



February 11, 2020

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Sub: Scheme of Amalgamation

Ref: Regulation 37 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In furtherance to Company's letter dated February 3, 2020 and in terms of Regulation 37 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith Scheme of Amalgamation between Dr. Lal PathLabs Limited ("the Transferee Company") and APL Institute of Clinical Laboratory & Research Private Limited ("the Transferor Company"), a Wholly Owned Subsidiary of the transferee Company with effect from April 1, 2020 ("Appointed Date").

The Scheme of Amalgamation is conditional upon and subject to sanction by the Hon'ble National Company Law Tribunal ("NCLT") Delhi & Ahmedabad.

We request you to take the same on record.

Thanking You,

Yours Faithfully,

For Dr. Lal PathLabs Limited

Rajat Kalra
Company Secretary and Legal Head

Encl: As above



SCHEME OF AMALGAMATION

BETWEEN

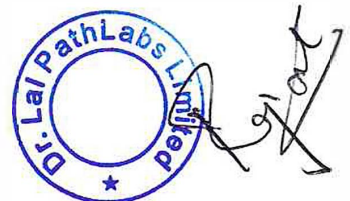
APL INSTITUTE OF CLINICAL LABORATORY & RESEARCH PRIVATE LIMITED

AND

DR. LAL PATHLABS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



PREAMBLE

This Scheme of Amalgamation is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of APL Institute of Clinical Laboratory & Research Private Limited (hereinafter referred to as "**Transferor Company**" or "**APL**") with Dr. Lal PathLabs Limited (hereinafter referred to as "**Transferee Company**" or "**DLPL**").

PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- (1) **PART I** deals with the definitions, share capital and description of APL and DLPL;
- (2) **PART II** deals with the amalgamation of APL with DLPL;
- (3) **PART III** deals with general terms and conditions applicable to this Scheme of Amalgamation.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 "**Act**" means the Companies Act, 2013 (as amended) and any corresponding provisions of the Companies Act, 2013 (to the extent notified) (including any statutory modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate to or are applicable to the Scheme.
- 1.2 "**Appointed Date**" means 1 April, 2020, or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority, as may be applicable, from which date the Undertaking of the Transferor Company (as defined hereinafter) shall deemed to be transferred or vested in the Transferee Company (as defined hereinafter) without any further act, deed or thing;

- 1.3 **"Board"** or **"Board of Directors"** in relation to each of the Companies, as the case may be, means the board of directors of Transferor and/or Transferee company and, unless it be repugnant to the context, includes a duly authorised committee of directors;
- 1.4 **"Companies"** means collectively APL and DLPL;
- 1.5 **"Effective Date"** means the date when last of the conditions mentioned in Clause 20 of this Scheme are fulfilled;
- 1.6 **"NCLT"** means National Company Law Tribunal, Benches at Ahmedabad and Delhi, which have jurisdiction in relation to the Transferor Company and the Transferee Company, respectively;
- 1.7 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form as submitted to the NCLT with such modification(s), if any made, as per Clause 18 of the Scheme, as approved or directed by the said NCLT or such other competent authority, as may be applicable;
- 1.8 **"Transferor Company"** or **"Amalgamating Company"** or **"APL"** means APL Institute of Clinical Laboratory & Research Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at A-103-104, Aasthan Complex, Opp. Polytechnic, Near Panjara Pole, Ahmedabad, Gujarat 380 015. The CIN of APL is U73100GJ2011PTC065333.
- 1.9 **"Transferee Company"** or **"Amalgamated Company"** or **"DLPL"** means Dr. Lal PathLabs Limited, a public listed company incorporated under the Companies Act, 1956 and having its registered office at Block E, Sector-18, Rohini, New Delhi – 110085. The CIN of the DLPL is L74899DL1995PLC065388
- 1.10 **"Undertaking"** means all the undertaking and entire business of the Transferor Company as a going concern, including:

- i) All the assets and properties of APL immediately before the Appointed Date.
- ii) All debts, liabilities, duties and obligations of whatsoever nature of APL immediately before the Appointed Date.
- iii) Without prejudice to the generality of the foregoing clause the expression 'Undertaking' shall include all rights, powers, authorities, privileges, benefits, liberties and interest in all properties and assets of APL , whether moveable or immoveable, real or personal, corporeal or incorporeal, in-possession or in-reversion, present or contingent, of whatsoever nature and wherever situate, including without limitation all lands, buildings, installations, licenses, plant & machinery, furniture and fittings, vehicles, office equipment, shares, cash & bank balances, remittances and goods-in-transit, loans & advances, leasehold rights, tenancy rights, advantages, permits, quota rights, agency rights, trade marks, patent and other properties, import entitlements, telephone and telex and all other interest, rights and powers of every kind, nature and description held, applied or as may be obtained and receivable hereafter by APL or to which APL is entitled to as on the Appointed Date or thereafter.

1.11 Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

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

2. DESCRIPTION OF THE COMPANIES

APL was incorporated on 7th May, 2011 as a Private Limited Company. The following is the main object of the APL as per its Memorandum of Association:

"To carry out or to undertake all kind of pathological/diagnostic investigations, to undertake research, discovery, improvement or development of new methods for

diagnosis, understanding, prevention and treatment of human disease ;providing all types of Medical diagnostic facilities either on chargeable or charitable basis, for the purpose to establish and maintain research laboratories experimental stations, to carry out research for improving of existing methods and to invent new methods to do research , surveys, investigation etc. for advancing present methods and to find out/establish new methods of diagnosis of human diseases."

DLPL, a public listed company, was originally incorporated as "Dr. Lal PathLabs Private Limited" on 14th February 1995 in the State of Delhi. It was converted from private limited company to limited company and name was changed to "Dr. Lal PathLabs Limited" w.e.f. 19th August 2015. The following are the main objects of DLPL as per its Memorandum of Association:

- "1. To set up, engage, collaborate, acquire, establish, purchase, administer, own, run, maintain, or manage in India or elsewhere, Clinical Reference Laboratories collection centres (including home collection facility) diagnostic centers, screening centers, indoor or outdoor hospital, polyclinics, research establishments, naturecure centres, medical centers, scan centers, therapy homes, radiology centres, consulting chambers, maternity homes, child welfare and family planning centers, vaccination centers, health and fitness centers, bioimaging centres, centers, wellness centers, health clubs, nursing homes, in India or elsewhere, for the purposes of carrying out investigations or tests in any branch of traditional or non-traditional medical science, including pathological investigations, of various branches of Bio-Chemistry, Hematology, Histopathology, Microbiology, Electrophoresis, immuno-chemistry, Immunology, Virology, cytology and other pathological, radiological, cardiological investigations and other healthcare related tests and investigations including; but not limited to, clinical trials, CT scans, MRI Scans, Nuclear Scans, ECG scanning, point-of-care testing, optho care, dental care, dietician, dialysis centers, paramedic care, chronic care programs, allopathic, ayurveda, homeopathy, naturopathy, unani medicine or any other investigations or tests.*
- 2. To carry on the business of rendering services for handing, receiving within India or outside India, for pathological investigation purposes, the human blood, blood products, plasma, zorum, body fluids, tissues, drugs, powder etc.*
- 3. To carry on the business of provision of Healthcare Services or Diagnostic Testing in India or elsewhere, under its own brand or otherwise, on its own or in partnership with third party online aggregators, establishments, outlets, centers, stores, websites, mobile applications, software, online platforms, digital platforms.*
- 4. To undertake concentration, condensation, extraction, handing, receiving, collecting, storage, transporting, testing, screening, processing of samples of*

humans, plants, animals, water, food, soil including blood, blood products, body fluids, tissues, minerals, animal products, animal feed, herbal products, any other natural or manmade products or any by-products thereof for genomic, therapeutic, dietetic, nutritive or other similar testing/uses in or outside India.

5. To develop, own, run, administer, operate, facilitate, create, acquire online or digital portal or medium for providing all kinds of services relatable to the business of the Company including healthcare, pharmaceutical, medical, para-medical or diagnostic services, quality control services and storage and supply of related data including analytical data and providing all kinds of instruments, devices, products including chemicals, medicine, drugs, pathological solvents, disposable syringes, life saving devices, health related products, equipment, surgical products and other medical and para-medical products of all kinds of description.
6. To set-up, build, promote, directly or indirectly (including through licensing or franchising) or in partnership with other private or governmental organizations, schools, colleges, educational institutions, technical educational institutes, universities including by appointing medical and paramedical professionals for providing skill development or content development programs, through vocational, certification, degree or other courses for teaching, training and imparting theoretical and practical knowledge in diagnostics, therapy, pathology, medical and healthcare education and management training including in the fields of medicine, nursing, physical medicine and rehabilitative medicine, pharmacy, diagnostics and allied medical administration and management of such medical institutions.
7. To develop, own, sell, manufacture, operate, engage or deal in all kinds of products used in providing Healthcare Services or Diagnostic Testing either on its own or in partnerships or otherwise."

3. SHARE CAPITAL

- 3.1 The share capital of APL as on 31st March, 2019 was as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
10,000 Equity Shares @ Rs.10 each	1,00,000
Issued, subscribed and paid-up capital	
10,000 Equity Shares @ Rs.10 each	1,00,000

Subsequent to the 31st March, 2019 and upto the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the share capital of the

Transferor Company. As on date, the Transferee Company holds the entire share capital of the Transferor Company. Accordingly, the Transferor Company is wholly owned subsidiary of the Transferee Company.

3.2 The share capital of DLPL as on 31st March, 2019 was as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
107,950,000 Equity Shares @ Rs. 10 each	107,95,00,000
Issued, subscribed and paid-up capital	
83,341,610 Equity shares of Rs. 10 each fully paid up	83,34,16,100

The equity shares of the Transferee Company are listed on BSE and NSE. There are no existing commitments, obligations or arrangement by the Transferee Company as on the date of approval of this Scheme by the Board of Directors of the Transferred Company to issue any further shares or convertible securities except issue of shares on exercise of stock options granted under any of its existing or past employee stock option schemes.

PART II

AMALGAMATION OF APL WITH DLPL

4. RATIONALE FOR THE SCHEME

It is proposed to amalgamate APL into DLPL by this Scheme, as a result of which the following benefits shall, *inter alia*, accrue to the Companies and to the respective shareholders and stakeholders of the Companies:

- (a) The Amalgamation contemplated in this Scheme will result in simplification of DLPL structure as a result of consolidation of its wholly owned subsidiary i.e. APL in it.

- (b) The Scheme will result in consolidation of the value of stakeholders which is in the interest of the shareholders, creditors and employees of the Amalgamating Company and the Amalgamated Company.
- (c) APL is wholly owned subsidiary of DLPL and both the companies are engaged in similar type of businesses. By following the proposed Scheme of Amalgamation, the companies can recognize the strengths of each other and align the business operations undertaken by them.
- (d) The proposed amalgamation of APL with DLPL in accordance with the Scheme of Amalgamation would enable both the companies to realize the substantial benefits of greater synergies among their businesses and would enable them to avail of financial resources as well as the managerial, technical, man power, distribution and marketing resources of each other, leading to a reduction in costs.
- (e) The Amalgamation contemplated in this Scheme will help avoid duplication of administrative functions, resources, systems, skills and processes, reduce overall cost, improve synergies, enable the achievement of economies of scale, reduce administrative costs entailed by the conduct of businesses through separate entities, eliminate multiple record-keeping, provide enhanced flexibility in funding of expansion plans, promote management efficiency and optimize the resources of the Amalgamated Company.
- (f) Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the companies.

5. TRANSFER AND VESTING

- 5.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and whole of the Undertaking of APL including all the properties and assets, present or future or contingent or of whatsoever nature, if any, shall under the provisions of Section 230 to 232 and all other applicable provisions of the Act and pursuant to the order of the NCLTs sanctioning this Scheme and without any further act or deed be

transferred and/or deemed to be transferred to and vested with DLPL, as a going concern, so as to become the properties of DLPL.

- 5.2 Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility availed of by APL and DLPL shall not be obliged to create or provide any further or additional security thereof after the Effective Date or otherwise.
- 5.3 Upon occurrence of the Effective Date and with effect from the Appointed Date, all the assets of APL as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in DLPL, and shall become the property and an integral part of DLPL. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred accordingly.
- 5.4 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, obligations, charges, liens, encumbrance, mortgages, contingent liabilities, taxes (including taxes paid under protest or otherwise) and duties of APL and other obligations of whatsoever nature, if any, shall under the provisions of Section 230 and 232 of the Act and pursuant to the order of the NCLTs sanctioning this Scheme and without any further act, instrument or deed be transferred or be deemed to be transferred to and vest in and be assumed by DLPL so as to become the debts, liabilities, contingent liabilities, duties and obligations of DLPL on the same terms and conditions as were applicable to APL.
- 5.5 With effect from the Appointed Date and upon the Scheme becoming effective, DLPL shall own and have the rights to use the trade marks / brand names of the products presently manufactured, marketed, sold or distributed by APL consistent with APL's ownership/ rights to use such trade marks/ brand names. The brand names / trade marks owned by APL shall vest in DLPL.

- 5.6 With effect from the Appointed Date and upon the Scheme becoming effective, subject to applicable law, any statutory licenses, permissions, approvals, registration and/or consents held by APL shall stand vested in DLPL (save and except as otherwise specified in this Scheme) without any further act, deed, matter or thing and shall be appropriately registered with the statutory authorities concerned in favour of DLPL. The benefit of all statutory and regulatory licenses, permissions, approvals, registration of APL shall vest in and become available to DLPL pursuant to the Scheme. Provided that any statutory licenses, permissions, approvals, registration and/or consents held by APL that are not required by DLPL will, if required by applicable laws, be cancelled or surrendered.
- 5.7 It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Company or be deemed to be prejudicial to their interests.
- 5.8 For avoidance of doubt and without prejudice to the generality of any applicable processions of this Scheme, it is clarified that with effect from the Effective Date until such times the names of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such times as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme. The Transferee Company shall under the provisions of the Scheme be deemed

from appointed date, to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

6. CANCELLATION OF SHARES

- 6.1 Since the Transferor Company is the wholly owned subsidiary of the Transferee Company, the shares held by the Transferee Company in the Transferor Company shall be deemed to have been cancelled without any further act or deed and no shares of the Transferee Company are required to be issued in lieu thereof to the shareholders of the Transferor Company.

7. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 7.1 With effect from the Appointed Date and upto and including the Effective Date, APL shall carry on its business with utmost prudence for and on behalf of and in trust of DLPL.
- 7.2 DLPL unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of APL's business and Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- 7.3 With effect from the Appointed Date and upto and including the Effective Date, APL shall not, without the written consent of Board of Directors of DLPL, undertake any new business.
- 7.4 With effect from 1st April 2020, and upto and including the Effective Date, APL shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its Undertaking or any part thereof save and except in each case:
- (a) if the same is in the ordinary course of business of APL as carried on by APL as on the date of filing this Scheme with the NCLTs; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of DLPL has been obtained.

- 7.5 Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to APL or expenditure or losses arising or incurred or suffered by APL pertaining to the business and Undertaking of APL and all taxes paid thereof (including but not limited to advance tax, tax deducted at source, MAT credit, securities transaction tax, taxes withheld/paid in a foreign country, value added taxes, sales tax, service tax, GST etc) between the Appointed Date and the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures or taxes paid thereon as the case may be of DLPL.

8. TAXES, DUTIES, CESS, ETC.

- 8.1 The Scheme is consistent with the provisions of Section 2(1B) of the Income Tax Act, 1961 whereby:

- i) all the property of the Amalgamating Company immediately before the amalgamation becomes the property of the Amalgamated Company by virtue of the amalgamation;
- ii) all the liabilities of the Amalgamating Company immediately before the amalgamation become the liabilities of the Amalgamated Company by virtue of the amalgamation;

The provisions of the Scheme are to be read so far as circumstances permit to be consistent with the requirements of section 2(1B) of the Income Tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

- 8.2 Upon occurrence of the Effective Date and with effect from the Appointed Date, all taxes (including taxes paid under protest or otherwise) of any nature, duties, cess or any other like payment or deductions made by APL to any statutory authorities such as income tax, advance tax, Tax Deducted At Source, tax paid under MAT provisions, sales tax, VAT,

GST, service tax etc. or any tax deduction / collection at source, Modvat and/or CENVAT Credit, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been on account of or paid by DLPL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to DLPL upon the passing of the orders on this Scheme by the NCLTs upon relevant proof and documents being provided to the said authorities.

- 8.3 All the deduction otherwise admissible to APL including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (like section 43B, section 40, Section 40A etc. of the Income Tax Act 1961) will be eligible for deduction to DLPL upon fulfilment of required conditions under the Income Tax Act, 1961.
- 8.4 Any MAT credit available to APL would get transferred to and be available to DLPL for carried forward set off against tax on future taxable income.
- 8.5 Brought forward tax losses and unabsorbed depreciation of APL in terms of provisions of section 72 A of the Income Tax Act, 1961 shall be allowable for set off against the profits of DLPL subject to the fulfilment of conditions prescribed there in.
- 8.6 DLPL is expressly permitted to file/revise its income tax, wealth tax, service tax, VAT, GST, Sales tax, Excise, CENVAT/MODVAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. DLPL is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds including refund/ adjustment of taxes paid under protest or otherwise, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that all the taxes(including taxes paid under MAT) /duties paid by APL shall be deemed to be the taxes(including taxes paid under MAT)/duties paid by DLPL and DLPL shall be entitled to claim credit for such taxes deducted (including taxes paid under MAT) / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other

documents for payment of such taxes (including taxes paid under MAT)/duties are in the name of APL.

- 8.7 As and from the Effective Date, all the tax assessment, proceedings, appeals of whatsoever nature by or against the Transferor Company pending and or arising at the Appointed Date and relating to the Transferor Company, shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 8.8 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 8.9 Any tax liabilities under the Income Tax Act, 1961, service tax, GST laws, excise duty laws, Central sales tax, applicable state value added tax laws or other applicable laws, Regulations dealing with taxes, duties, levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 8.10 Any refund, under the Income Tax Act, 1961, service tax laws, GST, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws, regulations dealing with taxes, duties, levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 8.11 Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, GST, excise duty, central sales tax, applicable

state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

- 8.12 Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

9. DIVIDEND/ ACQUISITION OF ADDITIONAL SHARES OF DLPL

- 9.1 Save as specifically provided in this scheme, APL and DLPL shall not issue or allot after the Appointed Date any right shares or bonus shares or other shares except issue of shares on exercise of stock options granted under any of existing or past employee stock option schemes, out of their respective authorized or unissued share capital for the time being, without the consent of the other. Neither APL nor DLPL shall make any changes in their capital structure, except as provided in the Scheme.

10. EMPLOYEES

On and from the Effective Date, all the employees of APL shall become the employees of DLPL on the basis that:

- a) Their services shall be deemed to have been continuous and not have interrupted or broken by reason of the said transfer.
- b) The term and condition of services applicable to such staff, workmen and employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the transfer.
- c) The existing Provident Fund, Gratuity Fund and Superannuation Fund of which the employees of APL are members or beneficiaries shall, with the approval of the concerned authorities, be continued to be administered by DLPL for the benefit of such employees on the same terms and conditions and the name of DLPL shall be deemed to have been substituted in place of the name of APL.

11. CONTRACTS, DEEDS, RESOLUTIONS ETC.

Subject to other provisions contained in this Scheme all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which APL is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of DLPL and may be enforced by or against DLPL as fully and effectually as if, instead of APL, DLPL had been a party thereto.

12. LEGAL PROCEEDINGS

12.1 If any suit, appeal or other proceedings of whatsoever nature by or against APL is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation of APL with DLPL or anything contained in this Scheme, but the said suit, appeal, or other legal proceedings, as the case maybe, may be continued, prosecuted and enforced, as the case may be, by or against DLPL and to the same extent as it would be or might have been continued, prosecuted and enforced by or against APL, as if this Scheme has not been made. In the event that the legal proceedings referred to herein require APL and/or DLPL to be jointly treated as parties thereto, DLPL shall be added as party to such proceedings.

12.2 On and from the Effective Date, DLPL may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities or any nature whatsoever, whether under contract or law or otherwise, of APL and to the same extent as would or might have been initiated by or defended by APL.

13. ACCOUNTING TREATMENT

13.1 The Transferee Company shall account the amalgamation of the Transferor Company as per the pooling of interest method as set-out in Indian Accounting Standard (IND AS 103) and/or other applicable Accounting Standards as specified under section 133 of Companies Act, 2013.

13.2 The Transferee Company shall, upon the Scheme becoming effective, record the assets

and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Transferor Company, prepared in accordance with Indian Accounting Standards.

13.3 Amounts lying in the balance of the "Profit and Loss Account" in the books of account of the Transferor Company shall be adjusted by the Transferee Company to its "Profit and Loss Account."

13.4 The inter-company balances between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled. Further, the value of investments held by the Transferee Company in the Transferor Company on the Appointed Date shall stand cancelled pursuant to Amalgamation.

13.5 The difference between the share-capital of the Transferor Company and the book value of the investments cancelled in terms of Clause 13.4 above shall be transferred to Capital Reserve and would be presented separately from other capital reserves in the books of the Transferee Company. The treatment of the same for all tax purposes shall be done as per the requirements of Income Tax Act, 1961 and rules made thereunder.

13.6 Subject to the above, the reserves of the Transferor Company will be incorporated in the books of the Transferee Company in the same form as they appeared in the financial statements, prepared in accordance with Indian Accounting Standards, of the Transferor Company.

13.7 Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Retained earnings of the Transferee Company, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

14. VAILIDITY OF EXISTING RESOLUTIONS, ETC

14.1 Upon the Scheme coming into operation, the resolutions of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any under like resolutions passed by the Board of the Transferee Company and shall constitute the aggregate of the said limits of the Transferee Company.

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

15. COMBINATION OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

15.1 Upon the Scheme coming into effect, the authorised share capital of the Transferor Company shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs.1,00,000 (Rupees One Lac), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Company Act 2013, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and

shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

"The Authorised Share Capital of the Company is Rs. 1,07,96,00,000 Rupees One Hundred Seven Crore Ninety Six Lac only) divided into 10,79,60,000- (Ten Crore Seventy Nine Lac Sixty Thousand Only) equity shares of Rs. 10/- (Rupees Ten Only) each."

- 15.2 If the merger of Authorized Share Capital of the Amalgamating Company with the Authorized Share Capital of Amalgamating Company as envisaged herein is not implemented for any reason, the Board of Directors of the Amalgamated Company shall have the authority to make any decision relating to the quantum and manner of increase in the Authorized Share Capital of the Amalgamated Company.

16. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations appertaining/ relating to APL, pursuant to this Scheme, and the continuance of the proceedings by or against DLPL, under Clause 5 and 12 hereof shall not affect any transactions or proceedings already completed by APL, on and after the Appointed Date to the end and intent that DLPL accepts all acts, deeds, matters and things done and executed by and/ or on behalf of APL, as acts, deeds and things done and executed by and on behalf of DLPL.

17. DISSOLUTION OF APL

On the Scheme becoming effective APL shall be dissolved without being wound up on such terms and conditions as the Tribunal may direct or determine.

PART III

GENERAL TERMS AND CONDITIONS

18. APPLICATION TO THE NCLT/ TRIBUNAL OR SUCH COMPETENT AUTHORITY

- 18.1 APL and DLPL shall, with all reasonable dispatch, make applications/ petitions to the NCLT having its benches at Ahmedabad and Delhi/ /or any other appropriate/competent authority, if so required under law, for sanctioning the Scheme including convening or seeking exemption to convene meetings of the classes of their respective shareholders and/or creditors under Section 230 to 232 and other applicable provisions, if any, of the Act, for an order or orders thereof for carrying the Scheme into effect and for dissolution of APL.
- 18.2 Upon the sanction of the Scheme by the NCLT and after the Scheme has become effective, with effect from the Appointed Date, the amalgamation of the Amalgamating Company with the Amalgamated Company in accordance with Section 2(1B) of the Income Tax Act, 1961, shall be deemed to have occurred.

19. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 19.1 APL and DLPL by their respective Board of Directors (the “**Board**”, which term shall include any duly constituted committee thereof), may assent to/ make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLTs and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board). APL and DLPL by their respective Board be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.
- 19.2 If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal/ NCLT of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the

Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.

- 19.3 The Amalgamating Company and/or the Amalgamated Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

20. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 20.1 The occurrence of the Appointed Date.
- 20.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of APL and DLPL as prescribed under the Act or as may be directed by the NCLTs or any other appropriate authority as may be applicable except to the extent as may be waived by the NCLT and/or any other competent authority as may be applicable.
- 20.3 The sanction of this Scheme by the NCLT under Section 230 to 232 and other applicable provisions, if any, of the Act and the applicable Regulations and subject to such alterations/ modifications/ amendments, as the NCLT may deem fit and direct;
- 20.4 Any other sanction or approval of any governmental or regulatory authority, as may be considered necessary and appropriate by the Board of Directors of the Companies, being obtained and granted in respect of any of the matters for which such sanction or approval is required;
- 20.5 Certified copy of the Orders of the NCLTs sanctioning the Scheme being filed with the Registrar of Companies of Gujarat and Delhi by APL and DLPL respectively after obtaining all consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary thereto.

This Scheme shall become Effective on the date when last of the aforesaid conditions are fulfilled.

21. EFFECT OF NON RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the NCLTs or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

22. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and other expenses including stamp duty, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by DLPL. However, if for any reason whatsoever, the present Scheme is not approved by the NCLT or the Amalgamating Company and/or the Amalgamated Company withdraw from this Scheme as provided in Clause 19.3, all such costs shall be equally borne and paid by APL and DLPL.

23. DIFFERENCES

In case any doubt or difference or issue (in relation to the Scheme) arises between APL and DLPL, any of their shareholders, creditors, employees or persons, as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of DLPL shall resolve all such disputes and its decision shall be final and binding on all concerned.

