

**SCHEME OF AMALGAMATION  
OF  
BKT EXIM LIMITED  
WITH  
BALKRISHNA INDUSTRIES LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956  
AND THE RULES MADE THEREUNDER OR ANY OTHER  
SECTION FOR THE TIME BEING IN FORCE**

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This Scheme of Amalgamation is presented under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 or the Companies Act, 2013, as the case may be, including any statutory modifications or re-enactments and rules made thereunder and amendments thereof for amalgamation of BKT Exim Limited ("BKT" or "the Transferor Company") with Balkrishna Industries Limited ("BIL" or "the Transferee Company").

**I. Description of Companies:**

**Transferor Company**

**BKT Exim Limited:**

The Transferor Company is a public company incorporated under the provisions of the Companies Act, 1956. It has its registered office at C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai, Mumbai - 400013, Maharashtra. It is a 100% subsidiary of Balkrishna Industries Limited and holds investments in various entities. It generates revenue from brokerage and commission.

**Transferee Company**

**Balkrishna Industries Limited:**

The Transferee Company is a public company incorporated under the provisions of the Companies Act, 1956. It is listed on Bombay Stock Exchange and National Stock Exchange in India. It has its registered office at B-66, Waluj MIDC Waluj Industrial Area, Waluj, Maharashtra 431 136. It is engaged in one sole segment of "tyres" with focus on manufacture of wide range of "Off-Highway Specialty Tyres". These specialty tyres are meant for Agricultural, Industrial, Material Handling, Construction, Earthmoving (OTR), Forestry, Lawn & Garden Equipment and All-Terrain Vehicles (ATV).

**II. Rationale and Purpose of the Scheme**

The Transferor Company and the Transferee Company are part of the same group of companies and the Transferor Company is a wholly owned subsidiary of the Transferee Company. It is desired to



consolidate all the business of the two companies under a single entity. Accordingly, it is proposed to consolidate the operations by way of amalgamation.

The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- (i) Enable creation of a larger entity and derive optimal management and synergy benefits;
- (ii) Result in business synergies besides economies in cost by combining all the functions, related activities and operations and benefits in the form of managerial and technical expertise;
- (iii) Reduction in number of entities leading to simplification of group structure and multiple layer inefficiencies; and
- (iv) Enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher operational efficiency and enhancing shareholders' value.

In view of the aforesaid, the Board of Directors of both the Companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the said companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 other relevant provisions of the Companies Act, 1956 or the Companies Act, 2013, as may be applicable (including any statutory modification or re-enactment or amendment thereof).

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

#### **PARTS OF THE SCHEME:**

This Scheme of Amalgamation is divided into the following parts:-

**Part A:** Definitions of the terms used in this Scheme of Amalgamation and Share Capital;

**Part B:** Amalgamation of the Transferor Company with the Transferee Company; and

**Part C:** General Terms and Conditions



## PART A

### 1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1 **“Act” or “the Act”** means the Companies Act, 1956 and Companies Act, 2013 (to the extent applicable) and rules made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. Any references to the provisions of the Companies Act, 1956 shall be construed to be references to the corresponding provisions in the Companies Act, 2013.

1.2 **“Appointed Date”** means the 1<sup>st</sup> day of April 2015, or such other date as may be fixed by the High Court or such other competent authority as may be applicable.

1.3 **“Board of Directors” or “Board”** means the board of directors of the Transferor Company and the Transferee Company or of any one or the relevant one of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.

1.4 **“BKT Exim Limited” or “Transferor Company”** means the Transferor Company Exim Limited, a company incorporated under the Companies Act, 1956 and having its registered office at C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013.

1.5 **“Balkrishna Industries Limited” or “Transferee Company”** means Balkrishna Industries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at B-66, Waluj MIDC Waluj Industrial Area, Waluj, Maharashtra 431 136.

1.6 **“Effective Date”** means the date on which the certified copies/authenticated copies of the Orders sanctioning this Scheme of Amalgamation, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Mumbai.

Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall be construed to be a reference to the Effective Date;

1.7 **“Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court or tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.



- 1.8 “High Court” or “Court” means the High Court of Judicature at Bombay or such other competent authority under the provisions of Sections 391 to 394 of the Act, as the case may be, and shall include the National Company Law Tribunal, or any other similar judicial body, if applicable;
- 1.9 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 15 of this scheme as approved or directed by the High Court of Judicature at Bombay or any other appropriate authority.
- 1.10 “Stock Exchange” means Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 15 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The share capital of Transferor Company as on March 31, 2015 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
7,00,000 Equity Shares of Rs. 10/- each fully paid up	70,00,000
<b>Total</b>	<b>70,00,000</b>

Subsequent to March 31, 2015 there is no change in the issued, subscribed and paid-up capital of the Transferor Company. As on date, the Transferor Company is a wholly owned subsidiary of the Transferee Company. The entire share capital of the Transferor Company is held by the Transferee Company and its nominees.



3.2 The share capital of the Transferee Company as on March 31, 2015 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
44,00,00,000 Equity Shares of Re.2 /- each	88,00,00,000
20,00,00,000 Redeemable Preference Shares of Re 10 /- each	2,00,00,000
<b>Total</b>	<b>90,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>	
9,66,58,595 Equity Shares of Rs.2 each fully paid up	19,33,17,190
<b>Total</b>	<b>19,33,17,190</b>

Subsequent to March 31, 2015 there is no change in the issued, subscribed and paid-up capital of the Transferee Company. The shares of the Transferee Company are currently listed on the Bombay Stock Exchange and the National Stock Exchange.



## PART B

### 4 TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

4.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, with effect from the Appointed Date, the entire business and whole of the undertakings of the Transferor Company shall be vested in and/or be deemed to have been vested in and amalgamated with the Transferee Company, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 391-394 of the Act and all other applicable provisions of law, if any.

4.2 Without prejudice to the generality of the foregoing:

(a) the assets of the Transferor Company shall include, without limitation:

- i) all properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature, and wherever situated, including but not limited to immovable properties, plant and machinery, furniture and fixtures, office equipment, other equipment, computers, air conditioners and refrigerators, investments, cash on hand, stock in trade, advances, claims whether recognized or not (including those under any shareholder or share purchase agreements);
- ii) all licenses, permissions, approvals and consents including environmental approvals and approvals of various regulatory bodies;
- iii) all intellectual property rights including copy rights, trade marks, logos, brands whether registered or not and other intellectual property rights;
- iv) all rights relating to property including lease/tenancy rights, sublicensing, subleasing rights or rights to grant sub tenancy, easement rights, permissions, approved use; title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and wherever situated as on the Appointed Date;
- v) all rights and benefits under any contracts with customers, suppliers, sellers, shareholders (including rights under any shareholder or share purchase agreements), and other counterparties; and
- vi) All tax incentives, minimum alternate tax credit, cenvat credit, sales tax credit, and all other rights, (including rights under any shareholder or share purchase agreements).



(b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, which shall be deemed to be the debt, liabilities, duties and obligations of the Transferee Company as the case may be, and 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 (including any shareholder or share purchase agreement) by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer / vesting of the assets of the Transferor Company as aforesaid shall be subject to the terms and conditions of the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferee Company.

4.3 (a) All the assets, licenses, permits, quotas, including approvals of various regulatory bodies, permissions, incentives, benefits, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, copy rights, trade marks, logos, brands, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company upto the Appointed Date or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operations of the Transferor Company shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the assets, licenses, permits, quotas, approvals including permissions, exemptions, exclusions, incentives, loans, 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 to the extent permissible under law.

Provided that notwithstanding anything contained in any document, papers or writings executed by the Transferor Company, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the



Scheme and the Transferee Company shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.

- (b) On the scheme becoming effective, all moveable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be to the Transferee Company.
- (c) In respect of all movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and, or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 391 to 394 of the Act.
- (d) The entitlement to various benefits under incentive schemes and policies in relation to the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income tax, sales tax, value added tax, excise duty, service tax, customs and other incentives in relation to the Transferor Company to be claimed by the Transferee Company with effect from the appointed date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.
- (e) The provisions of this Scheme as they relate to the merger of the Transferor Company with the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) 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 of the Income-tax Act, 1961, 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, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.





## 5 CONSIDERATION

- 5.1 The entire issued, subscribed and paid-up share capital of the Transferor Company is directly held by the Transferee Company along with its nominees. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the Transferee Company's investment in the entire share capital of the Transferor Company shall stand cancelled in the books of the Transferee Company.
- 5.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by the Transferee Company in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company, and shall cease to be in existence accordingly.

## 6 ACCOUNTING TREATMENT

On the Scheme becoming effective, the accounting for amalgamation will be done in accordance with the Pooling of Interest method referred to in the relevant standard.

- 6.1 The Transferee Company shall record all the assets and liabilities of the Transferor Company, transferred to and vested in the Transferee Company, at the respective book values as appearing in the books of the Transferor Company.
- 6.2 The Reserves and Surplus of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company.
- 6.3 Pursuant to the High Court order, the difference between the value of assets over the value of liabilities including reserves of the Transferor Company shall be transferred to Capital Reserve of the Transferee Company.
- 6.4 Investments in the share capital of the Transferor Company as appearing in the books of the Transferee Company will stand cancelled and shall be adjusted against the Capital Reserve of the Transferee Company.
- 6.5 The inter-corporate deposits/loans or any type of receivable or payables and advances outstanding between the Transferee Company and the Transferor Company inter-se shall stand cancelled and there shall be no further obligation/outstanding in that behalf. Further no interest shall be provided on loan and advances or any outstanding if any after Appointed Date.
- 6.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be quantified



and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

## 7 COMBINATION OF AUTHORISED SHARE CAPITAL

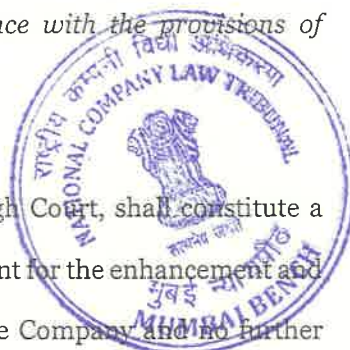
- 7.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand consolidated and vested in and be merged with the authorized share capital of the Transferee Company and shall stand increased and reclassified as equity shares of Rs. 2 each instead of Rs 10 each, thereby 10,00,000 (Ten Lakh) Equity Shares of Rs. 10 each would be reclassified as 50,00,000 (Fifty Lakhs) Equity Shares of Rs 2 each, without any liability for payment of any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, as such fees and duties in respect of such authorized share capital of the Transferor Company have already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective in terms hereof.
- 7.2 Consequent to the Scheme taking effect, the Authorised Share Capital of the Transferee Company shall be as under:-

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
44,50,00,000 Equity Shares of Rs. 2 /- each	89,00,00,000
20,00,00,000 Redeemable Preference Shares of Rs. 10 /- each	2,00,00,000
<b>Total</b>	<b>91,00,00,000</b>

- 7.3 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act 2013 and Section 394 and other applicable provisions of the Companies Act 1956 and Companies Act 2013, as the case may be, and be replaced by the following clause:

*“The Authorised Share Capital of the Company is Rs. 91,00,00,000 (Rupees Ninety One Crores only) divided into 44,50,00,000 (Forty Four Crores and Fifty Lakhs) number of equity shares of Rs. 2/- (Rupees Two) each and 20,00,00,000 (Twenty Lakhs) redeemable preference shares of Rs. 10/- (Rupees Ten) each with power to increase or reduce or alter the capital, in accordance with the provisions of Companies Act, 2013.”*

- 7.4 This Scheme as proposed, and upon sanction by the High Court, shall constitute a single window clearance and shall be deemed to be sufficient for the enhancement and increase of the authorized share capital of the Transferee Company and no further



resolution subsequent to the sanction of the Scheme shall be required for increasing the authorized share capital (whether under Section 13, Section 14, Section 61, Section 64 and/or any other applicable provisions of the Act), nor shall any additional fees or stamp duty, be payable on the Memorandum of Association of the Transferee Company.

## 8 DISSOLUTION WITHOUT WINDING UP

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

## 9 CONDUCT OF BUSINESSES UNTIL EFFECTIVE DATE

9.1 With effect from the Appointed Date and upto and including the Effective Date:

9.1.1 The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertake to hold the said assets and discharge liabilities with utmost prudence until the Effective Date.

9.1.2 the Transferor Company shall carry on its businesses and activities with reasonable diligence, business prudence and shall not without the prior written consent of Board of Directors of the Transferee Company, make any further issue of shares by way of rights or bonus or otherwise, alienate, charge, mortgage, encumber or otherwise deal with or dispose of their undertakings or any part thereof except in the ordinary course of business nor shall they undertake any new businesses or a substantial expansion of their existing businesses, nor shall it create any new financial liabilities without the consent of Board of Directors of the Transferee Company except in the ordinary course of business.

9.1.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of the Transferee Company.

9.1.4 The Transferor Company shall be entitled to declare and pay dividends to its shareholders subject to prior approval of the Board of Directors of the Transferee Company.

## 10 LEGAL PROCEEDINGS

10.1 All legal proceedings, including arbitration proceedings, of whatsoever nature or against the Transferor Company pending and / or arising at or after the Appointed Date as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme.



but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

10.2 After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

10.3 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company after the Effective Date.

## 11 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

11.1 Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements, arrangements, schemes, insurance policies, indemnities, guarantees and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced fully and effectively as if instead of the Transferor Company, the Transferee Company had been the party thereto.

11.2 With effect from the Appointed Date, all permits, quotas, rights, entitlements, industrial and other licences, branches, brand registrations, offices, depots and godowns, trademarks, trade names, know-how and other intellectual property, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

11.3 With effect from the Appointed Date, any transferable statutory licenses, no objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of undertakings of the Transferor Company pursuant to the Scheme. The benefit of all transferable statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or



consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.

11.4 The Transferee Company, 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, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the undertakings of the Transferor Company to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

## 12 TAXES

12.1 Upon coming into effect of this Scheme i.e. from the Appointed Date, all tax payable by the Transferor Company under Income-tax Act 1961, Customs Act, 1962, Service tax, Value Added Tax, Sales tax provisions or other applicable laws/ regulations dealing with taxes/duties/levies (hereinafter referred to as "tax laws") shall be to the account of the Transferee Company. Similarly all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further Minimum Alternate Tax, if any, paid by the Transferor Company under Income Tax Act 1961, shall be deemed to have been paid on behalf of the Transferee Company and Minimum Alternate Tax Credit (if any) of the Transferor Company as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set off against the tax liabilities of the Transferee Company. Any refunds/credit under the tax laws due to the Transferor Company consequent to assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

12.2 Further any tax holiday/deduction/exemption/carry forward losses enjoyed by the Transferor Company under Income-tax Act 1961 would be transferred to the Transferee Company.

12.3 On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise its financial statements and returns along with



prescribed forms, filings and annexures under the Income Tax Act, 1961(including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

- 12.4 All taxes (including income tax, sales tax, excise duty, service tax, value added tax etc.) paid or payable by the Transferor Company in respect of the operations and/or profits of the business before the Appointed Date shall be on account of the Transferor Company and is so far it related to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, value added tax etc.) whether by way of deduction at source, advance tax or otherwise by the Transferor Company in respect of profits or activities or operations of the business after 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.

### 13 TREATMENT OF STAFF AND EMPLOYEES

- 13.1 On the Scheme becoming operative, all employees of the Transferor Company in service on the Effective Date shall be deemed to have become employees of the Transferee Company without any break in their service and on the basis of continuity of service, and on the basis that the employment terms are not less favourable than in the Transferor Company.
- 13.2 The Transferee Company agrees that the services of all such employees with the Transferor Company up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in the Transferor Company on the Effective Date.
- 13.3 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become the Trusts/ Funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds



#### 14 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of businesses under Clause 4 above and the continuance of proceedings by or against the Transferor Company 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 done and executed on behalf of itself.

#### PART C

#### 15 APPLICATION TO THE HIGH COURT

The Transferor Company shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court for sanction of this Scheme and for dissolution of the Transferor Company without being wound-up. The Transferee Company shall, if required, make and file applications / petitions to the High Court, under whose jurisdiction the registered office of the Transferee Company is situated, for sanctioning this Scheme.

#### 16 MODIFICATION / AMENDMENT TO THE SCHEME

16.1 The Board of Directors or any committee thereof authorised in this behalf of the Transferor Company and the Transferee Company, may consent, on behalf of respective companies to any modifications or amendments of the Scheme or to any conditions or limitations that the High Court may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the High Court.

16.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors, or any committee thereof authorised in this behalf of the Transferee Company may give and is authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

16.3 If the event of any of the conditions that may be imposed by the High Court or other authorities is unacceptable for any reason by the Transferor Company or the Transferee Company, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme.

#### 17 CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to the following:



- 17.1 The requisite sanctions and approvals of all government, statutory, regulatory, judicial or other authority as may be necessary, and any consents, no-objection confirmations or approvals of the Stock Exchange (if applicable), in respect of the Scheme being obtained;
- 17.2 The sanction of the scheme by the High Court or any other authority under Sections 391 to 394 and other applicable provisions of the Act;
- 17.3 The certified copies of the orders of the High Court of Judicature at Bombay under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai;
- 17.4 Amalgamation would be effective as and when the aforesaid requisite approvals are received by the Transferor Company or the Transferee Company.

### 18 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the Clause 16 not being obtained or for any other reason, the Scheme cannot be implemented on or before 31<sup>st</sup> December, 2017; or within such further period(s) that the Boards of the Transferor Company and the Transferee Company may mutually agree upon, withdraw from this Scheme pursuant to Clause 15 above, the Scheme/the amalgamation shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by the Transferor Company and the Transferee Company. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme unless otherwise mutually agreed.


### 19 COSTS, CHARGES & EXPENSES

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

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 Deputy Director  
 National Company Law Tribunal, Mumbai Bench