KEL/SEC/SKC/9/2021 September 14, 2021

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot NoC/1, G Block
Bandra-Kurla Complex
Bandra East
Mumbai – 400 051

NSE Symbol **: KARMAENG**

Sub : **Approval of the scheme of Amalgamation of Wholly owned subsidiary namely M/s. Greenweiz Projects Ltd with the holding company i.e. M/s. Karma Energy Limited by the Hon'ble Mumbai Bench of National Company Law Tribunal**

Sir,

We wish to inform that the Hon'ble Mumbai Bench of National Company Law Tribunal vide its order dated 15th July, 2021 a certified copy of which was received on 9th September, 2021 and filed with the Ministry of Corporate Affairs on 13th September, 2021 have sanctioned the scheme of Amalgamation of wholly owned subsidiary of the company namely M/s. Greenweiz Projects Ltd with the Company with effect from appointed date 01st April, 2021.

Copy of the order of Hon'ble bench of NCLT is enclosed herewith. Kindly take the above on record and acknowledge receipt.

Thanking you

For **KARMA ENERGY LIMITED**

T. V. Subramanian Digitally signed by T. V. Subramanian Date: 2021.09.14 20:27:58 +05'30'

T V Subramanian
Company Secretary

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT-III

C.P. (CAA) No. 1013 of 2020
Connected with
C.A. (CAA) No. 4146 of 2019

In the matter of Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Amalgamation of GREENWEIZ PROJECTS LIMITED, the Transferor Company with KARMA ENERGY LIMITED, the Transferee Company.

GREENWEIZ PROJECTS LIMITED
CIN: U65920MH1993PLC071301 ... Petitioner Company No. 1/ Transferor Company

KARMA ENERGY LIMITED
CIN: L31101MH2007PLC168823 ... Petitioner Company No. 2/ Transferee Company

Order delivered on 15th July, 2021

Coram
Hon'ble Shri H.V. Subba Rao : Member (Judicial)
Hon'ble Shri Chandra Bhan Singh : Member (Technical)

Appearances (via videoconferencing):
For the Petitioner(s) : Mr. Ahmed M Chunawala i/b M/s. Rajesh Shah & Co., Advocate

Per Shri H.V. Subba Rao, Member (Judicial)

ORDER

1. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme nor any party controverted any averments made in the Petitions to the said Scheme.

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2. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under for the Scheme of Amalgamation of GREENWEIZ PROJECTS LIMITED, the Transferor Company with KARMA ENERGY LIMITED, the Transferee Company.

3. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions dated 18th October, 2019 which are annexed to the respective Company Scheme Petitions.

4. The Learned Advocate appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the Order passed in the Company Scheme Application No. 4146 of 2019 of the Hon'ble Tribunal.

5. The Learned Advocate appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed necessary affidavits of compliance in the National Company Law Tribunal, Mumbai Bench.

6. The Learned Counsel for the Petitioner Companies states that the First Petitioner Company presently carrying on business of financing and to lend money for commercial and Industrial activities and that the Second Petitioner Company presently is carrying on business of Generate, develop, accumulate, distribute, buy, sell, transmit or otherwise deal in all forms of Energy including Electricity, Power, any type of conventional and non-conventional energy like Hydel Power, Wind power, Gas Coal, Light and to take over existing generation plants and companies and distribution and transmission systems.

7. The rationale for the Scheme of Amalgamation of the Petitioner Companies would, inter alia, all the Companies are under the same management. The management is of the opinion that the merger

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will lead to synergies of operations and more particularly the following benefits:

a. With a view to maintain a simple corporate structure and eliminate duplicate corporate procedures it is desirable to merge and amalgamate all the undertakings of Transferor Company with Transferee Company. The amalgamation of all undertaking of Transferor Company into the Transferee Company shall facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. This would enable streamlining the activities and consequently reducing managerial overlaps by reducing the number of companies under the same Management and thus lead to reduction in administration efforts.

b. It would be advantageous to combine the activities and operations of both the Companies into a single Company for leveraging financial and operational resources and reflecting stronger financial position and for the benefit of lesser compliance issues as the Companies are in similar businesses.

c. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances. The Scheme of amalgamation will result in cost saving for both the Companies and is expected to result in administrative efficiency and higher profitability levels for the Transferee Company.

8. The Regional Director has filed his Report dated 19th day of August, 2020 *inter-alia* making the following observations in Paragraphs IV (a) to (g) which are reproduced hereunder

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Para	Observation by the Regional Director	Undertaking of the Petitioner Company/ Rejoinder
IV(a)	In compliance of AS-14 (IND AS-I03), the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.	So far as the observation in paragraph IV (a) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that in addition to Compliance of AS-14, the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 etc.
IV(b)	As per Definition of the Scheme "Appointed Date" means 1st April, 2019 or such other date as the National Company Law Tribunal (Tribunal) or other competent authority may otherwise direct/fix. "The Effective Date" means the date on which certified copies of the Order(s) of the National Company Law Tribunal (Tribunal) vesting the assets, properties,	So far as the observation in paragraph IV (b) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Appointed Date is 1st April, 2019 from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date.

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	liabilities, rights, duties, obligations and the kike of all the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Mumbai Maharashtra, after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders in this regard. In this regard, it is submitted that Section 232(6) of the companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Ho'ble Tribunal taking into account its inherent powers. Further, the Petitioner may be asked to comply with the requirements as to	

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	Appointed Date and clarified vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.	
IV(c)	Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.	So far as the observation in paragraph IV (c) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the setting off of fees paid by the Transferor Company on its Authorised Share Capital shall be accordance with provisions of section 232(3)(i) of the Companies Act, 2013.
IV(d)	In view of the observation raised by the ROC Mumbai, mentioned para 10 above Hon'ble NCL may pass appropriate order as deem fit.	So far as the observation in paragraph IV (d) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the GNL1- will be filed in due course and interest of the creditors is protected.
IV(e)	The Hon'ble Tribunal may	So far as the observation in

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	kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.	paragraph IV (e) of the Report of Regional Director is concerned, the Petitioner Companies undertake that this Scheme is approved by the requisite majority of members and creditors as per the consent affidavit submitted to the NCLT.
IV(f)	Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/ changes are made.	So far as the observation in paragraph IV (f) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Scheme enclosed to the Company Application and Company Petition are one and the same.
IV(g)	It is observed that the Petitioner Companies have not submitted admitted copy of the Petition, and Minutes of Order for admission of the Petition. In this regard, the Petitioner has to submit the same for the record of Regional Director:	So far as the observation in paragraph IV (g) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Company had served copy of the Petition and Minutes of Order for admission of the Petition with Regional Director, Western Region, Mumbai on 10th February, 2021.

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9. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 8. The Representative of the RD has submitted that the explanations and clarifications given by the petitioner companies are found satisfactory and that they have no objection to the Scheme. The affidavit filed by the Petitioner Companies and the supplementary report filed by the Regional Director in response to the said affidavit, are accepted by this Tribunal.

10. The Official Liquidator has filed his report on 8th April, 2021 in the Consolidated Company Scheme Petition No. 4146 of 2019, inter alia, stating therein that the affairs of the Transferor Company have been conducted in a proper manner not prejudicial to the interest of the Shareholders of the Transferor Company and that the Transferor Company may be ordered to be dissolved by this Tribunal.

11. Since the entire equity share capital of the Transferor Company is held by The Transferee Company, upon amalgamation, the Transferee Company would not be required to issue and allot any shares to the shareholders of the Transferor Company. The Shares so held by the Transferee Company shall stand cancelled and extinguished pursuant to the implementation of the Scheme of Amalgamation

12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 1013 of 2020 is made absolute in terms of clauses (a) to (c). Hence ordered.

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ORDER

a. The said Scheme of Amalgamation is hereby sanctioned and declared the same to be binding on the Transferor Company and the Transferee Ccompany.

b. Petitioners are directed to file a copy of this Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy within 30 days from the date of receipt of the Order from the Registry.

c. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Joint/ Deputy/ Assistant Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the Order, if any.

d. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Joint/ Deputy/ Assistant Registrar, National Company Law Tribunal, Mumbai.

e. The Appointed Date is 1st April, 2019.

13. Ordered Accordingly.

Sd/-
CHANDRA BHAN SINGH
MEMBER (TECHNICAL)

Sd/-
H. V. SUBBA RAO
MEMBER (JUDICIAL)

Certified True Copy
Date of Application 15.07.2021
Number of Pages 9
Fee Paid Rs. 45
Applicant called for collection copy on 07.09.2021
Copy prepared on 07.09.2021
Copy Issued on 07.09.2021

By A. S. Sonawane
Registrar
National Company Law Tribunal, Mumbai Bench

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SCHEME OF AMALGAMATION

OF

GREENWEIZ PROJECTS LIMITED

(The Transferor Company)

WITH

KARMA ENERGY LIMITED

(The Transferee Company)

1. PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 & the Rules framed thereunder including any statutory modifications or re-enactments thereof, if any, for the amalgamation of GREENWEIZ PROJECTS LIMITED, (hereinafter referred to as "The Transferor Company") with KARMA ENERGY LIMITED, (hereinafter referred to as "The Transferee Company"), and in compliance with the conditions relating to "Amalgamation" as specified u/s 2(1B) of the Income Tax Act, 1961 and the same is divided into the following parts:

Part A - deals with Definitions and Share Capital;

Part B-deals with Amalgamation of GREENWEIZ PROJECTS LIMITED with KARMA ENERGY LIMITED

Part C – deals with General Clauses, Terms and Conditions.

2. RATIONALE FOR THE SCHEME OF AMALGAMATION

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2.1 The amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

2.2 It would be advantageous to combine the activities and operations of both companies into a single Company for synergistic linkages and the benefit of combined financial resources. This will be reflected in the profitability of the Transferee Company.

2.3 This Scheme of amalgamation would result in merger and thus consolidation of business of the Transferor Company and the Transferee Company in one entity, all the shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

2.4 The Amalgamation of the Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

2.5 The Scheme of amalgamation will result in cost saving for both the companies as they are capitalizing on each others core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company.

2.6 The Transferor Company is a wholly owned subsidiary of the Transferee Company. The shareholders would consolidate their holdings and leverage the share value consequent to higher profitability.

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PART A – DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

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

3.1 GREENWEIZ PROJECTS LIMITED, (hereinafter referred to as "The Transferor Company") means a company incorporated under the Companies Act, 1956, and having its Registered Office situated at 629A, Gazdar House, Dhobi Talao, New Marine Lines, Mumbai - 400002.

3.2 KARMA ENERGY LIMITED, (hereinafter referred to as "The Transferee Company") means a company incorporated under the Companies Act, 1956, and having its Registered Office situated at 214, Empire House, Dr. D. N. Road Ent. A. K. Nayak Marg, Fort, Mumbai - 400001.

3.3 "Act" means the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder in force from time to time.

3.4 "The Appointed Date" means 1st April, 2019 or such other date as the National Company Law Tribunal (Tribunal) or other competent authority may otherwise direct/ fix.

3.5 "The Effective Date" means the date on which certified copies of the Order(s) of the National Company Law Tribunal (Tribunal) vesting the assets, properties, liabilities, rights, duties, obligations and the like of all the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Mumbai Maharashtra, after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders in this regard.

3.6 "Tribunal" shall for the purpose of this Scheme, mean the National Company Law Tribunal (Tribunal) and the expression shall include the powers vested in the National Company Law Tribunal including Bench constituted under the provisions of the Act as applicable to the Scheme.

3.7 "Undertaking" shall mean and include:

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(a) All the assets and properties and the entire business of the Transferor Company as on the Appointed Date, (hereinafter referred to as "the said assets")

(b) All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said liabilities")

(c) Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Company shall include the Transferor Company reserves, movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, occupancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorizations, quota rights, registrations, import/ export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota rights, allotments, approvals, freehold land, buildings, factory buildings, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipments, effluent treatment plants, tube wells, software packages, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, tenancy rights, trademarks, brand names, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile, websites, e-mail connections, networking facilities and other communication facilities and equipments, investments, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements,

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advantages, benefits and approvals and all necessary records, files, papers, process information, data catalogues and all books of accounts, documents and records relating thereof.

3.8 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal (Tribunal).

4. SHARE CAPITAL

4.1 The Share Capital of the Transferor Company as at 31st March, 2019 is as under.

Particulars	**Amount in (Rs.)**
Authorised Capital	
5,00,000 Equity Shares of Rs.100/- each	5,00,00,000
Total	**5,00,00,000**
Issued, Subscribed and Paid-up	
4,95,000 Equity Shares of Rs.100/- each fully Paid-up	4,95,00,000
Total	**4,95,00,000**

The Transferor Company is wholly owned subsidiary of the Transferee Company. The entire Share Capital (Equity) is owned by Transferee Company

4.2 The Share Capital of the Transferee Company as at 31st March, 2019 is as under.

Particulars	**Amount in (Rs.)**
Authorised Capital	
1,80,00,000 Equity Shares of Rs.10/- each.	18,00,00,000
Total	18,00,00,000

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Issued, Subscribed and Paid-up	
1,15,69,918 Equity Shares of Rs. 10/- each fully paid-up.	11,56,99,180
Total	11,56,99,180

PART-B – AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF UNDERTAKING

5.1 With effect from the opening of the business as on the Appointed Date (i.e. 1st April, 2019) and subject to the provisions of this Scheme, the entire Undertaking of the Transferor Company including their assets and liabilities as on the Appointed Date, shall pursuant to the applicable provisions of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company as a going concern subject, however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise unless specifically provided hereinafter.

5.2 The entire business of the Transferor Company as going concerns and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, authorized capital, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers,

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authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy rights, occupancy rights, incentives, claims, rehabilitation schemes, funds, quota rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brands, logos, patents, trade names, trade marks, copy rights, all other intellectual property rights, other intangibles of the Transferor Company whether registered or unregistered or any variation thereof as a part of its name or in a style of business otherwise, other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, websites, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued or which may accrue to the Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interests, benefits,facilities and advantages of whatsoever nature and whereever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company.

a. With effect from the Appointed Date, all the equity shares, debentures, bonds, notes or other securities held by the Transferor Company, whether convertible into equity or not and whether quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the movable assets including cash in hand, if any, of the Transferor Company shall be capable of passing by manual

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delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or by endorsement and delivery.

b. In respect of movable properties of the Transferor Company other than specified in Clause 5.2 (a) 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, 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, give notice in such form as it may deem fit and proper to each person, debtor or depositor, as the case may be, that pursuant to the National Company Law Tribunal (Tribunal) having sanctioned the Scheme, the said debts, loans, advances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize all such debts, deposits and advances (including the debts payable by such persons, debtor or deposit to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

5.3 With effect from the Appointed Date, all the debts, unsecured debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the applicable provisions of the Act, 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

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Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

5.4 It is clarified that all debts, loans and liabilities, duties and obligations of the Transferor Company as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

5.5 It is further specifically clarified, admitted, assured and declared by the Transferee Company that on this Scheme becoming effective, it will take over, absorb and pay and discharge on due dates all the liabilities including liabilities for income tax, wealth tax, central sales tax, value-added tax, service tax, excise duty, custom duty, fringe benefit tax, dividend distribution tax, if any, of the Transferor Company.

5.6 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income tax, wealth tax, central sales tax, value added tax, service tax, excise duty, custom duty, fringe benefit tax, dividend distribution tax and other Government and Semi-Government and Statutory liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee

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Company on the same terms and conditions as were applicable to the respective Transferor Company.

5.7 This Part of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified 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, 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.

6. CONTRACTS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, bonds, debentures, indentures and other instruments to which the Transferor Company are parties subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

7. LEGAL PROCEEDINGS

If any, suit, writ petition, appeal, revision or other proceedings (hereinafter called "the Proceedings") by or against the Transferor Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but all such Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any

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legal proceedings including criminal proceedings for and on behalf of the Transferor Company.

8. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form with or without any modifications(s) approved or imposed or directed by the National Company Law Tribunal (Tribunal) or made as per Clause 17 of the Scheme, shall be effective from the Appointed Date.

9. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of the Transferor Company immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that:

9.1 Their respective services shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking of the Transferor Company;

9.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer; and

9.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or other special fund, if any, created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of such Funds as per the terms provided in

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the respective trust deeds. It is the aim and intent of the Scheme herein that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Company under such Funds and Trusts shall remain fully protected.

10. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

10.1 shall carry on and shall be deemed to be carrying on all their respective business activities and shall stand possessed of their respective properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Company and/or any cost, charges, expenditure or losses arising or incurred by them shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;

10.2 shall in the ordinary course of their respective business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company for and behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the

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Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

10.3 hereby undertake to carry on their respective businesses until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertaking or any part thereof except in the ordinary course of the Transferor Company business;

10.4 Shall not, without the written consent of the Transferee Company, undertake any new business.

10.5 Shall not vary the terms and conditions of the employment of their employees except in the ordinary course of business.

10.6 Pay all statutory dues relating to their respective Undertakings for and on account of the Transferee Company.

11. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

Since the entire equity share capital of the Transferor Company is held by The Transferee Company, upon amalgamation, the Transferee Company would not be required to issue and allot any shares to the shareholders of the Transferor Company. The Shares so held by the Transferee Company shall stand cancelled and extinguished pursuant to the implementation of the Scheme of Amalgamation.

12. PROFITS,DIVIDENDS, BONUS/ RIGHTS SHARES

12.1 With effect from the Appointed Date, the Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend to its shareholders

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and shall also not utilize, adjust or claim adjustment of profits/reserves,as the case may be earned/ incurred or suffered after the Appointed Date.

12.2 The Transferor Company shall not after the Appointed Date, issue or allot any further securities, by way of rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

13. ACOUNTING TREATMENT

13.1 The accounting treatment to be given to the amalgamation shall be for Amalgamation in the Nature of Merger as given in Ind AS – Business Combination issued under the companies (Indian Accounting Standards) Rule, 2015.

13.2 The Transferee Company shall record all assets and liabilities recorded in the Books of Account of the Transferor Company, which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.

13.3 If there is a surplus arising as a result of the difference, if any, of the value of the assets over the value of the liabilities of the Transferor Company, in accordance with this Scheme, the same shall be credited to the Capital Reserve Account of the Transferee Company and in the event of deficit, if any, the same shall also be debited to Capital Reserve Account of the Transferee Company.

13.4 Inter-company balances, investments and transactions if any, will stand cancelled.

13.5 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date of amalgamation will be quantified and adjusted in the Free/General Reserves of the Transferee Company to ensure that the

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financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

14. COMBINATION OF AUTHORISED CAPITAL

14.1 Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including therein the payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Transferor Company aggregating to Rs. 5,00,00,000/- (Rupees Five Crore Only) comprising of 5,00,000 (Five Lakhs) Equity Shares of Rs.100/- each the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 15, 61 and 230 to 232 and applicable provisions of the Companies Act, 2013 as the case may be and for this purpose the stamp duties and the fees paid on the authorised capital of the Transferor Company shall be utilized and applied to the above referred increased authorized share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.

14.2 Consequent upon the amalgamation, the authorised share capital of the Transferee Company will be as under:

Authorised Capital	**Amount in Rs**
2,30,00,000 Equity Shares of Rs. 10/- each	23,00,00,000
Total	23,00,00,000

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the

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alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

14.3 Clause V of the Memorandum of Association of the Transferee Company stands amended as follows:

The Authorised Share Capital of the Transferee Company is Rs. 23,00,00,000/- (Rupees Twenty Three Crores Only) comprising of 2,30,00,000 (Two Crore Thirty Lakhs) Equity Shares of Rs.10/- each.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

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

PART-C – GENERAL

16. APPLICATIONS TO TRIBUNAL

The Transferor Company and the Transferee Company herein shall, with all reasonable dispatch, make applications under the applicable provisions of the Act to the National Company Law Tribunal (Tribunal) for sanctioning the Scheme and for dissolution of the Transferor Company without being wound up.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

17.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. All

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amendments/modifications to the Scheme shall be subject to approval of National Company Law Tribunal (Tribunal).

17.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

18. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional on and subject to:

18.1 The approval to the Scheme by the requisite majorities of the members and creditors of the Transferor Company and of the members and creditors of the Transferee Company.

18.2 The requisite resolution(s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable, including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company.

18.3 The sanction of the National Company Law Tribunal (Tribunal) under the applicable provisions of the Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under the said Act being obtained.

18.4 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Boards of Directors of the Transferor Company and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.

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18.5 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

19. EFFECT OF NON RECEIPT OF APPROVALS/ SANCTIONS

In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the Hon'ble Tribunal, the Scheme shall become null and void.

20. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/ completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

Certified True Copy
Date of Application 15-07-2021
Number of Pages 18
Fee Paid Rs. 90
Applicant called for collection copy on 07-09-2021
Copy prepared on 07-09-2021
Copy Issued on 07-09-2021

Dy Registrar
National Company Law Tribunal, Mumbai Bench

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