointed Date till the Effective Date, the Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall hold and be in possession of the assets and Undertakings of the Transferor Companies for and on account of and in trust for the Transferee Company. All profits, incomes, expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) or accruing to the Transferor Companies or by the Transferor Companies shall, for all purposes, be treated as the

profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company.

22.2 From the Appointed Date till the Effective Date, the Transferor Companies shall carry on all its business and activities with reasonable diligence and business prudence and shall not, without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies prior to the date of approval of the Scheme by its Board of Directors.

22.3 All assets, rights, titles, interests and authorities accrued to and/ or acquired by the Transferor Companies including the assets, rights, titles, interests and authorities accrued to and /or acquired in relation to or in connection with the Undertakings of the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and/ or acquired for and on behalf of the Transferee Company and shall, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed or conveyance, be and stand transferred to or vested in or be deemed to be transferred to or vested in the Transferee Company to that extent and shall become the assets, rights, title, interests and authorities of the Transferee Company.

22.4 Where any of the liabilities of the Transferor Companies which are on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

22.5 With effect from the date of the respective meetings of the Board of Directors of the Transferor Companies and the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Companies and the Transferee Company may make any change in their respective capital structure, whether by way of increase, decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, with prior intimation to other Transferor Companies and the Transferee Company and in such an



event, appropriate and consequential changes in the provisions of this Scheme, if and wherever required, shall be made and shall be deemed to have been made.

- 22.6 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertakings of the Transferor Companies that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

23. APPLICATIONS/ PETITIONS TO THE NATIONAL COMPANY LAW TRIBUNAL

Transferor Companies and Transferee Company shall file joint application/petition under the provisions of Sections 230 to 232 and other applicable provisions of the Act before the National Company Law Tribunal, Ahmedabad Bench within whose jurisdiction the registered offices of the Transferor Companies and Transferee Company are situated, for sanctioning of this Scheme under the provisions of the Act.

24. DIVIDEND

- 24.1 Nothing in this Scheme shall prevent the Transferee Company and/or the Transferor Companies from declaring and paying dividends, whether interim or final, to its shareholders.
- 24.2 The aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Companies and the Transferee Company, respectively.



25. FUND RAISING BY ISSUE OF SHARES/ OTHER INSTRUMENTS BY TRANSFEREE COMPANY

Nothing in this Scheme shall prevent the Transferee Company from raising funds by issue of new equity shares and/ or preference shares and/ or any convertible/ non-convertible instruments, conducting a buyback of its equity shares or initiating any additional scheme involving the Transferee Company and/or in any other manner subject to compliance of Applicable Laws during pendency of this Scheme.

26. MODIFICATIONS, AMENDMENTS TO THE SCHEME

26.1 If at any time the National Company Law Tribunal or any regulatory authority, including the Stock Exchanges or Securities and Exchange Board of India, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Companies and the Transferee Company unless agreed to by Board of Directors or any director who is authorized by the Board of Directors; provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Companies and Transferee Company, the Transferor Companies and Transferee Company shall perform such part accordingly.

26.2 Subject to the foregoing, the Transferor Companies (by any of their respective authorised directors) and the Transferee Company (by any of its authorised directors):

- (i) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the National Company Law Tribunal or any authorities under the Applicable Laws may deem fit to approve of or impose and/ or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable



or proper for carrying the Scheme into effect;

- (ii) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;
- (iii) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise;
- (iv) mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

27. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is and shall be conditional upon, subject to (to the extent applicable and required):

- 27.1 The Transferee Company having obtained no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;
- 27.2 Approval of the Scheme by the requisite majorities of the respective members and creditors (where applicable) of the Company, as required under the Act, or dispensing the meetings, as may be directed by the NCLT;
- 27.3 Approval by the National Company Law Tribunal;



27.4 The certified copy of the order of the National Company Law Tribunal sanctioning the Scheme being filed with the respective Registrar of Companies having jurisdiction;

27.5 Compliance with such other conditions as may be imposed by the National Company Law Tribunal or other Government Authority.

28 EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

28.1 In the event of any of the approvals or conditions enumerated in the Scheme are not satisfied or the said sanctions and approvals are not obtained and / or the said order or orders not passed as aforesaid within such period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Board of Directors or any director authorized by the Board of Directors, the Scheme shall stand nullified, revoked, cancelled and shall become void and be of no effect and shall be deemed to never have been in existence.

28.2 In the event of revocation under this Clause, no rights and liabilities whatsoever shall accrue to or be incurred inter-se to the Transferor Companies and the Transferee Company or their respective members or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws, and in such case, the Transferor Companies and the Transferee Company shall bear its own costs unless otherwise mutually agreed.

28.3 The Board of Directors or any director authorized by the Board of Directors of the Transferor Companies and / or the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

29 SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by the National



Company Law Tribunal of competent jurisdiction, or unenforceable under present or future Applicable Laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Companies and/ or the Transferee Company, then in such case the Transferor Companies and/ or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Companies and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part deleted.

30 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including taxes and duties payable, of the Transferor Companies and the Transferee Company incurred by or applicable to each of them in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of the Scheme, shall be borne and paid by Transferee Company unless mutually agreed by the Transferor Companies and the Transferee Company otherwise.

