Mukand Engineers Limited
Kalwe Works : Thane-Belapur Road,
Post Office Kalwe, Thane, Maharashtra
India 400 605.
Tel : 91 22 2172 7500 / 7700 F : 91 22 2541 0291
E : mel@mukand.com

Regd Office: Bajaj Bhavan, Jamnalal Bajaj Marg,
226 Nariman Point, Mumbai, India 400 021.
www.mukandengineers.com
CIN L45200MH1987PLC042378

29 January, 2019

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
BSE Scrip Code - 532097

Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051
NSE Symbol - MUKANDENGG

Ref: (i) Scheme of Amalgamation amongst Adore Traders & Realtors Private Limited ("**Adore**") Mukand Global Finance Limited ("**MGFL**") Mukand Engineers Limited ("**MEL**" or "**Company**") and Mukand Limited ("**Mukand**") and their respective shareholders and creditors ("**Scheme**");

(ii) Your letter No. DCS/AMAL/PB/R37/1379/2018-19 dated 10th January, 2019 received from BSE and Letter No. NSE/LIST/18410 dated 9th January, 2019 received from NSE ("**Observation Letters**")

Sub: Response to documents/information sought in relation to the Scheme by the Observation Letters.

Dear Sirs,

1. We refer to the Observation Letter received by the Company on 10th January, 2019. In the same, the Company was directed to, amongst other things, to undertake the following.

   (i) To provide additional information, if any, (as stated in SEBI letter) along with various documents to the Exchange for further dissemination on Exchange website by BSE.

   (ii) To ensure that additional information, if any, (as stated in SEBI Letter) along with various documents are disseminated on their (company) website by both BSE and NSE.

Additional Information

2. The details/ documents/ information being additional information submitted to the Stock Exchanges, after filing of the Scheme with the Stock Exchange, which have been uploaded on our website as mentioned in the Observation Letter are as follows:

   (i) Our Reply dated 15.09.2018 in response to NSE query dated 07.09.2018, with respect to Pre and Post Shareholding Pattern of all Companies without PAN.

   (ii) Our Reply dated 08.10.2018 in response to BSE query dated 03.10.2018, with respect to the following information:

      a) Quarterly Compliance Report on Corporate Governance

      b) Working of Post Scheme Net Worth of Mukand

MUKAND ENGINEERS

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(iii) Our reply dated 23.10.2018 in response to BSE query dated 17.10.2018 & 22.10.2018, with respect to the following information:

a) Valuation Report along with its working

(iv) Our reply dated 29.10.2018 in response to NSE query dated 23.10.2018, with respect to following information:

a) Shareholding Patten of Mukand post cancellation of shares held by MEL.

b) Undertaking that the transferee entity (Mukand) will not issue/reissue shares not covered under scheme.

c) Undertaking that as on the date of application there are no outstanding warrants/instruments/agreements which give right to any person to take the equity shares in the transferee entity (Mukand) at any future date.

(v) Our reply dated 12.11.2018 in response to BSE query dated 01.11.2018, with respect to the following information:

a) Undertaking that MEL will not issue/reissue shares not covered under scheme.

b) Undertaking that as on the date of application there are no outstanding warrants/instruments/agreements which give right to any person to take the equity shares in MEL at any future date.

c) Details of Directors and Promoters of the companies involved in scheme.

(vi) Our reply dated 15.11.2018 to BSE query dated 13.11.2018 & 16.11.2018, regarding confirmation of payment of processing fees.

Disclosure in the Scheme under the heading 'Action taken by SEBI / RBI'

3. Further, we would like to bring to your kind attention that SEBI vide its Observation letter dated 8th January, 2019 to BSE has given the following comments on the draft Scheme:

"Company to ensure that disclosure about the fact that the name of Naresh Chandra Sharma appears in the RBI Data on willful defaulters in the scheme under the heading 'Action taken by SEBI / RBI"

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4. In view of the above, we would like to bring to your kind attention that the clause included in the draft Scheme has been mentioned below for reference:

> "*42. **Action taken by SEBI/ RBI***
>
> *Mr. Naresh Chandra Sharma, an Independent Director of Mukand is also at present an Independent Director of PSL Limited. PSL Limited is declared as a Wilful Defaulter by the Reserve Bank of India. Being an Independent Director of PSL Limited, name of Mr. Naresh Chandra Sharma appears on the List of Non – suit filed (Wilful Defaulters) as on 30th September, 2018."*

Thus, as stated above, the Scheme includes the clause suggested by the SEBI. Revised Scheme is attached herewith for your reference as **Exhibit A**.

However, as advised by the Exchange additional information are not attached with this letter. In case if you require the same, we will be happy to provide you.

We trust that all information/documents/clarification provided above are to your satisfaction. Please let us know if you require any other information/documents/clarification.

For **Mukand Engineers Limited**

D. J. Vora

Dhawal Vora
Company Secretary

MUKAND ENGINEERS LIMITED * MUMBAI *

MUKAND
ENGINEERS

SCHEME OF AMALGAMATION

(UNDER SECTIONS 230-232 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES THEREUNDER)

AMONGST

ADORE TRADERS & REALTORS PRIVATE LIMITED

AND

MUKAND GLOBAL FINANCE LIMITED

AND

MUKAND ENGINEERS LIMITED

AND

MUKAND LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

DESCRIPTION OF COMPANIES

A. Adore Traders & Realtors Private Limited (CIN: U45201MH2006PTC163824) is an unlisted private company limited by shares, incorporated on August 17, 2006 under the provisions of the Companies Act, 1956 and is having its registered office at Bajaj Bhawan, 3rd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra - 400021 ("**Adore**" or "**Amalgamating Company 1**"). Adore is engaged in the business of Trading of metals and metal ores, Loans & Investments and Real Estate Business. As on June 30, 2018, Adore is a wholly owned subsidiary of (WOS) Mukand Global Finance Limited.

B. Mukand Global Finance Limited (CIN: U67120MH1979PLC021418) is an unlisted public company limited by shares, incorporated on June 23, 1979 under the provisions of the Companies Act, 1956 and is having its registered office at Bajaj Bhawan, 3rd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra – 400021 ("**MGFL**" or "**Amalgamated Company 1**" or "**Amalgamating Company 2**"). MGFL is a Non Banking Financial Company registered with Reserve Bank of India ("RBI"). MGFL is engaged in non-banking financial activities viz. loans & advances and investment. Further, it also provides advisory services. As on June 30, 2018, MGFL is a WOS of Mukand Limited.

For MUKAND ENGINEERS LTD.
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

C. Mukand Engineers Limited (CIN: L45200MH1987PLC042378) is a listed public company limited by shares, incorporated on January 30, 1987 under the provisions of the Companies Act, 1956 and is having its registered office at Bajaj Bhawan, 3rd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra - 400021 ("**MEL**" or "**Amalgamating Company 3**"). Equity shares of MEL are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). MEL is engaged *inter alia* in the business of engineering construction and Infotech services. As on June 30, 2018, 36.11% shares of MEL are held by Mukand.

D. Mukand Limited (CIN : L99999MH1937PLC002726) is a listed public company limited by shares, incorporated on November 29, 1937 under the provisions of the Indian Companies Act, 1913 and is having its registered office at Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra - 400021 ("**Mukand**" or "**Amalgamated Company 2**"). Equity shares and 0.01% cumulative redeemable preference shares of Mukand are listed on NSE and BSE. Mukand is a multi division, multi-product conglomerate involved in the (i) manufacture of blooms/billets, (ii) design, manufacture, assembly and commissioning of industrial machinery, heavy duty cranes and bulk material handling equipment and (iii) manufacture of speciality steel long products.

RATIONALE

A. This Scheme of Amalgamation (as defined hereinafter) is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the companies involved in Scheme, their respective shareholders, lenders and employees. The rationale for the Scheme is set out below:

(i) Greater potential to the combined entity to develop and further grow and diversify with better funds and efficient utilization of resources.

(ii) Further, proposed Amalgamation (as defined hereinafter) would result in greater economies of scale and will provide a larger and stronger base for potential future growth.

(iii) The Amalgamation will result in streamlining the management structure with one listed company in group leading to better administration and reduction in costs for more focused operational efforts, rationalization, standardization and simplification of business processes.

(iv) The Amalgamation will result in simplification of Group Structure of Mukand.

(v) The Amalgamation will bring about simplicity in working, reduction in

For MUKAND ENGINEERS LTD.
D.J. Vora
Company Secretary

For MUKAND LIMITED
K.J. MALLYA
Company Secretary

various statutory and regulatory compliances and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it will also result in coordinated optimum utilization of resources.

(vi) The Amalgamation will streamline the decision making process, help in better utilization of human resources and will also provide better career opportunities to employees.

B. Consequently, the respective Board of Directors (defined below) of Mukand, MEL, MGFL and Adore after due consideration, have approved this Scheme and have accordingly proposed the amalgamation of Adore MGFL and thereafter, amalgamation of MGFL and MEL with Mukand as an integral and composite part of the Scheme.

GENERAL

This Scheme is divided into the following parts:

(i) **Part I**, provides for the definitions and interpretation;

(ii) **Part II**, provides for the capital structure of Mukand, MEL, MGFL and Adore;

(iii) **Part III**, provides for the amalgamation of Adore with MGFL, discharge of consideration, accounting treatment, merger of authorised share capital and matters incidental thereto;

(iv) **Part IV**, provides for the amalgamation of MEL and MGFL with Mukand, discharge of consideration, accounting treatment, Reduction of Equity Share Capital, merger of authorised share capital and matters incidental thereto;

(v) **Part V**, deals with the general terms and conditions applicable to all parts of this Scheme.

MUKAND ENGINEERS LTD.
D. J. Vora
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

PART I- DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"**Adore**" or **"Amalgamating Company 1"** means Adore Traders & Realtors Private Limited, an unlisted private company limited by shares, incorporated on August 17, 2006 under the provisions of Companies Act, 1956, and having its registered office at Bajaj Bhawan, 3rd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra - 400021;

"Amalgamation" means the amalgamation of Amalgamating Company 1 with Amalgamated Company 1, on a going concern basis in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Part III of the Scheme and amalgamation of Amalgamating Company 2 (after giving effect to Part III of the Scheme) and Amalgamating Company 3 with Amalgamated Company 2, on a going concern basis in accordance with Section 2(1B) of the Income Tax Act, 1961 in terms of Part IV of the Scheme;

"Applicable Law" shall mean any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;

"**Appointed Date**" means April 1, 2019 or such other date as may be directed by the NCLT to be operative and effective;

"**Appropriate Authority**" means any governmental body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including but not restricted to the National Company Law Tribunal ("NCLT"), the Stock Exchanges, the Securities and Exchange Board of India ("SEBI"), income tax authorities, and other applicable authorities pursuant to the provisions of Section 230(5) of the 2013 Act, as may be relevant in the context;

"**Board of Directors**" or "**Board**" in relation to Mukand, MEL, MGFL and Adore, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

For MUKAND ENGINEERS LTD.
D. J. Vora
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

"Effective Date" shall mean the date on which the last of all the conditions and matters referred to in clause 36 have been fulfilled, obtained or waived. It is clarified that the Amalgamation as mentioned in Part III and Part IV of the Scheme shall be deemed to be effective from the Appointed Date in terms of the provisions of Section 232(6) of the 2013 Act. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

"**Encumbrance**" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "**Encumbered**" shall be construed accordingly.

"**Income Tax Act**" means the Income Tax Act, 1961, including the rules made thereunder and any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

"**MEL**" or "**Amalgamating Company 3**" means Mukand Engineers Limited, a listed public company limited by shares, incorporated on January 30, 1987 under the provisions of the Companies Act, 1956 and having its registered office at Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra - 400021;

"**MGFL**" or "**Amalgamated Company 1**" or "**Amalgamating Company 2**" means Mukand Global Finance Limited, an unlisted public company limited by shares, incorporated on June 23, 1979 under the provisions of the Companies Act, 1956, and having its registered office at Bajaj Bhawan, 3rd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai Maharashtra - 400021;

"**Mukand**" or "**Amalgamated Company 2**" means Mukand Limited, a listed public company limited by shares, incorporated on November 29, 1937 under the provisions of the Indian Companies Act, 1913 and having its registered office at Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai, Maharashtra - 400021;

"**NCLT**" means the National Company Law Tribunal, Mumbai Bench having jurisdiction over Mukand, MEL, MGFL and Adore;

"**Order**" means the order of NCLT sanctioning the Scheme under Sections 230 to 232 read with Section 52 of 2013 Act, and other applicable provisions of 2013 Act, including any alterations, modifications, amendments, made thereto and supplementary orders/directions in relation thereto;

"**Record Date**" means the date to be fixed by Board of Directors of the Amalgamated Company 2 in consultation with the Amalgamating Company 3 for the purpose of determining names of the equity shareholders of Amalgamating Company 3, as applicable who shall be entitled to shares of the Amalgamated Company 2 under Clause 29 hereto, upon coming into effect of the Scheme.

For MUKAND ENGINEERS LTD.
D. J. Vora
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

"**Registrar of Companies**" means the Registrar of Companies, at Mumbai;

"**Scheme**" or "**this Scheme**" means this Scheme of Amalgamation pursuant to Section 230 to 232 read with Section 52 of 2013 Act and all other applicable provisions of 2013 Act, in its present form submitted to the NCLT or any other Appropriate Authority with any modification(s) thereto as the NCLT or any other Appropriate Authority may require, direct or approve;

"SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by the Securities and Exchange Board of India and all applicable circulars and regulations issued by SEBI in this respect;

"**Stock Exchanges**" shall mean BSE Limited and National Stock Exchange of India Ltd., where the equity shares of the Amalgamating Company 3 and equity and preference shares of Amalgamated Company 2 are currently listed;

1.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 2013 Act, as applicable, the Income Tax Act, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

1.3 In this Scheme, unless the context otherwise requires:

(a) words denoting singular shall include plural and vice versa;

(b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

(c) references to the word "include" or "including" shall be construed without limitation;

(d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;

(e) unless otherwise defined, the reference to the word "days" shall mean calendar days;

(f) references to dates and times shall be construed to be references to Indian dates and times;

(g) reference to a document includes an amendment or supplement to, or replacement or novation of that document; and

(h) references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality);

For MUKAND ENGINEERS LTD.
D.J. Vora
Company Secretary

For MUKAND LIMITED
K.J. MALLYA
Company Secretary

(i) references to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;

(j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

(k) any reference to any statute or statutory provision shall include:

(i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

MUKAND ENGINEERS LIMITED MUMBAI

For MUKAND ENGINEERS LTD.
D. J. Vora
D.J. Vora
Company Secretary

For MUKAND LIMITED
K.J. MALLYA
Company Secretary

PART II –SHARE CAPITAL

2. SHARE CAPITAL

2.1. *Mukand*

The share capital of Mukand as on June 30, 2018 is as under:

Authorised Share Capital	**Amount (Rs.)**
15,30,00,000 Equity Shares of Rs. 10 each	153,00,00,000
70,00,000 Preference Shares of Rs. 10 each	7,00,00,000
Total	**160,00,00,000**

Issued Share Capital	**Amount (Rs.)**
146,273,934* Equity Shares of Rs. 10 each **includes equity shares kept in abeyance by the stock exchanges*	146,27,39,340
56,26,320 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each	5,62,63,200
Total	**151,90,02,540**

Subscribed and Fully Paid Up Share Capital	
14,14,05,861 Equity Shares of Rs. 10 each	141,40,58,610
56,26,320 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each	5,62,63,200
	147,03,21,810
Add: Forfeited shares (amounts originally paid up)	1,15,597
Total	**147,04,37,407**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of Mukand.

2.2. *MEL*

The share capital of MEL as on June 30, 2018 is as under:

Authorised Share Capital	**Amount (Rs.)**
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
5,00,000 Preference shares of Rs 100 each	5,00,00,000
Total	**25,00,00,000**

Issued Share Capital	**Amount (Rs.)**
1,25,92,700 Equity Shares of Rs. 10 each	12,59,27,000
Total	**12,59,27,000**

Subscribed and Paid Up Share Capital	**Amount (Rs.)**
1,19,73,900 Equity Shares of Rs. 10 each	11,97,39,000
5,98,500 Equity Shares of Rs. 10 each	59,85,000
20,300 Forfeited shares (amounts originally paid up)	73,500
Total	**12,57,97,500**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of MEL.

MUKAND ENGINEERS LIMITED MUMBAI

D. J. Vora
Company Secretary

For MUKAND LIMITED

K. J. MALLYA
Company Secretary

2.3. *MGFL*

The share capital of MGFL as on June 30, 2018 is as under:

Authorised Share Capital	**Amount (Rs.)**
1,50,00,000 Equity Shares of Rs. 10 each	15,00,00,000
1,00,00,000 Preference Shares of Rs. 10 each	10,00,00,000
Total	**25,00,00,000**

Issued, Subscribed and Fully Paid Up Share Capital	**Amount (Rs.)**
1,17,49,500 Equity Shares of Rs. 10 each	11,74,95,000
Total	**11,74,95,000**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of MGFL.

2.4. *Adore*

The share capital of Adore as on June 30, 2018 is as under:

Authorised Share Capital	**Amount (Rs.)**
1,00,000 Equity Shares of Rs. 10 each	10,00,000
Total	**10,00,000**

Issued, Subscribed and Fully Paid Up Share Capital	**Amount (Rs.)**
50,000 Equity Shares of Rs. 10 each	5,00,000
Total	**5,00,000**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of Adore.

For MUKAND ENGINEERS LTD.
D. T. Vora
D.T. Vora
Company Secretary

For MUKAND LIMITED
K. L. MALLYA
Company Secretary

PART III–AMALGAMATION OF AMALGAMATING COMPANY 1 WITH AMALGAMATED COMPANY 1

3. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 read with Section 52 of the 2013 Act and other applicable provisions of the 2013 Act, the Amalgamating Company 1 shall stand merged with and be vested in and/or deemed to be transferred to & vested in the Amalgamated Company 1, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing, so as to become, as and from the Appointed Date, the undertakings, businesses, properties and other belongings, of the Amalgamated Company 1 by virtue of and in the manner provided in this Scheme.

4. **Transfer of Assets**

Without prejudice to the generality of foregoing in Clause 3 of the Scheme, upon the coming into effect of the Scheme and with effect from the Appointed Date:

4.1. all immovable properties of the Amalgamating Company 1, including land together with the buildings and structures standing thereon or under construction and rights and interests in immovable properties of the Amalgamating Company 1, whether freehold or leasehold or licensed or otherwise, any tenancies in relation to warehouses, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Amalgamated Company 1, without any further act or deed done or being required to be done by the Amalgamating Company 1 or the Amalgamated Company 1. The Amalgamated Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 1 by the Appropriate Authority pursuant to the Order of NCLT in accordance with the terms hereof.

4.2. all lease and/or leave and license or rent agreements entered into by the Amalgamating Company 1 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 1, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 1 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 1 shall continue to pay rent or

For MUKAND ENGINEERS LTD.
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

lease or license fee as provided for in such agreements, and the Amalgamated Company 1 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, Amalgamated Company 1 shall also be entitled to refund of security deposits, advance rent paid under such agreements by Amalgamating Company 1. All the rights, title, interest and claims of Amalgamating Company 1 in any such leasehold properties shall, pursuant to section 232 of the 2013 Act, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company 1.

4.3. all the estate, assets, properties, investments of all kinds (i.e., shares, scripts, stocks, bonds, debenture stocks, units, pass through certificates), assets, properties, rights, claims, title, interest, powers and authorities including accretions and appurtenances thereto, whether or not provided and/or recorded in the books of accounts, comprised in the Amalgamating Company 1 of whatsoever nature and wheresoever situated shall, without any further act or deed, be and stand vested in the Amalgamated Company 1 and/or be deemed to be vested in the Amalgamated Company 1 as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest, powers and authorities of the Amalgamated Company 1.

4.4. All assets and properties of the Amalgamating Company 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery or by delivery of possession, or by endorsement and/or delivery or by operation of law, the same shall stand so transferred by the Amalgamating Company 1 upon the coming into effect of the Scheme, and shall become vested as assets and property of the Amalgamated Company 1 with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recording pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

4.5. all assets and properties belonging to the Amalgamating Company 1 including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, the same shall stand vested in the Amalgamated Company 1 and/or deemed to have been vested in the Amalgamated Company 1, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date.

For MUKAND ENGINEERS LTD.
D. J. Vora
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. U. MALLYA
Company Secretary

4.6. Amalgamated Company 1 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor pertaining to the Amalgamating Company 1 of such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of Amalgamated Company 1 as the person entitled thereto, to the end and intent that the right of Amalgamating Company 1 to recover or realise all such debts (including the debts payable by such debtor or obligor to Amalgamating Company 1) stands transferred and assigned to Amalgamated Company 1 and that appropriate entries shall be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by Amalgamating Company 1 and all the rights, title and interest of Amalgamating Company 1 in any licensed properties or leasehold properties shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company 1.

4.7. All assets and properties of the Amalgamating Company 1 as on the Appointed Date, and all assets and properties, which are acquired by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Amalgamated Company 1, under the provisions of Sections 230 to 232 read with Section 52 of the 2013 Act without any further act, instrument or deed upon the coming into effect of the Scheme.

4.8. All the licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, income tax benefits and exemptions, rebates, accumulated tax losses, unabsorbed depreciation, sales tax deferrals, subsidies, exemptions and benefits, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Amalgamating Company 1 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 1, whether on, before or after the Appointed Date, any import license without payment of duty under any scheme, that may become available to the Amalgamating Company 1, if any, consequent to any order of the NCLT, with regards to any of its past imports, shall, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in and/or be deemed to be transferred to and vested in and be available to the Amalgamated Company 1 so as to become licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, income tax benefits and exemptions, rebates, accumulated tax losses, unabsorbed depreciation, sales tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, liberties, special status and other benefits or privileges of the Amalgamated Company 1 and shall remain valid, effective and enforceable on the same terms and conditions. For the avoidance of doubt and without prejudice to the generality of the foregoing, (i) all consents, no-objection certificates, certificates,

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clearances, authorities (including operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1 shall stand transferred to the Amalgamated Company 1 as if the same were originally given by, issued to or executed in favour of the Amalgamated Company 1, (ii) unabsorbed tax business losses and unabsorbed depreciation as would have been available to Amalgamating Company 1 upto the Appointed Date, shall be available to Amalgamated Company 1, upon the Scheme becoming effective.

4.9. all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, know-how and trade secrets appertaining to the Amalgamating Company 1, shall under the provisions of Sections 230 to 232 of the 2013 Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 1 as a going concern, so as to become, as and from the Appointed Date, the intellectual property and rights of the Amalgamated Company 1.

4.10. All taxes (including but not limited to advance tax, self- assessment tax, tax deducted at source, minimum alternate tax credits, banking cash transaction tax, securities transaction tax, input tax credit, entry tax, taxes withheld/paid in a foreign country, goods and service tax, as applicable, cess, and tax collected at source) payable by or refundable to or being the entitlement of Amalgamating Company 1 including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of Amalgamated Company 1 and any tax incentives, advantages, privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to Amalgamating Company 1 shall be available to Amalgamated Company 1.

4.11. Amalgamated Company 1 shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by Amalgamating Company 1 under Applicable Laws, including but not limited to goods and service tax, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions amongst Amalgamating Company 1 and Amalgamated Company 1 between the Appointed Date and Effective Date shall be considered as transactions from Amalgamated Company 1 to self, and Amalgamated Company 1 shall be entitled to claim refund of tax paid, if any, on these inter-se transactions, as per the Applicable Laws. For the avoidance of doubt, input tax credits already availed of or utilised by Amalgamating Company 1 and Amalgamated Company 1 in respect of inter se transactions between the Appointed Date and the Effective date shall

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not be adversely impacted by the cancellation of inter se transactions pursuant to Part III of the Scheme.

4.12. All statutory rights and obligations of Amalgamating Company 1 would vest in/accrue to Amalgamated Company 1. Hence, obligation of Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the Goods and Services Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 1 and if any form relatable to the period prior to the said Effective Date is received in the name of the Amalgamating Company 1, it would be deemed to have been received by Amalgamated Company 1 in fulfilment of its obligations.

4.13. All benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 1, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the 2013 Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 1, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 1.

4.14. All the resolutions, if any, of the Amalgamating Company 1, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 230 to 232 read with section 52 of the 2013 Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 1 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 1 and shall constitute the aggregate of the said limits in the Amalgamated Company 1.

4.15. Upon the Scheme becoming effective, the Amalgamated Company 1 shall be entitled to without limitation, operate the bank accounts, including transacting in cash, cheque, NEFT, RTGS or any other electronic mode, intra company, inter company, other settlements, availing of and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company 1 or carry out any other transaction as it deems fit.

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5. **Contracts, Deeds, etc.**

5.1. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue to be in full force and effect on or against or in favour, as the case may be, of the Amalgamated Company 1 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company 1 had been a party or beneficiary or oblige thereto or thereunder.

Any inter-se contracts between the Amalgamated Company 1 and the Amalgamating Company 1 shall stand cancelled and cease to operate upon this Part III of the Scheme becoming effective.

All guarantees provided by any bank in relation to the Amalgamating Company 1 outstanding as on the Effective Date, shall vest in the Amalgamated Company 1 and shall ensure to the benefit of the Amalgamated Company 1 and all guarantees issued by the bankers of the Amalgamating Company 1 at their request favouring any third party shall be deemed to have been issued at the request of the Amalgamated Company 1 and continue in favour of such third party till its maturity or earlier termination.

5.2. Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the Amalgamating Company 1 or to the benefit of which Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall pursuant to section 232 of the 2013 Act, be deemed to be contracts, deeds, documents, bonds, agreements, schemes, arrangements and other instruments, permits, rights, benefits, entitlements, licenses, leases, guarantees, letters of credit, of Amalgamated Company. All such property and rights shall stand vested in Amalgamated Company 1 and shall be deemed to have become the property and rights of Amalgamated Company 1 whether the same is implemented by endorsement or delivery and possession or recordal or in any other manner.

5.3. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Company 1 occurs by virtue of this Scheme itself, the Amalgamated Company 1 may, at any time after the coming into effect of the Scheme, in

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accordance with the provisions, if so required under Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 1 is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.

5.4. In relation to the above, any procedural requirements required to be fulfilled solely by Amalgamating Company 1 (and not by its successors), shall be fulfilled by Amalgamated Company 1 as if it is the duly constituted attorney of Amalgamating Company 1.

6. **Transfer of Liabilities**

Without prejudice to the generality of foregoing in Clause 3 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

6.1. all liabilities of the Amalgamating Company 1 including all secured and unsecured debts (whether in Indian rupees or foreign currency), liabilities (including contingent liabilities), duties and obligations of the Amalgamating Company 1 of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any Encumbrance, including any bank guarantees thereon (the "**Liabilities**") shall, pursuant to the Order of NCLT, without any further act, instrument, deed, matter or thing, be transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1, and the same shall be assumed by the Amalgamated Company 1 to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the Liabilities of the Amalgamated Company 1 on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same. Further, 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 Liabilities have arisen in order to give effect to the provisions of this Clause.

6.2. All Liabilities of the Amalgamating Company 1 including those which are incurred or which arise or accrue to Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument

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or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Amalgamating Company 1 as a going concern and the same shall be assumed by the Amalgamated Company 1 to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 alone shall meet, discharge and satisfy the same.

6.3. Where any such Liabilities as on the Appointed Date have been discharged by the Amalgamating Company 1 on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Amalgamated Company 1 upon the coming into effect of this Scheme.

6.4. All loans raised and utilised, Liabilities, duties and taxes and obligations incurred or undertaken by or on behalf of the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 1 and shall, under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 1 as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 1 shall meet, discharge and satisfy the same.

6.5. All inter-se liabilities, between Amalgamating Company 1 and Amalgamated Company 1, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Amalgamated Company 1.

6.6. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 1. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 1 which were earlier not

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Encumbered or the existing assets of the Amalgamated Company 1. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of this clause.

6.7. Any reference in any security documents or arrangements (to which the Amalgamating Company 1 is a party) to the Amalgamating Company 1 and its assets and properties, shall be construed as a reference to the Amalgamated Company 1 and the assets and properties of the Amalgamating Company 1 transferred to the Amalgamated Company 1 pursuant to Part III of this Scheme.

6.8. Without prejudice to the foregoing provisions, the Amalgamated Company 1 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

6.9. The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

7. **Employees**

7.1. Upon the coming into effect of this Scheme, all permanent employees and interns/trainees, if any, as on the Effective Date, who are on the payrolls of the Amalgamating Company 1, shall become employees of the Amalgamated Company 1 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 1, without any interruption of service as a result of this Amalgamation and transfer.

7.2. The Amalgamated Company 1 undertakes that for the purpose of payment of any retrenchment compensation and other terminal benefits to the employees of the Amalgamating Company 1, the past services of such employees with the Amalgamating Company 1 or its predecessors shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable.

7.3. Amalgamating Company 1 will transfer/handover to Amalgamated Company 1, copies of employment information of all such transferred employees of Amalgamating Company 1, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and

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contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

7.4. The contributions made by Amalgamating Company 1 in respect of its employees under Applicable Law, to the provident fund, gratuity fund, leave encashment fund and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Amalgamated Company 1.

7.5. The Amalgamated Company 1 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 1 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

8. **Transfer of Legal Proceedings**

8.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 1 shall not abate, be discontinued or be in any way prejudicially affected by reason of the Amalgamation or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 1, as if this Scheme had not been made.

8.2. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 1, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 1 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 Amalgamated Company 1.

8.3. The Amalgamated Company 1 undertakes to have all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 1 transferred to its name and to have the same continued, prosecuted, enforced and defended by or against the Amalgamated Company 1.

9. **Books and Records**

All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, pertaining to Amalgamating Company 1, to the extent possible and permitted under Applicable Law, be handed over to Amalgamated Company 1.

10. The Amalgamating Company 1 and/or Amalgamated Company 1, as the case may be, shall, at any time after the Scheme becoming effective in accordance

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with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates held or enjoyed by Amalgamating Company 1 including by their respective business and operations, into Amalgamated Company 1. It is hereby clarified that if the consent/approval of any Appropriate Authority or third party is required to give effect to any such transfers/vesting, the said Appropriate Authority or third party shall, pursuant to the Order of NCLT, be obliged to give requisite consent/approval and if required, make/endorse/ duly record the transfer/ substitution/ vesting thereof in its records in the name of Amalgamated Company 1. For this purpose, Amalgamated Company 1 shall, if required, file appropriate applications/documents with relevant Appropriate Authority for information and record purposes and for this purpose the Amalgamated Company 1 shall be deemed to be authorized to execute any such applications/documents for and on behalf of Amalgamating Company 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

11. Without prejudice to the other provisions of this Scheme, Amalgamated Company 1 may, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), documents, confirmations or other writings or enter into any arrangements with any party to any contract or arrangement to which Amalgamating Company 1 is a party in respect of any matter or any writings as may be necessary in order to give formal effect to the provisions of Part III of this Scheme. It is hereby clarified that if the consent of any third party or Appropriate Authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Amalgamated Company 1 pursuant to the sanction of scheme by the NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company 1 shall, as required, file appropriate applications/documents with relevant authorities concerned for information and record purposes. Amalgamated Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Company 1 to be carried out or performed.

12. **Conduct of business**

With effect from the Appointed Date and up to and including the Effective Date:

12.1. the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and

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strategic decisions for and on account of, and in trust for, the Amalgamated Company 1;

12.2. All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by Amalgamating Company 1 for and on account of and in trust for Amalgamated Company 1.

12.3. All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Amalgamating Company 1 including accumulated losses, for the period commencing the Appointed Date, shall for all purposes be treated as and deemed to be the profits, income, losses or expenses, as the case may be, of the Amalgamated Company 1.

12.4. Any of the rights, powers, authorities or privileges exercised by Amalgamating Company 1, shall be deemed to have been exercised by Amalgamating Company 1 for and on behalf of, and in trust for and as an agent of Amalgamated Company 1. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Amalgamating Company 1, shall be deemed to have been undertaken for and on behalf of and as an agent of Amalgamated Company 1;

12.5. All taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and service tax, as applicable, cess, tax refunds) payable by or refundable to Amalgamating Company 1 including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Amalgamating Company 1) as the case may be, of Amalgamated Company 1, and any unabsorbed tax losses and depreciation as would have been available to Amalgamating Company 1 shall be available to Amalgamated Company 1 upon the Scheme becoming effective.

12.6. Amalgamating Company 1 shall not without the concurrence of Amalgamated Company 1 alienate, charge or otherwise deal with any of its assets or that forming part of Amalgamating Company 1, except in the ordinary course of its business.

13. **Saving of Concluded Transactions**

Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Company 1 as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 1 on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company 1

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accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 1 or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company 1.

14. **Consideration**

14.1. The entire issued, subscribed and paid-up share capital of the Amalgamating Company 1 is held by the Amalgamated Company 1 along with other shareholder. Upon the Scheme becoming effective no shares of the Amalgamated Company 1 shall be allotted in lieu or exchange of its holding in the Amalgamating Company 1 and investment of Amalgamated Company 1 in entire equity share capital of Amalgamating Company 1 shall stand cancelled in the books of Amalgamated Company 1.

14.2. Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by the Amalgamated Company 1 in the Amalgamating Company 1 shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Amalgamated Company 1, and shall cease to be in existence accordingly.

15. **Accounting Treatment in the books of the Amalgamated Company 1**

Upon the Scheme becoming effective, Amalgamated Company 1 shall account for amalgamation of Amalgamating Company 1 in its Books of Accounts as under:

15.1. Amalgamated Company 1 shall account for the amalgamation of Amalgamating Company 1 in its books of account with effect from the Appointed Date.

15.2. Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Amalgamated Company 1 shall account for the amalgamation of Amalgamating Company 1 in its books as per the "Purchase method" as set out in Accounting Standard (AS-14) referred to in section 133 of the 2013 Act.

15.3. All the assets and liabilities of Amalgamating Company 1 shall be recorded in the books of account of Amalgamated Company 1 at their respective carrying amounts as appearing in the books of account of Amalgamating Company 1 and in the same form except to ensure uniformity of accounting policies.

15.4. Upon coming into effect of this Scheme, to the extent there are intercompany loans, advances, deposits, balances or other obligations between Amalgamating Company 1 and Amalgamated Company 1, if any, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of Amalgamated Company 1 for the reduction of any assets or liabilities

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as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

15.5. Excess, if any, of the liabilities over the assets taken over and recorded and after making adjustment for sub-clause 15.4 and 14.1 above shall be adjusted against the balance of Securities Premium Account of Amalgamated Company 1. In the event the result is negative, it shall be credited as capital reserve in the books of account of Amalgamated Company 1.

15.6. Amalgamated Company 1 shall record in its books of account, all transactions of Amalgamating Company 1 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

15.7. In case of any differences in accounting policy between the Amalgamating Company 1 and the Amalgamated Company 1, the accounting policies followed by the Amalgamated Company 1 will prevail and the difference till the Appointed Date will be quantified and adjusted as per applicable accounting standards to ensure that the financial statements of the Amalgamated Company 1 reflect the financial position on the basis of consistent accounting policy.

15.8. The Board of Directors may adopt any other accounting treatment for the amalgamation of Amalgamating Company 1 with Amalgamated Company 1 which is in accordance with Accounting Standard notified under 2013 Act.

16. The reduction in the Securities Premium Account of the Amalgamated Company 1, pursuant to sub-clause 15.5 above, shall be effected as an integral part of the Scheme in accordance with provisions of sections 230 to 232 read with section 52 of the 2013 Act. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

17. **Combination of Authorised Share Capital**

17.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Amalgamating Company 1 shall stand transferred to and be added with the authorised share capital of the Amalgamated Company 1 without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61, 64 and Section 232(3) of the 2013 Act and no resolutions or consent and approvals would be required to be passed by the Amalgamated Company 1.

17.2. Consequently upon the merger of the authorised share capital pursuant to clause 17.1 of the Scheme, Clause V of the Memorandum of Association of the Amalgamated Company 1 upon the coming into

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effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61, 64 and Section 232 and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

"The Authorised share capital of the Company is Rs.25,10,00,000 (Rs. Twenty Five Crores Ten Lakhs Only), divided into 1,51,00,000 (One Crore Fifty One Lakhs) Equity shares of Rs 10 (Rupees Ten) each and 1,00,00,000 (One Crore) Preference shares of Rs. 10 (Rupees Ten) each. The Company has power, from time to time, to increase or reduce its Capital and to divide the Shares in the Capital for the time being into other classes and to attach thereto respectively, such preferential, preferred, qualified or other special rights, privileges, or conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such right, privilege or conditions or restriction in such manner as may be for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

17.3. It is clarified that the approval of the members of Amalgamated Company 1 to the Scheme shall be deemed to be their consent/approval for the increase of the authorised share capital, amendment of the capital clause of the Memorandum of Association under the provisions of Section 13, 14, 61 and 64 of the 2013 Act and other applicable provisions of the 2013 Act.

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D. T. Nora
D. T. Nora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

PART IV–AMALGAMATION OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH AMALGAMATED COMPANY 2

Upon the occurrence of the Amalgamation pursuant to Part III of this Scheme, and not otherwise, the "Amalgamated Company 1" shall be referred to as the "Amalgamating Company 2" for the purposes of Part IV of the Scheme.

18. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 read with section 52 of the 2013 Act and other applicable provisions of the 2013 Act, the Amalgamating Company 2 and Amalgamating Company 3 shall stand merged with and be vested in and/or deemed to be transferred to & vested in the Amalgamated Company 2, as going concerns in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing, so as to become, as and from the Appointed Date, the undertakings, businesses, properties and other belongings, of the Amalgamated Company 2 by virtue of and in the manner provided in this Scheme.

19. **Transfer of Assets**

Without prejudice to the generality of foregoing in Clause 18 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

19.1. all the immovable properties of the Amalgamating Company 2 and Amalgamating Company 3 including land together with the buildings and structures standing thereon and under construction and rights and interests in immovable properties of the Amalgamating Company 2 and Amalgamating Company 3, whether freehold or leasehold or licensed or otherwise, any tenancies in relation to warehouses, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 2, without any further act or deed done or being required to be done by the Amalgamating Company 2 and/or Amalgamating Company 3 or the Amalgamated Company 2. The Amalgamated Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 2 by the Appropriate Authority pursuant to the Order of NCLT in accordance with the terms hereof.

19.2. all lease and/or leave and license or rent agreements entered into by the Amalgamating Company 2 and/or Amalgamating Company 3 with various landlords, owners and lessors in connection with the use of the

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assets of the Amalgamating Company 2 and/or Amalgamating Company 3, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 2 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 2 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 2 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, Amalgamated Company 2 shall also be entitled to refund of security deposits, advance rent, paid under such agreements by Amalgamating Company 2 and/or Amalgamating Company 3. All the rights, title, interest and claims of Amalgamating Company 2 and/or Amalgamating Company 3 in any such leasehold properties, shall, pursuant to section 232 of the 2013 Act, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company 2.

19.3. all the estate, assets, properties, investments of all kinds (i.e., shares, scripts, stocks, bonds, debenture stocks, units, pass through certificates), assets, properties, rights, claims, title, interest, powers and authorities including accretions and appurtenances thereto, whether or not provided and/or recorded in the books of accounts, comprised in the Amalgamating Company 2 and/or Amalgamating Company 3 of whatsoever nature and wheresoever situated shall, without any further act or deed, be and stand vested in the Amalgamated Company 2 and/or be deemed to be vested in the Amalgamated Company 2 as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest, powers and authorities of the Amalgamated Company 2.

19.4. All assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery or by delivery of possession, or by endorsement and/or delivery or by operation of law, the same shall stand so transferred by the Amalgamating Company 2 and Amalgamating Company 3 upon the coming into effect of the Scheme, and shall become vested as assets and property of the Amalgamated Company 2 with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

19.5. all assets and properties belonging to the Amalgamating Company 2 and Amalgamating Company 3 including sundry debtors, receivables,

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bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, the same shall stand vested in the Amalgamated Company 2 and/or deemed to have been vested in the Amalgamated Company 2, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date.

19.6. Amalgamated Company 2 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor pertaining to the Amalgamating Company 2 and Amalgamating Company 3 of such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of Amalgamated Company 2 as the person entitled thereto, to the end and intent that the right of Amalgamating Company 2 and Amalgamating Company 3 to recover or realise all such debts (including the debts payable by such debtor or obligor to Amalgamating Company 2 and Amalgamating Company 3) stands transferred and assigned to Amalgamated Company 2 and that appropriate entries shall be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by Amalgamating Company 2 and Amalgamating Company 3 and all the rights, title and interest of Amalgamating Company 2 and Amalgamating Company 3 in any licensed properties or leasehold properties shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company 2.

19.7. All assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 as on the Appointed Date, , and all assets and properties, which are acquired by the Amalgamating Company 2 and/or Amalgamating Company 3 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Amalgamated Company 2, under the provisions of Sections 230 to 232 read with section 52 of the 2013 Act without any further act, instrument or deed upon the coming into effect of the Scheme.

19.8. All the licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, income tax benefits and exemptions, rebates, accumulated tax losses, unabsorbed depreciation, sales tax deferrals, subsidies, exemptions and benefits, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Amalgamating Company 2 and/or Amalgamating Company 3 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 2 and/or Amalgamating Company 3, whether on, before or after the Appointed Date, any import license without payment of duty under any scheme, that may become

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available to Amalgamating Company 2 and/or Amalgamating Company 3, if any, consequent to any order of the NCLT, with regards to any of its past imports, shall, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in and/or be deemed to be transferred to and vested in and be available to the Amalgamated Company 2 so as to become licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, income tax benefits and exemptions, rebates, accumulated tax losses, unabsorbed depreciation, sales tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, liberties, special status and other benefits or privileges of the Amalgamated Company 2 and shall remain valid, effective and enforceable on the same terms and conditions. For the avoidance of doubt and without prejudice to the generality of the foregoing, (i) all consents, no-objection certificates, certificates, clearances, authorities (including operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2 and/or Amalgamating Company 3 shall stand transferred to the Amalgamated Company 2 as if the same were originally given by, issued to or executed in favour of the Amalgamated Company 2, (ii) unabsorbed tax business losses and unabsorbed depreciation as would have been available to Amalgamating Company 2 (after taking effect of Part III of this Scheme) and Amalgamating Company 3 up to the Appointed Date, shall be available to Amalgamated Company 2, upon the Scheme becoming effective.

19.9. all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, know-how and trade secrets appertaining to the Amalgamating Company 2 and/or Amalgamating Company 3,whether or not provided in books of accounts of Amalgamating Company 3, shall under the provisions of Sections 230 to 232 of the 2013 Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 2 as a going concern, so as to become, as and from the Appointed Date, the intellectual property and rights of the Amalgamated Company 2.

19.10. All taxes (including but not limited to advance tax, self- assessment tax, tax deducted at source, minimum alternate tax credits, banking cash transaction tax, securities transaction tax, input tax credit, taxes withheld/paid in a foreign country, goods and service tax, as applicable, cess, and tax collected at source) payable by or refundable to or being the entitlement of Amalgamating Company 2 and/or Amalgamating Company 3 including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of Amalgamated Company 2 and any tax incentives, advantages,

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privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to Amalgamating Company 2 and/or Amalgamating Company 3 shall be available to Amalgamated Company 2.

19.11. Amalgamated Company 2 shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by Amalgamating Company 2 and/or Amalgamating Company 3 under Applicable Laws, including but not limited to goods and services tax, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any inter-se transactions amongst Amalgamating Company 2 and/or Amalgamating Company 3 and Amalgamated Company 2 between the Appointed Date and Effective Date shall be considered as transactions from Amalgamated Company 2 to self, and Amalgamated Company 2 shall be entitled to claim refund of tax paid, if any, on these inter-se transactions, as per the Applicable Laws. For the avoidance of doubt, input tax credits already availed of or utilised by Amalgamating Company 2 and/or Amalgamating Company 3 and Amalgamated Company 2 in respect of inter se transactions between the Appointed Date and the Effective date shall not be adversely impacted by the cancellation of inter se transactions pursuant to Part IV of the Scheme.

19.12. All statutory rights and obligations of Amalgamating Company 2 and/or Amalgamating Company 3 would vest in/accrue to Amalgamated Company 2. Hence, obligation of Amalgamating Company 2 and/or Amalgamating Company 3, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the Goods and Services Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamating Company 2 and/or Amalgamating Company 3 and if any form relatable to the period prior to the said Effective Date is received in the name of the Amalgamating Company 2 and/or Amalgamating Company 3, it would be deemed to have been received by Amalgamated Company 2 in fulfilment of its obligations.

19.13. All benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 2 and/or Amalgamating Company 3, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the 2013 Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 2, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 2.

19.14. All the resolutions, if any, of the Amalgamating Company 2 and/or Amalgamating Company 3, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 230 to 232 read

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with section 52 of the 2013 Act, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 2 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or 2013 Act as applicable, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 2 and shall constitute the aggregate of the said limits in the Amalgamated Company 2.

19.15. Upon the Scheme becoming effective, the Amalgamated Company 2 shall be entitled to without limitation, operate the bank accounts, including transacting in cash, cheque, NEFT, RTGS or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of any of the Amalgamating Company 2 and/or Amalgamating Company 3 or carry out any other transaction as it deems fit.

20. **Contracts, Deeds, etc.**

20.1. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 2 and/or Amalgamating Company 3 is a party or to the benefit of which the Amalgamating Company 2 and /or Amalgamating Company 3 may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue to be in full force and effect on or against or in favour, as the case may be, of the Amalgamated Company 2 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2 and/or Amalgamating Company 3, the Amalgamated Company 2 had been a party or beneficiary or oblige thereto or thereunder.

Any inter-se contracts between the Amalgamated Company 2 and the Amalgamating Company 2 and/or Amalgamating Company 3 shall stand cancelled and cease to operate upon this Part IV of the Scheme becoming effective.

All guarantees provided by any bank in relation to the Amalgamating Company 2 and/or Amalgamating Company 3 outstanding as on the Effective Date, shall vest in the Amalgamated Company 2 and shall ensure to the benefit of the Amalgamated Company 2 and all guarantees issued by the bankers of the Amalgamating Company 2 and/or Amalgamating Company 3 at their request favouring any third party shall be deemed to have been issued at the request of the Amalgamated Company 2 and continue in favour of such third party till its maturity or earlier termination.

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20.2. Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the Amalgamating Company 2 and/or Amalgamating Company 3 or to the benefit of which Amalgamating Company 2 and/or Amalgamating Company 3 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall pursuant to section 232 of the 2013 Act, be deemed to be contracts, deeds, documents, bonds, agreements, schemes, arrangements and other instruments, permits, rights, benefits, entitlements, licenses, leases, guarantees, letters of credit, of Amalgamated Company 2. All such property and rights shall stand vested in Amalgamated Company 2 and shall be deemed to have become the property and rights of Amalgamated Company 2 whether the same is implemented by endorsement or delivery and possession or recordal or in any other manner.

20.3. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Company 2 and/or Amalgamating Company 3 occurs by virtue of this Scheme itself, the Amalgamated Company 2 may, at any time after the coming into effect of the Scheme, in accordance with the its provisions, if so required under Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 2 and/or Amalgamating Company 3 is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 2 and/or Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 and/or Amalgamating Company 3 to be carried out or performed.

20.4. In relation to the above, any procedural requirements required to be fulfilled solely by Amalgamating Company 2 and/or Amalgamating Company 3 (and not by their successors), shall be fulfilled by Amalgamated Company 2 as if it is the duly constituted attorney of Amalgamating Company 2 and/or Amalgamating Company 3.

21. **Transfer of Liabilities**

Without prejudice to generality of foregoing in Clause 18 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

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21.1. all liabilities of the Amalgamating Company 2 and/or Amalgamating Company 3 including all secured and unsecured debts (whether in Indian rupees or foreign currency), liabilities (including contingent liabilities), duties and obligations of the Amalgamating Company 2 and/or Amalgamating Company 3 of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any Encumbrance, including any bank guarantees thereon (the "**Liabilities**") shall, pursuant to the Order of NCLT, without any further act, instrument, deed, matter or thing, be transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2, and the same shall be assumed by the Amalgamated Company 2 to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the Liabilities of the Amalgamated Company 2 on the same terms and conditions as were applicable to the Amalgamating Company 2 and/or Amalgamating Company 3, and the Amalgamated Company 2 shall meet, discharge and satisfy the same. Further, 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 Liabilities have arisen in order to give effect to the provisions of this Clause.

21.2. All Liabilities of the Amalgamating Company 2 and/or Amalgamating Company 3 including those which are incurred or which arise or accrue to Amalgamating Company 2 and/or Amalgamating Company 3 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 read with section 52 and other applicable provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Amalgamating Company 2 and/or Amalgamating Company 3 as a going concern and the same shall be assumed by the Amalgamated Company 2 to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 2 and/or Amalgamating Company 3, and the Amalgamated Company 2 alone shall meet, discharge and satisfy the same.

21.3. Where any such Liabilities as on the Appointed Date have been discharged by the Amalgamating Company 2 and/or Amalgamating Company 3 on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Amalgamated Company 2 upon the coming into effect of this Scheme.

21.4. All loans raised and utilised, Liabilities, duties and taxes and obligations incurred or undertaken by or on behalf of the Amalgamating Company 2 and/or Amalgamating Company 3 on or after the Appointed

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Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 2 and shall, under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2 as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 2 shall meet, discharge and satisfy the same.

21.5. All inter-se liabilities, between Amalgamating Company 2 and/or Amalgamating Company 3 and Amalgamated Company 2, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Amalgamated Company 2.

21.6. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 and/or Amalgamating Company 3 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 2. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 2 and/or Amalgamating Company 3 which were earlier not encumbered or the existing assets of the Amalgamated Company 2. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of this clause.

21.7. Any reference in any security documents or arrangements (to which the Amalgamating Company 2 and/or Amalgamating Company 3 is a party) to the Amalgamating Company 2 and/or Amalgamating Company 3 and its assets and properties, shall be construed as a reference to the Amalgamated Company 2 and the assets and properties of the Amalgamating Company 2 and/or Amalgamating Company 3 transferred to the Amalgamated Company 2 pursuant to Part IV of this Scheme.

21.8. Without prejudice to the foregoing provisions, the Amalgamated Company 2 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if

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required.

21.9. The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

22. **Employees**

22.1. Upon the coming into effect of this Scheme, all permanent employees and interns/trainees, as on the Effective Date, who are on the payrolls of the Amalgamating Company 2 and/or Amalgamating Company 3, shall become employees of the Amalgamated Company 2 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 2 and/or Amalgamating Company 3, without any interruption of service as a result of this Amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 2 and/or Amalgamating Company 3, upon this Scheme becoming effective, the Amalgamated Company 2 shall stand substituted for the Amalgamating Company 2 and/or Amalgamating Company 3 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 2 and/or Amalgamating Company 3 for such purpose shall be treated as having been continuous.

22.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 2 and/or Amalgamating Company 3 or its predecessors for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 2 or as may be created by the Amalgamated Company 2 for such purpose. Pending such transfer, the contributions required to be made in respect of such transferred employees of Amalgamating Company 2 and/or Amalgamating Company 3 shall continue to be made by Amalgamated Company 2 to the existing funds maintained by Amalgamating Company 2 and/or Amalgamating Company 3. It is the intent that all the rights, duties, powers and obligations of Amalgamating Company 2 and/or Amalgamating Company 3 in relation to such fund or funds shall

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become those of Amalgamated Company 2 without need of any fresh approval from any statutory authority.

22.3. The Amalgamated Company 2 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 2 and/or Amalgamating Company 3, the past services of such employees with the Amalgamating Company 2 and/or Amalgamating Company 3 or its predecessors shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable.

22.4. Amalgamating Company 2 and/or Amalgamating Company 3 will transfer/handover to Amalgamated Company 2, copies of employment information of all such transferred employees of Amalgamating Company 2 and/or Amalgamating Company 3, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

22.5. The contributions made by Amalgamating Company 2 and/or Amalgamating Company 3 in respect of its employees under Applicable Law, to the provident fund, gratuity fund, leave encashment fund and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Amalgamated Company 2.

22.6. The Amalgamated Company 2 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 2 and/or Amalgamating Company 3 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

23. **Transfer of Legal Proceedings**

23.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 2 and/or Amalgamating Company 3 shall not abate, be discontinued or be in any way prejudicially affected by reason of the Amalgamation or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 2 and/or Amalgamating Company 3, as if this Scheme had not been made.

23.2. Upon the coming into effect of this Scheme, all suits, actions, and other

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proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 2 and/or Amalgamating Company 3, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 2 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 Amalgamated Company 2.

23.3. The Amalgamated Company 2 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 2 and/or Amalgamating Company 3 transferred to its name and to have the same continued, prosecuted, enforced and defended by or against the Amalgamated Company 2.

24. **Books and Records**

All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, pertaining to Amalgamating Company 2 and/or Amalgamating Company 3, to the extent possible and permitted under Applicable Law, be handed over to Amalgamated Company 2.

25. The Amalgamating Company 2 and/or Amalgamating Company 3 and/or Amalgamated Company 2, as the case may be, shall, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates held or enjoyed by Amalgamating Company 2 and/or Amalgamating Company 3 including by their respective business and operations, into Amalgamated Company 2. It is hereby clarified that if the consent/approval of any Appropriate Authority or third party is required to give effect to any such transfers/vesting, the said Appropriate Authority or third party shall, pursuant to the Order of NCLT, be obliged to give requisite consent/approval and if required, make/endorse/ duly record the transfer/ substitution/ vesting thereof in its records in the name of Amalgamated Company 2. For this purpose, Amalgamated Company 2 shall, if required, file appropriate applications/documents with relevant Appropriate Authority for information and record purposes and for this purpose the Amalgamated Company 2 shall be deemed to be authorized to execute any such applications/documents for and on behalf of Amalgamating Company 2 and/or Amalgamating Company 3 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

26. Without prejudice to the other provisions of this Scheme, Amalgamated Company 2 may, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), documents, confirmations or other writings or enter into any

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arrangements with any party to any contract or arrangement to which Amalgamating Company 2 and/or Amalgamating Company 3 is a party in respect of any matter or any writings as may be necessary in order to give formal effect to the provisions of Part IV of this Scheme. It is hereby clarified that if the consent of any third party or Appropriate Authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Amalgamated Company 2 pursuant to the sanction of scheme by the NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company 2 shall, as required, file appropriate applications/documents with relevant authorities concerned for information and record purposes. Amalgamated Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company 2 and/or Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Company 2 and/or Amalgamating Company 3 to be carried out or performed.

27. **Conduct of business**

With effect from the Appointed Date and up to and including the Effective Date:

27.1. the Amalgamating Company 2 and/or Amalgamating Company 3 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company 2;

27.2. All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by Amalgamating Company 2 and/or Amalgamating Company 3 for and on account of and in trust for Amalgamated Company 2.

27.3. All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Amalgamating Company 2 and/or Amalgamating Company 3 including accumulated losses, for the period commencing the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Amalgamated Company 2.

27.4. Any of the rights, powers, authorities or privileges exercised by Amalgamating Company 2 and/or Amalgamating Company 3, shall be deemed to have been exercised by Amalgamating Company 2 and/or Amalgamating Company 3 for and on behalf of, and in trust for and as an agent of Amalgamated Company 2. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Amalgamating Company 2 and/or Amalgamating Company 3, shall be deemed to have been undertaken for and on behalf of and as an agent of

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Amalgamated Company 2;

27.5. All taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and service tax, as applicable, cess, tax refunds) payable by or refundable to Amalgamating Company 2 and/or Amalgamating Company 3 including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Amalgamating Company 2 and/or Amalgamating Company 3) as the case may be, of Amalgamated Company 2, and any unabsorbed tax losses and depreciation as would have been available to Amalgamating Company 2 and Amalgamating Company 3 shall be available to Amalgamated Company 2 upon the Scheme becoming effective.

27.6. Amalgamating Company 2 and Amalgamating Company 3 shall not without the concurrence of Amalgamated Company 2 alienate, charge or otherwise deal with any of its assets or that forming part of Amalgamating Company 2 and Amalgamating Company 3, except in the ordinary course of their business.

28. **Saving of Concluded Transactions**

Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Company 2 and/or Amalgamating Company 3 as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 2 and/or Amalgamating Company 3 on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company 2 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 2 and/or Amalgamating Company 3 or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company 2.

29. **Consideration**

29.1. The entire issued, subscribed and paid-up share capital of the Amalgamating Company 2 is held by the Amalgamated Company 2 along with other shareholder. Upon the Scheme becoming effective, no shares of the Amalgamated Company 2 shall be allotted in lieu or exchange of its holding in the Amalgamating Company 2 and investment of Amalgamated Company 2 in entire equity share capital of Amalgamating Company 2 shall stand cancelled in the books of Amalgamated Company 2.

29.2. Upon the coming into effect of this Scheme, the share certificates, if

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any, and/or the shares in electronic form representing the shares held by the Amalgamated Company 2 in the Amalgamating Company 2 shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Amalgamated Company 2, and shall cease to be in existence accordingly.

29.3. Upon coming into effect of this Scheme, as consideration for the amalgamation of Amalgamating Company 3 into the Amalgamated Company 2 under this Scheme, the Amalgamated Company 2 shall without any further act or deed issue and allot to each member of the Amalgamating Company 3 (except Amalgamated Company 2 itself) whose name is recorded in the register of members of the Amalgamating Company 3 on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, equity shares in the Amalgamated Company 2 as per the Share Exchange Ratio of 5:13 i.e. for every 13 fully paid equity share of face value of Rs. 10 each held by such shareholder in Amalgamating Company 3, the holders thereof shall receive 5 fully paid up equity share of Amalgamated Company 2 of face value of Rs. 10 each ("**Share Exchange Ratio**").

29.4. The Share Exchange Ratio mentioned above has been arrived at based on the valuation report prepared by M/s Sharp & Tannan, Chartered Accountants, a Firm of independent Chartered Accountants. Ashika Capital Ltd. and SPA Capital Advisors Ltd., independent merchant bankers have provided fairness report on the fairness of the Share Exchange Ratio determined for the amalgamation of Amalgamating Company 3 with Amalgamated Company 2. Based on the recommendations of the audit committees of Amalgamating Company 3 and that of Amalgamated Company 2, the valuation report and fairness report as aforesaid have been duly approved by the Board of Directors of both, Amalgamating Company 3 and Amalgamated Company 2.

29.5. The equity shares issued and allotted pursuant to this Clause, shall in all respects, be subject to the Memorandum and Articles of Association of the Amalgamated Company 2 and shall rank *pari passu* with the existing equity shares of the Amalgamated Company 2.

29.6. In case any equity shareholder of Amalgamating Company 3 is entitled to receive fraction of an equity share of Amalgamated Company 2, Amalgamated Company 2 shall not issue fractional share certificates to such member but shall round off fractional entitlements to the nearest integer and allot equity shares accordingly.

29.7. The issue and allotment of the equity shares pursuant to this Clause in the Amalgamated Company 2 to the shareholders of the Amalgamating Company 3 as provided in the Scheme, shall be deemed to have been carried out as if the procedure laid down under Section 62 (1) (c) of the 2013 Act and any other applicable provisions of the 2013 Act or any amendments thereto were duly complied with.

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29.8. The Equity shares in the Amalgamated Company 2 to the members of the Amalgamating Company 3 shall be issued in same form as they are held in the Amalgamating Company 3. The new equity shares in the Amalgamated Company 2 shall be issued in dematerialized form to the shareholders of Amalgamating Company 3 who hold shares of the Amalgamating Company 3 in dematerialized form, in to the account in which the Amalgamating Company 3 shares are held or such other account as is intimated by the shareholders to the Amalgamated Company 2 and / or its Registrar. All the Amalgamating Company 3 shareholders who hold equity shares of the Amalgamating Company 3 in physical form shall also have the option to receive the equity shares in the Amalgamated Company 2, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Amalgamated Company 2 and / or its Registrar. If not so notified, they would be issued equity shares in physical form.

29.9. The equity shares of the Amalgamated Company 2 issued in terms of this Scheme shall be listed and/or admitted to trading on the stock exchange(s) where the shares of the Amalgamated Company 2 are listed and/or admitted to trading, i.e., BSE and NSE. The Amalgamated Company 2 shall enter into such arrangements and give such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issued equity shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading.

29.10. The equity shares allotted pursuant to Clause 29.3, shall remain frozen in the depositories system till listing/ trading permission is given by the Stock Exchanges, respectively.

29.11. Post the issue of shares pursuant to clause 29.3 of the Scheme, there shall be no change in the share capital of Amalgamated Company 2 between the Record Date and the listing which may affect the status of the approval by the Stock Exchanges.

29.12. The equity shares to be issued pursuant to this Scheme by Amalgamated Company 2 in respect of the equity shares of Amalgamating Company 3 which are required to be held in abeyance under the provisions of section 126 of the 2013 Act or otherwise shall, pending allotment or settlement of dispute by Order of NCLT or otherwise, be held in abeyance by Amalgamated Company 2.

30. **Cancellation of Equity Shares**

Upon the Scheme becoming effective, and upon transfer and vesting of all the said assets, liabilities and rights, duties and obligations etc. of the Amalgamating Company 3 into the Amalgamated Company 2, in terms of the

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Scheme, shares of the Amalgamating Company 3 to the extent held by the Amalgamated Company 2 shall stand cancelled.

31. **Reduction of subscribed and paid-up share capital of Amalgamated Company 2 held by Amalgamating Company 3**

31.1. Amalgamating Company 3 may sell, prior to the Scheme becoming effective, 6,81,200 equity shares and 52,400 0.01% cumulative redeemable preference shares of Amalgamated Company 2 held by Amalgamating Company 3 to the promoters of Amalgamated Company 2 and/or promoter group and/or affiliates and/or any other person in accordance with the prevailing laws, rules and regulations. Upon Part IV of the Scheme becoming effective and subject to obtaining all necessary approvals, consents, permissions etc, pursuant to the Order, the subscribed and paid up equity share capital and preference share capital of Amalgamated Company 2 to the extent held by Amalgamating Company 3 as on the Record Date, shall stand reduced and be deemed to have been reduced by cancellation and extinguishment, without any payment of consideration or any other distribution/ payment to Amalgamating Company 3.

31.2. Accounting for such capital reduction in the books of Amalgamated Company 2 shall be done in accordance with applicable Indian Accounting Standards specified under Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015, and other generally accepted accounting principles or any other relevant or related requirement under the 2013 Act.

31.3. The reduction of issued, subscribed and paid-up share capital of Amalgamated Company 2, if any, held by Amalgamating Company 3 shall:

31.3.1. have no effect on the creditors of Amalgamated Company 2 as there is no reduction in the amount payable to any of such creditors. Further, no compromise or arrangement is contemplated with the creditors and, there is no reduction in the security which the creditors may have in Amalgamated Company 2

31.3.2. not in any way adversely affect the ordinary operations of Amalgamated Company 2 or its ability to honour its commitments or to pay its debts in the ordinary course of its business since the reduction does not involve any financial outlay/ outgo on the part of Amalgamated Company 2.

31.3.3. not affect the authorised share capital of Amalgamated Company 2. The unissued authorised share capital shall be available to Amalgamated Company 2 for further issue and allotment.

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31.4. The reduction in the share capital of the Amalgamated Company 2 as contemplated in this clause 31, if any, shall be effected as an integral part of this Scheme.

32. **Accounting Treatment in the books of the Amalgamated Company 2 upon amalgamation of Amalgamating Company 2**

32.1. Upon the Scheme becoming effective, Amalgamated Company 2 shall account for the amalgamation of Amalgamating Company 2 in its books of account with effect from the Appointed Date.

32.2. The amalgamation of Amalgamating Company 2 shall be accounted for in the books of Amalgamated Company 2 in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Indian Accounting Standard 103 "Business combinations of entities under common control".

32.3. All the assets and liabilities of Amalgamating Company 2 shall stand transferred to and vested in Amalgamated Company 2 pursuant to the Scheme and shall be recorded in the books of account of Amalgamated Company 2 at their respective carrying amounts and in the same form except to ensure uniformity of accounting policies.

32.4. The balance of the reserve (other than reserves created as per Reserve Bank of India Act) appearing in the financial statements of Amalgamating Company 2 is aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company 2. The reserve created in the books of Amalgamating Company 2 as per the Reserve Bank of India Act will be taken over and merged in General Reserve in the books of the Amalgamated Company 2.

32.5. To the extent that there are inter-company loans, investments, advances, deposits, balances or other obligations between the Amalgamating Company 2 and the Amalgamated Company 2, the same will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

32.6. Upon the scheme coming into effect, the surplus/ deficit, if any, of the net value of assets, liabilities and reserves of the Amalgamating Company 2 and recorded by the Amalgamated Company 2 in terms of Clause 32.3 and 32.4 of the Scheme and after adjusting intercompany balances and investments as mentioned in Clause 32.5 above, shall be adjusted in "Capital Reserve Account" in the financial statements of the Amalgamated Company 2.

32.7. Amalgamated Company 2 shall record in its books of account, all

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transactions of Amalgamating Company 2 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

32.8. In case of any differences in accounting policy between the Amalgamating Company 2 and the Amalgamated Company 2, the accounting policies followed by the Amalgamated Company 2 will prevail and the difference till the Appointed Date will be quantified and adjusted in the statement of Profit and Loss mentioned earlier to ensure that the financial statements of the Amalgamated Company 2 reflect the financial position on the basis of consistent accounting policy.

32.9. The Board of Directors may adopt any other accounting treatment for the amalgamation of Amalgamating Company 2 with Amalgamated Company 2 which is in accordance with Accounting Standard notified under 2013 Act.

33. **Accounting Treatment in the books of the Amalgamated Company 2 upon amalgamation of Amalgamating Company 3**

33.1. Upon the Scheme becoming effective, Amalgamated Company 2 shall account for the amalgamation of Amalgamating Company 3 in its books of account with effect from the Appointed Date.

33.2. The Amalgamation of Amalgamating Company 3 with Amalgamated Company 2 shall be accounted for in accordance with "Bargain Purchase Method" of accounting as laid down in Indian Accounting Standard 103 "Business Combinations".

33.3. All the assets and liabilities of Amalgamating Company 3 shall be recorded in the books of account of Amalgamated Company 2 at their respective fair values and in the same form except to ensure uniformity of accounting policies.

33.4. Amalgamated Company 2 shall record issuance of equity shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Account.

33.5. To the extent that there are inter-company loans, advances, deposits, balances or other obligations between the Amalgamating Company 3 and the Amalgamated Company 2, the same will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

33.6. Excess, if any, of the consideration, viz., (i) fair value of equity shares

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issued & (ii) value of investment held by Amalgamated Company 2 in Amalgamating Company 3 cancelled in terms of sub-clause 30, over (i) the fair values of net assets of Amalgamating Company 3 taken over and recorded, (ii) value of share capital of Amalgamated Company 2 cancelled in terms of sub-clause 31.1 above and after making adjustment for sub-clause 33.5 above, shall be debited against the balance in Securities Premium Account arising in the books of Amalgamated Company 2 pursuant to the Amalgamation in accordance with clause 33.4 above. In the event the result is negative, it shall be credited as capital reserve in the books of account of Amalgamated Company 2.

33.7. Amalgamated Company 2 shall record in its books of account, all transactions of Amalgamating Company 3 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

33.8. In case of any differences in accounting policy between the Amalgamating Company 3 and the Amalgamated Company 2, the accounting policies followed by the Amalgamated Company 2 will prevail and the difference till the Appointed Date will be quantified and adjusted in the statement of Profit and Loss mentioned earlier to ensure that the financial statements of the Amalgamated Company 2 reflect the financial position on the basis of consistent accounting policy.

33.9. The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standard notified under 2013 Act .

34. The reduction in the Securities Premium Account of the Amalgamated Company 2, pursuant to Clause 33.6 shall be effected as an integral part of the Scheme in accordance with provisions of sections 230 to 232 read with section 52 of the 2013 Act. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

35. **Combination of Authorised Share Capital**

35.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Amalgamating Company 2 and Amalgamating Company 3 shall stand transferred to and be added with the authorised share capital of the Amalgamated Company 2 without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61, 64 and Section 232(3) of the 2013 Act and no resolutions or consent and approvals would be required to be passed by the Amalgamated Company 2.

35.2. Consequently upon the merger of the authorised share capital pursuant to clause 35.1, Clause V of the Memorandum of Association of the

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Amalgamated Company 2 upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61, 64 and Section 232 and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

*"The Authorised share capital of the Company is Rs.210,10,00,000 (Rs. Two Hundred Ten Crores Ten Lakh only), divided into 18,81,00,000 (*Eighteen Crores Eighty One lakhs) *Equity shares of Rs. 10 (Rupees Ten only) each, 5,00,000 (Five Lakhs) Preference Shares of Rs. 100 (Rupees Hundred only) each and 1,70,00,000 (*One Crore Seventy Lakhs*) Preference Shares of Rs. 10 (Rupees Ten only) each. With power to increase or reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively, such preferential, preferred, qualified or special rights, privileges, or conditions as may be determined in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company."*

35.3. It is clarified that the approval of the members of Amalgamated Company 2 to the Scheme shall be deemed to be their consent/approval for the increase of the authorized share capital, amendment of the capital clause of the Memorandum of Association under the provisions of Section 13, 14, 61 and 64 of the 2013 Act and other applicable provisions of the 2013 Act.

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PART V – GENERAL TERMS AND CONDITIONS

36. Conditions to effectiveness of the Scheme

The Scheme is conditional upon and subject to:

36.1. this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of Companies as required under the 2013 Act, as applicable, and the requisite order of the NCLT being obtained, or dispensation having been received from the NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;

36.2. such other approvals and sanctions including sanction of any Appropriate Authority, as may be required by law or contract in respect of the Scheme;

36.3. the NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to Mukand, MEL, MGFL and Adore; and

36.4. such certified/authenticated copy of the Order of the NCLT being filed with the Registrar of Companies, State of Maharashtra, Mumbai by each of the four companies Mukand, MEL, MGFL and Adore.

37. Applications/Petitions to the NCLT

Mukand, MEL, MGFL and Adore shall make and file all applications and petitions under Sections 230 to 232 read with section 52 of the 2013 Act and other applicable provisions of the 2013 Act before the NCLT, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

38. Approval of shareholders to Scheme through E-voting

The Scheme shall be approved by public shareholders of the Amalgamated Company 2 and Amalgamating Company 3 by way of e-voting in terms of para I(A)(9)(a) of Annexure I of SEBI Circular; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of the Amalgamated Company 2 and Amalgamating Company 3 in favour of the proposal are more than the number of votes cast by the public shareholders against it.

39. Dissolution

Upon the Scheme becoming effective, the Amalgamating Company 1 as per Part III of the scheme, Amalgamating Company 2 and Amalgamating Company 3 as per Part IV of the scheme shall without any further act, instrument or deed stand dissolved without being wound-up.

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40. **Compliance with Section 2(1B) of the Income Tax Act 1961 and provisions of Section 232 of the 2013 Act**

The provisions of this Scheme as they relate to the amalgamation of the Amalgamating Company 1 into and with the Amalgamated Company 1 and Amalgamating Company 2 and Amalgamating Company 3 into and with the Amalgamated Company 2 have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the provisions of this Part III & Part IV of 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.

41. **Dividend**

41.1. During the pendency of the Scheme, Amalgamating Company 1, Amalgamating Company 2, Amalgamating Company 3, Amalgamated Company 1 and Amalgamated Company 2 shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

41.2. The shareholders of Amalgamating Company 1, Amalgamating Company 2, Amalgamating Company 3, Amalgamated Company 1, and Amalgamated Company 2 shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

41.3. On and from the Effective Date, the profits and losses of Amalgamating Company 1 for the period beginning from the Appointed Date shall belong to and be deemed to be the profits and losses of Amalgamated Company 1 and all the profits and losses of Amalgamating Company 2 and Amalgamating Company 3 for the period beginning from the Appointed Date shall belong to and be deemed to be the profits and losses of Amalgamated Company 2 and will be available to Amalgamated Company 1 and Amalgamated Company 2 respectively, for being disposed off in any manner as it thinks fit.

41.4. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 and/or Amalgamated Company 1 and/or Amalgamated Company 2 to demand or claim any dividends which, subject to the provisions of the 2013 Act,

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as applicable, shall be entirely at the discretion of the Boards of Directors, subject to such approval of the members, as may be required.

42. **Action taken by SEBI/RBI**

Mr. Naresh Chandra Sharma, an Independent Director of Mukand is also at present an Independent Director of PSL Limited. PSL Limited is declared as a Wilful Defaulter by the Reserve Bank of India. Being an Independent Director of PSL Limited, name of Mr. Naresh Chandra Sharma appears on the List of Non – suit filed (Wilful Defaulters) as on 30th September, 2018.

43. **Operational sequence of the Scheme**

Upon the sanction of the Scheme and it becoming effective, the different transactions envisaged under the Scheme shall be operative in the following sequence:

43.1. Amalgamation of Amalgamating Company 1 with Amalgamated Company 1, in terms of Part III of this Scheme;

43.2. Amalgamation of Amalgamating Company 2 and Amalgamating Company 3 with Amalgamated Company 2, in terms of Part IV of this Scheme;

44. **Modifications to the Scheme**

Mukand, MEL, MGFL and Adore (by their respective Board of Directors), may in their full and absolute discretion, jointly and as mutually agreed in writing:

44.1. assent to any alteration(s) or modification(s) to this Scheme which the NCLT/or any other Appropriate Authority may deem fit to approve or impose;

44.2. give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);

44.3. modify or vary this Scheme prior to the Effective Date, in any manner at any time and thereafter subject to the approval of the NCLT; or

45. **Withdrawal of the Scheme**

For MUKAND ENGINEERS LTD.
D. J. Vora
D.J. Vora
Company Secretary

For MUKAND LIMITED
K. J. MALLYA
Company Secretary

The Amalgamating Company 1 and /or the Amalgamating Company 2 and/or Amalgamating Company 3 and/or the Amalgamated Company 1 and/or Amalgamated Company 2 acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person or otherwise is unacceptable to any of them or for any reason whatsoever.

46. **When the Scheme comes into operation and its Parts given effect to**

46.1. The Scheme shall come into operation from the Appointed Date and be effective on and from the Effective Date but shall be subject to the conditions set out in clause 36.

46.2. Amalgamated Company 2 shall carry on and shall be authorized to carry on, with effect from the Effective Date, the business pertaining to Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 respectively. For the purposes of giving effect to the Order of NCLT, Amalgamated Company 2 shall at any time pursuant to such order be entitled to get the recordal of change in the legal right(s) upon the amalgamation of Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 respectively, in accordance with the provisions of the sections 230 to 232 read with section 52 and/or the other applicable provision of the 2013 Act, as case may be. Amalgamated Company 2 is and shall always be deemed to have been authorized to execute any pleadings, applications, and forms as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

46.3. Amalgamated Company 2 shall be entitled to, amongst others, file/ or revise its income tax returns, TDS/TCS returns, goods and service tax returns, cess, or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 previously disallowed in the hands of Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 under the Income Tax Act, credit of tax under section 115JB read with section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Amalgamated Company 2 shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by them by virtue of this Scheme with effect from Appointed Date. The taxes or

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duties paid by, for, or on behalf of, Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by Amalgamated Company 2 and Amalgamated Company 2 shall be entitled to claim credit or refund for such taxes or duties.

46.4. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3, including any taxes paid and taxes deducted at source and deposited by Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 on inter se transactions during the period between Appointed Date and the Effective Date, shall be treated as tax paid by Amalgamated Company 2 and shall be available to Amalgamated Company 2 for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 on transactions other than inter se transactions during the period between Appointed Date and the Effective Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Amalgamated Company 2. Any TDS deducted by, or on behalf of, Amalgamating Company 1 and/or Amalgamating Company 2 and/or Amalgamating Company 3 on inter se transactions will be treated as tax deposited by Amalgamated Company 2.

46.5. Amalgamation of Amalgamating Company 1 in terms of Part III of the Scheme and Amalgamating Company 2 and Amalgamating Company 3 in terms of Part IV of the Scheme is not a sale in the ordinary course of business.

47. **Severability**

If any provision or part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of Mukand, MEL, MGFL and Adore, affect the validity or implementation of the other provisions and parts of this Scheme.

In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst Mukand, MEL, MGFL and Adore and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

For MUKAND ENGINEERS LTD.
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Company Secretary

48. **Costs**

48.1. In the event of the Scheme not being sanctioned by the NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

48.2. Subject to Clause 47.1 of the Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) payable in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid by Amalgamated Company 2, Amalgamating Company 2 and Amalgamating Company 3. Amalgamated Company 2 shall be entitled to claim deduction on the expenses incurred by Amalgamating Company 3 and /or Amalgamating Company 2 in relation to this Scheme.

MUKAND ENGINEERS LIMITED * MUMBAI *

For MUKAND ENGINEERS LTD.
D.J. Vora
D.J. Vora
Company Secretary

MUKAND LTD * MUMBAI-400 021 *

For MUKAND LIMITED
K. J. MALLYA
Company Secretary