

CG Power and Industrial Solutions Limited

Registered Office:

CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India

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Corporate Identity Number: L99999MH1937PLC002641

Smart solutions.
Strong relationships.

Our Ref: COSEC/01/2020

April 05, 2019

BY PORTAL**The Corporate Relationship Department**

BSE Limited

1st Floor, New Trading Ring

Rotunda Building,

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Scrip Code : 500093**The Assistant Manager – Listing**

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra-Kurla Complex,

Bandra (East),

Mumbai 400 051

Scrip Id : CGPOWER**Ref: Our communications dated February 14, 2019 and March 08, 2019****Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').**

Dear Sir/Madam,

In furtherance to our aforesaid communications in relation to the amalgamation of CG Power Solutions Limited ('CGPSOL'), a wholly owned subsidiary company with CG Power and Industrial Solutions Limited (the "Company") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, we are enclosing herewith the copy of the Scheme of Amalgamation pursuant to Regulation 37(6) of the Listing Regulations for your records.

Yours faithfully,

For **CG Power and Industrial Solutions Limited****Shikha Kapadia**

Company Secretary and Compliance Officer

ACS no. 20733

Encl: As Above

**AVANTHA**
GROUP COMPANY

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

BETWEEN

**CG POWER SOLUTIONS LIMITED
(TRANSFEROR COMPANY)**

AND

**CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
(TRANFEE COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

INTRODUCTION

This Scheme of Amalgamation provides for the amalgamation and merger of the Transferor Company into the Transferee Company pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

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

PART I, which deals with description of companies, rationale of the scheme, treatment of the Scheme for the purposes of the IT Act, definitions, interpretation, date of coming into effect of the scheme and share capital;

PART II, which deals with amalgamation of the Undertaking of the Transferor Company into the Transferee Company, legal proceedings, conduct of business till the Effective Date, and the accounting treatment in the books of the Transferee Company; and



PART III, which deals with dissolution of the Transferor Company, applications to the Tribunal, and other general terms and conditions applicable to this Scheme.

PART I

1. DESCRIPTION OF COMPANIES

- 1.1. **CG POWER SOLUTIONS LIMITED** (“Transferor Company”) bearing CIN U40300MH2012PLC228170 was incorporated on 14 March 2012 in accordance with the provisions of the Companies Act, 1956 and having its registered office at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai- 400030. The Transferor Company is, *inter alia*, engaged in the business of providing integrated solutions to its customers through supply of power products, project engineering and technical services etc. It is also involved in providing consultancy, advisory and marketing services related to power products and related operations, maintenance, after-sales services and other support services.

Present directors of the Transferor Company are as follows:

Sr. No.	Name of Director	Address of Director
1.	Mr. V R Venkatesh	Rotselaerlaan, 8 Tervuren, Tervuren 3080 BE.
2.	Mr. Raman Rajagopal	Flat No. 5040, Sector- 56, Devender,Vihar, Gurgaon-122 002.
3.	Mr. Akhil Mahajan	G-1432, First Floor, C R Park, New Delhi- 110019.

- 1.2. **CG POWER AND INDUSTRIAL SOLUTIONS LIMITED** (“Transferee Company”) bearing CIN L99999MH1937PLC002641 was originally incorporated with the name "Crompton Parkinson Works Private Limited" on 28 April 1937 in accordance with the provisions of the Companies Act, 1913 and having its registered office at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai- 400030. The word “Private” was deleted from the name of the Transferee Company by Registrar of Companies, Maharashtra, since the Transferee Company became a public company on 28 December 1960 by virtue of the provisions of Section 43A of the Companies Act, 1956. The name of the Company was changed from “Crompton Parkinson Works Limited” to “Crompton Greaves Limited” on 2 August 1966. Thereafter, the name of the Transferee Company was changed to its present



name "CG Power and Industrial Solutions Limited" on 27 February 2017. The Transferee Company is, *inter alia*, engaged in the business of manufacture and distribution of transformers, switchgear, circuit breakers, vacuum interrupters, power automation products, network protection and control gear, as well as design, execution and servicing of turnkey T&D as well as sub-station projects and solutions including complete end to end renewable projects. It is also engaged in the business of manufacture and distribution of power conversion equipment such as high and low voltage rotating machines, drives and industrial automation products, stampings as well as railway transportation and signaling products.

Present directors of the Transferee Company are as follows:

Sr. No.	Name of Director	Address of Director
1.	Mr. Gautam Thapar	Apartment No. 605, 6 th Floor, Tower C Grand Hyatt Residence P.O Box 7167 Dubai 0000000 AE
2.	Mr. K N Neelkant	Flat no. 1602, Tower 4, the Close South, Nirvana Country, , Gurgaon - 122018.
3.	Mr. Narayan K. Seshadri	Flat No. 51, 2 nd Floor, Hill Park CHS Ltd, Plot No. 04, A.G. Bell Marg, Malabar Hill, Mumbai- 400006
4.	Dr. Omkar Goswami	E-121, Masjid Moth, Greater Kailash - 3, New Delhi - 110048.
5.	Mrs. Ramni Nirula	A-14, Anand Niketan, Chanakyapuri S.O., New Delhi - 110021.
6.	Dr. Valentin Van Massow	Kajedeich, 28, Oederquart, 21734, De.
7.	Mr. Sudhir Mathur	B-1/8, Vasant Vihar, New Delhi - 110057.
8.	Mr. Jitender Balakrishnan	208, Tower - 2, Casa Grande, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.
9.	Mr. Ashish Kumar Guha	House no. 23, First Floor, Poorvi Marg, Vasant Vihar, New Delhi - 110057.

- 1.3. This Scheme of Amalgamation (*as defined below*) between the Transferor Company and the Transferee Company provides for (i) the amalgamation and merger, transfer and vesting of the Undertaking (*as defined below*) of the Transferor Company into the Transferee Company, on a



going concern basis, (ii) the dissolution without winding up of the Transferor Company; with effect from the Appointed Date (*as defined below*) pursuant to Sections 230 to 232 and other relevant provisions of the Act (*as defined below*). In addition, this Scheme also provides for various other matters consequential to or otherwise connected with the above in the manner provided in the Scheme.

2. RATIONALE OF THE SCHEME

The Transferor Company is a wholly owned subsidiary of the Transferee Company. The objects of the Transferor Company complement the objects of the Transferee Company. A consolidation of the Transferor Company with the Transferee Company by way of amalgamation of the Transferor Company into the Transferee Company would result in streamlined business transactions, optimum utilization of available resources and reduction in administrative costs of the Transferor Company and the Transferee Company by bringing them under one entity.

Further, the amalgamation would also result in the below mentioned benefits:

- (a) The amalgamation by absorption will result in optimization of legal entity structure by reducing the number of subsidiary companies.
- (b) The benefit of consolidation of the financial resources of the Transferor Company and the Transferee Company resulting in a more efficient, focused management control and system and streamlined business transaction.
- (c) The amalgamation by absorption may result into having a positive impact on the profitability of the Amalgamated Entity and its shareholders in a long run. Integration of business operations and consolidation of the activities will lead to operational synergies and elimination of duplicate efforts and thus contribute to the profitability of the Amalgamated Entity by rationalization of management and administrative structure.
- (d) The merger by absorption would reduce multiplicity of legal and regulatory compliances and reduce various running costs and overheads involved in separately running the business of the Transferor Company and the Transferee Company.

- 2.1. In order to achieve the above objectives, the Board (*as defined below*) of the Transferor Company and the Transferee Company, respectively, have approved the proposed Scheme of



Amalgamation and have decided to make the requisite applications to the Tribunal (*as defined below*) under Section 230 of the Act (*as defined below*) and other applicable provisions for the sanction of this Scheme involving the merger by absorption of the Transferor Company into the Transferee Company.

- 2.2. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
- 2.3. The Scheme will not in any manner be prejudicial to the interests of the concerned shareholders and creditors of the Transferor Company or the Transferee Company or the general public at large.

3. DEFINITIONS AND INTERPRETATION

- 3.1. In this Scheme, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (*including in the recitals and the introductory paragraphs above*), shall have the following meanings:

“Act” means the Companies Act, 2013, and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time, and shall include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;

“Amalgamated Entity” means the resulting entity as on the Effective Date pursuant to the completion of the merger by absorption of the Transferor Company into the Transferee Company in the manner set out in and pursuant to the terms of the Scheme;

“Applicable Law” or **“Law”** means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, bye-law, approval from the concerned authority, directive, guideline, press note, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by any Governmental Authority in effect in the Republic of India, whether as of the date of the Scheme or at any time thereafter;



“Appointed Date” for the purpose of this Scheme and the IT Act means 1st April 2018 or such other date as the Tribunal may direct or approve under the relevant provisions of the Act;

“Board of Directors” or **“Board”**, in relation to the Transferor Company and Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee or any other representative duly authorized for the purposes of the matters pertaining to this Scheme and/ or any other matter relating thereto;

“Effective Date” means the date on which certified copies of the orders of the National Company Law Tribunal sanctioning this Scheme, is filed with the Registrar of Companies, Mumbai, by the Transferor Company and the Transferee Company, as specified under Clause 11.1(b) of this Scheme. References in this Scheme to the date of ‘coming into effect of this Scheme’ or ‘the effectiveness of this Scheme’ or ‘the Scheme becoming effective’ or ‘the Scheme becomes effective’ shall mean the Effective Date;

“Financial Statements” means the annual accounts (*including balance sheet, cash flow statements and profit and loss account*) of the Transferor Company and/ or the Transferee Company, as the context may require;

“Governmental Authority” means any authority or body exercising executive, legislative, judicial, regulatory, statutory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the Republic of India or any political subdivision thereof, or of any other jurisdiction relevant to the transactions contemplated under this Scheme, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange, as applicable;

“Ind AS” shall have the meaning ascribed to it under Clause 7.10 of this Scheme;

“INR” or **“Rupees”** means the lawful currency of the Republic of India;

“IT Act” means the Income-tax Act, 1961, and shall include any statutory replacement or re-enactment thereof;



“Registrar of Companies” means the Registrar of Companies of Maharashtra situated in Mumbai;

“Scheme” or **“Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form, or as amended or with any modification(s) approved or imposed or directed by the Tribunal or any other Governmental Authorities, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act;

“Transferee Company” has the meaning ascribed to it under Clause 1.2 of this Scheme;

“Transferor Company” has the meaning ascribed to it under Clause 1.1 of this Scheme;

“Tribunal” or **“NCLT”** means the Hon’ble National Company Law Tribunal having its Bench at Mumbai, Maharashtra, and such other Hon’ble National Company Law Tribunal as may for the time being be having jurisdiction in the matter, or such other tribunal, court, forum or authority as may, for the time being be vested with the powers presently vested in the Hon’ble National Company Law Tribunal under Sections 230 to 232 of the Act;

“Tax” or **“Taxes”** means any and all taxes (*direct or indirect*), surcharge, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax imposed by any Governmental Authority (*whether payable directly or by withholding*), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (*together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto*);

“Undertaking” of the Transferor Company means all the undertakings and the entire business of the Transferor Company, as a going concern, including (*without limitation*), all assets and properties (*whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate*) of the Transferor Company, and including investments of all kinds including but not limited to securities (*marketable or not*), securitized assets, receivables and security receipts, mutual fund



investments, all cash and bank balances (*including cash and bank balances deposited with any banks or entities*), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits, certificates, lands, buildings, structures and premises, whether leasehold or freehold, current assets (*including sundry debtors, bills of exchange, loans and advances*), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;

- (i) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, Tax deferrals, Tax credits, (*including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, accumulated tax losses, withholding Tax credits, minimum alternative Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables*), other claims under Tax laws, incentives (*including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax*), benefits, Tax exemptions, Tax refunds (*including those pending with any Tax authority*), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes facsimile connections and installations, utilities, e-mail, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and negotiable instruments (*including post-dated cheques*), benefit of assets of properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;
- (ii) all contracts, agreements, memoranda of understanding, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (*including all tenancies, leases and other assurances in favour of the Transferor Company or powers or authorities granted by or to it*) of whatsoever nature along with any contractual rights and obligations, 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;

(iii) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;

(iv) all present and contingent future liabilities of the Transferor Company including all debts, loans (*whether denominated in rupees or a foreign currency*), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (*including any post-dated cheques guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form*); and

3.2. All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modification or re-enactment thereof for the time being in force or any legislation which replaces the Act.

3.3. References to clauses, recitals and paragraphs, unless otherwise provided, are to clauses, recitals and paragraphs of and to this Scheme.

3.4. Headings, sub-headings, titles, sub-titles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

3.5. Unless the context otherwise requires:

- (i) the singular shall include the plural and vice versa, and references to one gender include all genders.
- (ii) references to a person include any individual, firm, body corporate (*whether or not incorporated*), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (*whether or not having separate legal personality*).



- 3.6. Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 3.7. Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.
- 3.8. The words "include" and "including" are to be construed without limitation.
- 3.9. Where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.

4. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME-TAX ACT, 1961

- 4.1. The provisions of this Scheme have been drawn up to comply with the conditions relating to amalgamation for the purposes of the IT Act. If any terms or provisions of this Scheme are found or interpreted to be inconsistent with the provisions of amalgamation in terms of Section 2(1B) of the IT Act (*as defined below*) at a later date or to defeat the objects of the amalgamation contemplated herein, including resulting from an amendment of Applicable Laws or for any other reason whatsoever, the provisions relating to amalgamation under the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the provisions relating to amalgamation under the IT Act and the objects sought to be achieved by this Scheme. Such modifications will, however, not affect the other parts of this Scheme.

5. DATE OF COMING INTO EFFECT

- 5.1. The Scheme shall come into operation on and from the Effective Date and on which date the Transferor Company shall stand merged and amalgamated into the Transferee Company with effect from the Appointed Date.



6. SHARE CAPITAL

6.1. Present Capital Structure

The authorized share capital and the issued, subscribed and paid-up share capital of the Transferor Company as on 31 December 2018 and as on date:

Particulars	Amount (in INR)
Authorised Share Capital	
50,000 equity shares of INR 10 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Share Capital	
50,000 equity shares of INR 10 each	5,00,000
Total	5,00,000

The authorized share capital and the issued, subscribed and paid-up share capital of the Transferee Company as on 31st December 2018 and as on date:

Particulars	Amount
Authorised Share Capital	
203,80,00,000 equity shares of INR 2 each	407,60,00,000
Total	407,60,00,000
Issued Share Capital*	
62,67,88,442 equity shares of INR 2 each	125,35,76,884
* This includes 42,300 equity shares of INR 2 each (amount paid-up INR 32,175) that has been forfeited by the Transferee Company.	
Total	125,35,76,884
Subscribed and Paid-up Share Capital*	
62,67,46,142 equity shares of INR 2 each	125,34,92,284



*As on 31 st December 2018, 1,55,189 global depository receipts were outstanding which represented 7,75,949 equity shares.	
Total	125,34,92,284

The equity shares of the Transferee Company are listed on National Stock Exchange of India Limited and BSE Limited. Further, the global depository receipts issued by the Transferee Company are listed on London Stock Exchange.

PART II

7. AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEE COMPANY

7.1. Transfer of the Undertaking of the Transferor Company to the Transferee Company

- (a) Upon the Scheme becoming effective, the Undertaking of the Transferor Company shall, pursuant to the sanction of this Scheme by the Tribunal and the applicable provisions contained in the Act, and the other provisions of Applicable Laws for the time being in force, and without any further act or deed, stand transferred to and vested in, or deemed to have been transferred to and vested in, the Transferee Company, as a going concern, without any further act, instrument, deed, matter or thing to be made, done or executed, so as to become the undertaking of the Transferee Company, with effect from the Appointed Date of the Scheme. Without limiting the generality of the aforesaid, the Undertaking of the Transferor Company shall be transferred to the Transferee Company in the following manner:
 - (i) All the movable assets including investments and cash in hand, if any, of the Transferor Company, which are capable of transfer by physical delivery of possession, payment or by endorsement, shall be so transferred by the Transferor Company to the Transferee Company and shall on such transfer, become the assets and properties of the Transferee Company without requiring any separate deed or instrument or conveyance for transfer of the same.



- (ii) All loans and advances recoverable in cash or in kind or for value to be received, deposits, sundry debtors, outstanding and receivables, bank balances, earnest money and deposits of the Transferor Company with any Government Authority, quasi-government, local or other authority or body or with any company or other person other than the movable assets specified in paragraph (i) of sub-clause (a) above, shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors or any other person (although the Transferor Company may, if it deems appropriate, give notice to third parties that debts, outstanding and receivables do stand transferred to and vested in the Transferee Company), and the debtors or any other person shall be obliged to make payments to the Transferee Company upon Scheme becoming effective.
- (iii) All the licenses, permits, approvals, permissions, registrations, incentives (*including service tax refunds and accumulated CENVAT credit. Goods and Services Tax (GST)*), tax deferrals and benefits (*including income tax, accumulated tax losses, Minimum Alternate Tax credit, sales tax, customs, excise, advance tax, withholding tax receivables or other tax exemptions and/ or deferments*), subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become, as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (*including service tax refunds and accumulated CENVAT credit*), tax deferrals and benefits (*including income tax, accumulated tax losses, sales tax, Minimum Alternate Tax credit, customs and excise or other tax exemptions and/or deferments*), 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.



- (iv) All assets and properties of the Transferor Company as on the Appointed Date, whether tangible or not, and whether or not included in the books of the Transferor Company, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme and shall under the applicable provisions of the Act and all other applicable provisions, if any, of Applicable Laws, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.
- (v) All debts, sundry creditors, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also, under the applicable provisions of the Act and all other applicable provisions, if any, of Applicable Laws, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become, as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 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 by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this paragraph (v) of sub-clause (a).
- (vi) The transfer and vesting of the Undertaking of the Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages (*if any*) subsisting over or in respect of the property and assets or any part thereof of the Transferor Company. Provided however that the securities, charges and mortgages (*if any*) subsisting over and in respect of the assets or any part thereof of the Transferor Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall extend or be deemed to extend, to any of the other assets of the Transferor Company vested in the Transferee Company.
- (b) All assets and properties acquired by the Transferor Company, on or after the Appointed Date and prior to the Effective Date, shall also stand transferred to and vested in the Transferee Company, upon the Scheme becoming effective pursuant to the applicable



provisions of the Act and all other applicable provisions, if any, of Applicable Laws, without any further act, instrument or deed.

- (c) All debts, liabilities, loans and obligations incurred, duties and obligations of the Transferor Company arising after the Appointed Date, and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the Transferee Company and to the extent they are outstanding on Scheme becoming effective, shall also without any further act or deed, stand transferred to and vested in, or deemed to have been transferred to and vested in, the Transferee Company and shall become the debts, liabilities, loans, duties and obligations of the Transferee Company which shall discharge and satisfy the same from such date. Provided however that no debts, liabilities, loans, duties and obligations shall have been assumed by the Transferor Company after the Appointed Date without the prior written consent of the Transferee Company.
- (d) Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company 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 and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operation of the Transferor Company after the Appointed Date until the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to the extent they are outstanding upon the Scheme becoming effective, shall also without any further act or deed, be and stand transferred to the Transferee Company, and shall become its liabilities and obligations from such date.

7.2. Legal Proceedings

As of the date of this Scheme there are no legal proceedings by or against the Transferor Company. Any suits, actions and legal proceedings instituted by or against the Transferor Company and pending as on the Effective Date, shall be continued and enforced by or against the Transferee Company on and after the Scheme becoming effective, and on and from the Scheme becoming effective, to the extent legally permissible, shall be continued and/or



enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company with any union/employee, if any, of the Transferor Company.

7.3. Employees

As of the date of this Scheme there are no employees of the Transferor Company. The employees, if any, of the Transferor Company who are in its employment as on the Effective Date shall become the employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall be entitled to all such employment policies and shall be entitled to avail of all schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any employee of the Transferor Company (as may be recognized by the Transferor Company). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.

7.4. Contracts, Licenses, Approvals and Permits

- (a) From the date the Scheme becomes effective, subject to the provisions of this Scheme, all licenses, approvals or permits, whether government or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature 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



Scheme becomes effective, shall be in full force and effect on or in favour of or against, as the case may be, and shall with the approval of the authority concerned if required, vest in the Transferee Company, 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.

- (b) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Law or otherwise, execute deeds (*including deeds of adherence*), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement, to which the Transferor Company is a party, or any writings as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Company on behalf of the Transferor Company, enjoy all rights and to carry out or perform all such formalities or compliances referred to above on behalf of and to be carried out or performed by the Transferor Company.
- (c) Benefits of all corporate approvals, as may have already been taken by the Transferor Company in relation to the Undertaking, whether being in the nature of compliances or authorisations or otherwise, shall stand transferred to the Transferee Company and the said corporate approvals shall be deemed to have been taken/complied with by the Transferee Company. It is hereby also clarified that any specific corporate approvals/authorisation under the Act (including any Board and/or shareholders or other statutory or regulatory approvals, if applicable, under Sections 180, 185, 186, 188 of the Act) or under Applicable Law that may be applicable to the Transferee Company, for assuming any assets, liabilities, rights, contracts, etc. as part of the Undertaking being transferred under the Scheme, shall be deemed to have been taken along with the corporate approvals obtained for sanctioning of this Scheme as a single window clearance, and no separate approvals shall be required to be obtained by the Transferee Company for giving effect to the Scheme
- (d) Upon the coming into effect of the Scheme, the Transferee Company shall, in its own right, be entitled to realize all monies and complete and enforce all pending contracts and



transactions in respect of the Transferor Company. Further, guarantees if any issued by or in favour of the Transferor Company shall be enforceable by or against the Transferee Company.

7.5. Taxes

- (a) On and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Transferor Company is received in the name of the Transferor Company it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such Tax deducted or paid.
- (b) All Taxes (*including income tax, minimum alternate tax, withholding tax, sales tax, excise duty, customs duty, service tax, local body tax (LBT), value added tax (VAT), Goods and Services Tax (GST), etc.*) paid or payable by the Transferor Company, insofar as it relates to the tax payment (*including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, LBT, VAT, GST, etc.*), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation on or before or 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.
- (c) Without prejudice to the generality of the foregoing on and from the Appointed Date, benefit of all balances of Transferor Company relating to CENVAT, Service Tax, LBT, GST or VAT, shall stand transferred to and vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company. The liabilities of the Transferor Company as on the Appointed Date shall stand transferred to and vested in the Transferee Company, save otherwise in respect of the liabilities which were met by the Transferor Company during the period between Appointed Date and upon Scheme becomes effective, which shall be construed to have been met by the Transferee Company as if the transaction giving rise to the said liability was a transaction carried out by the Transferee Company.
- (d) Upon the coming into effect of this Scheme, the Transferor Company and the Transferee Company are expressly permitted to revise their respective Financial Statements,



withholding tax returns, tax returns and related withholding tax certificates, including but not limited to, withholding tax certificates relating to transactions between Transferor Company and the Transferee Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and carry forward of accumulated losses and depreciation etc., pursuant to the provisions of this Scheme.

7.6. Effect of Scheme

The Scheme shall not have any adverse effect on the shareholders, creditors and employees, if any of the Transferor and Transferee Company except as provided in the accounting treatment on Scheme becoming effective.

On the Scheme becoming effective, the directors of the Transferor Company will cease to be the Directors of the Transferor Company and with respect to Transferee Company there will be no change in its Directors and Key Managerial Personnel.

7.7. Conduct of business till the Scheme is effective

- (a) With effect from the Appointed Date and up to the date of the Scheme becoming effective, the Transferor Company shall be deemed to have been carrying on, and to be carrying on, all business and activities of the Transferor Company for and on account of and in trust for the Transferee Company.
- (b) All profits accruing to the Transferor Company or losses including Tax losses, arising or incurred by the Transferor Company for the period commencing from the Appointed Date to the date the Scheme is effective shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.
- (c) All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company.
- (d) The Transferor Company hereby confirms that it has and shall continue up to the Scheme becoming effective, to preserve and carry on the business, with due diligence, prudence



and that it will not, without the prior consultation with the Transferee Company, alienate, charge or otherwise deal with or dispose of the Undertaking or any part thereof or recruit any new employees (*in each case except in the ordinary course of business*) or conclude settlements with unions or employees or undertake substantial expansion of the business, other than expansions which have already commenced prior to the Appointed Date, if applicable.

- (e) With effect from the date of filing of this Scheme with the Tribunal upto and including the Scheme becoming effective, the Transferor Company shall not make any change in its capital structure either by any increase (*by issue of equity shares or shares on a rights basis, bonus shares, convertible debentures or otherwise*), decrease, reduce, reclassify, sub-divide or consolidate, re-organize, or in any other manner, except with the consent of the Board of the Transferee Company.
- (f) Any agreements or arrangements existing prior to the Scheme becoming effective between the Transferor Company and the Transferee Company with respect to the inter-company transactions shall stand cancelled upon Scheme becoming effective.
- (g) For the purpose of giving effect to the Scheme sanctioned by the Tribunal, the Transferee Company shall be entitled to, without any further act or deed, seek transfer of all legal rights, licenses, permits, etc. pertaining to the Transferor Company in its name. It is hereby clarified that pursuant to this Scheme becoming effective, all legal rights, licenses, permits, etc. pertaining to the Transferor Company as on the Effective Date, shall stand automatically transferred to and vested in the Transferee Company.
- (h) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and as agent of, the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to their Undertaking that has been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of, and as agent of, the Transferee Company.



7.8. Consideration

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme being sanctioned by the Tribunal and the transfer having been effected as provided hereinabove, all equity shares held by the Transferee Company directly or through its nominees, in the Transferor Company shall stand cancelled and extinguished as on the Appointed Date. Further, there will be no issue and allotment of fresh equity shares of the Transferee Company to the Shareholders of the Transferor Company upon this Scheme becoming effective.

7.9. Authorised Capital Structure

- (a) Upon the Scheme becoming effective, the authorised share capital of the Transferor Company comprising of INR 500,000 (Rupees five lacs), shall stand merged with the authorised share capital of the Transferee Company, such that upon effectiveness of the Scheme, the authorised share capital of the Transferee Company shall be INR 407,65,00,000 (Rupees four hundred and seven crores and sixty five lacs only) comprising of 203,82,50,000 (two hundred and three crores, eighty two lacs and fifty thousand) equity shares of INR 2 (Rupees two) each, without any further act, deed, resolution or writing on the part of the Transferee Company (*including payment of stamp duty and/ or fees payable to the Registrar of Companies*). Upon the Scheme becoming effective, the office of the Registrar of Companies shall immediately take note of the consolidation of authorised share capital of the Transferor Company and enhance the authorised share capital of the Transferee Company accordingly in its records.
- (b) It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the alteration of the memorandum of association of the Transferee Company as may be required under the Act, and no further resolution(s) under Sections 4, 13, and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed. Accordingly, Clause 5 of the memorandum of association of the Transferee Company shall stand amended and substituted by virtue of this Scheme as follows:



“The Authorised Share Capital of the Company is INR 407,65,00,000 (Rupees four hundred and seven crores and sixty-five lacs only) comprising of 203,82,50,000 (two hundred and three crores, eighty-two lacs and fifty thousand) equity shares of INR 2 (Rupees two) each.”

- (c) In accordance with Section 232(3)(i) of the Act, the stamp duties and/ or fees (*including registration fee*) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the authorised share capital of the Transferee Company pursuant to sub-Clause (a) of Clause 7.9 above and no stamp duties and/ or fees would be payable for the increase in the authorised share capital of the Transferee Company to the extent of the authorised share capital of the Transferor Company.
- (d) It is hereby clarified that the Scheme does not contemplate any capital or debt restructuring of the Transferor Company or the Transferee Company.

7.10. Accounting Treatment for the Scheme

- (a) Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company will give effect to the accounting treatment in its books of accounts in accordance with the Indian Accounting Standards (**Ind AS**) notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Act.
- (b) The balance of the retained earnings appearing in the Financial Statements of the transferor is aggregated with the corresponding balance appearing in the Financial Statements of the transferee. Alternatively, it is transferred to General Reserve, if any.
- (c) The Transferor Company and Transferee Company both being entities under common control the accounting would be done at book values as on the Appointed Date for all the assets and the liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of Ind AS 103 (Business Combinations).
- (d) The identity of the reserves shall be preserved and shall appear in the Financial Statements of the Transferee Company in the same form in which they appeared in the



Financial Statements of the Transferor Company. Thus, for example, the General Reserve of the transferor entity becomes the General Reserve of the transferee, the Capital Reserve of the transferor becomes the Capital Reserve of the transferee and the Revaluation Reserve of the transferor becomes the Revaluation Reserve of the transferee. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

- (e) In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- (f) The amount of any inter-company balances, amounts or investments between the Transferor Company and the Transferee Company, appearing in the books of account of the respective companies, shall stand cancelled in the books of accounts of the respective companies without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled by the Transferor Company shall not be recorded in the books of account of the Transferee Company.

PART III

8. Dissolution of the transferor company

- 8.1. Upon this Scheme becoming effective, the Transferor Company shall, without any further, act, or deed, stand dissolved without winding up upon such terms as the Tribunal may direct or determine.



9. Application to the Tribunal

- 9.1. The Transferor Company and the Transferee Company shall make all necessary applications under Sections 230 and 232 and other applicable provisions of the Act before the Tribunal for seeking its approval on this Scheme, and do all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme. Further, the Transferor Company (*by its Board of Directors*) and the Transferee Company (*by its Board of Directors*) shall have the authority to undertake all acts and deeds necessary to give effect to this Scheme.

10. Modifications of amendments to this Scheme

- 10.1. The Transferor Company and the Transferee Company, by their respective Boards, may make and consent to any modification(s) or amendment(s) to this Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them, provided that any such modification(s) or amendment(s) to this Scheme after the approval of this Scheme by the Tribunal shall be subject to the prior approval of the Tribunal. The Transferor Company and the Transferee Company by their respective Boards, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith.
- 10.2. For the purpose of giving effect to this Scheme or to any modification(s) or amendment(s) thereof or additional thereto, the delegate of the Transferee Company may give and is hereby authorised to determine and give all such directions as are necessary, including directions for setting or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

11. Scheme conditional on approvals and sanctions

- 11.1. This Scheme is conditional upon and subject to:



- (a) Approval by requisite majorities of the members and/ or creditors (where applicable) of the Transferor Company and the Transferee Company, respectively, as the Act provides from time to time, subject to any dispensation that may be granted by the Tribunal; and
- (b) Approval of this Scheme by the Tribunal, whether with any modification or amendment as the Tribunal may deem appropriate or otherwise and the certified copies of the orders of the Tribunal approving the Scheme being filed by the Transferor Company and the Transferee Company with the Registrar of Companies in accordance with the relevant provisions of the Act. For the avoidance of doubt it is being clarified that in case the above-mentioned filings are made on different dates, then the last date on which such filings are made with Registrar of Companies shall be deemed to be the Effective Date. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date once this Scheme becomes effective.

12. Effect of non-receipt of approvals

- 12.1. In the event that this Scheme is not sanctioned by the Tribunal or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions specified in this Scheme are not obtained or complied with or this Scheme cannot be implemented for any other reason, this Scheme shall stand revoked and cancelled and shall have no effect, and each of the Transferor Company and the Transferee Company shall bear its own costs, charges and expenses in connection with this Scheme, unless otherwise mutually agreed.
- 12.2. In the event of non-receipt of approval of any lender or creditor for the transfer or any liability, then at the option of the Board of the Transferee Company, it may issue a security or recognize a liability in favour of the lender or creditor, as the case may be, on the same terms.
- 12.3. The transfer of such asset or liability shall become effective from the Appointed Date as and when the requisite approvals are received or the liability or security abovementioned be recognized or issued and the provisions of this Scheme shall apply appropriately to the said transfer, recognition and issue.



13. Severability

- 13.1. If any part and/or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

14. No cause of action

- 14.1. No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

15. Costs

- 15.1. The Transferee Company shall pay the fees and costs of any financial or technical advisors, lawyers or accountants engaged by it in relation to the negotiations leading up to the transactions contemplated hereunder and for the preparation, execution and carrying into effect of this Scheme, and expenses relating to stamp duty and registration in respect of the Scheme.

