

30<sup>th</sup> May, 2022

BSE Limited  
Department of Corporate Services,  
P. J. Towers, Dalal Street,  
Mumbai 400 001

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

Scrip Code: 524667

Symbol: SOTL

Dear Sir/Madam,

**Ref: Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('LODR Regulations').**

**Sub: Scheme of Amalgamation of Savita Polymers Limited with Savita Oil Technologies Limited.**

We refer to our disclosure dated 30<sup>th</sup> May, 2022 submitted under Regulation 30 read with Part A of Schedule III and all other applicable regulations, if any, of the LODR Regulations, intimating that the Board of Directors of Savita Oil Technologies Limited (the "**Company**") at its meeting held on 30<sup>th</sup> May, 2022 have considered and approved the scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 and the rules framed thereunder ("**Scheme**") in respect of the proposed amalgamation of Savita Polymers Limited ("**SPL**"), a wholly owned subsidiary, with the Company.

Further, SPL being a wholly owned subsidiary of the Company, in accordance with the provisions of Regulation 37(6) of the LODR Regulations read with SEBI Master Circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November 2021, we are enclosing herewith the certified copy of the Scheme for the purpose of disclosure.

You are requested to kindly take the same on your records and disseminate the same on your website.

Thanking you,

Yours faithfully,  
For **Savita Oil Technologies Limited**



Uday C. Rege  
Company Secretary & Executive VP – Legal  
(Compliance Officer)



Encl: A/a.



**SCHEME OF ARRANGEMENT AND AMALGAMATION  
(UNDER SECTION 230-232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER)**

**AMONGST**

**SAVITA OIL TECHNOLOGIES LIMITED**

**AND**

**SAVITA POLYMERS LIMITED**

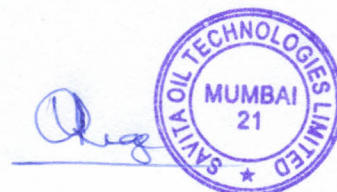
**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

## PREAMBLE

### A. Description of Companies

- i. Savita Oil Technologies Limited ("SOTL" or the "Transferee") is a public limited company listed on BSE Ltd. and on National Stock Exchange of India Limited and incorporated under the Companies Act, 1956 in the State of Maharashtra. The Corporate Identity Number (CIN) of SOTL is L24100MH1961PLC012066. The registered office of SOTL is located at 66/67, Nariman Bhavan, Nariman Point, Mumbai - 400 021, Maharashtra. SOTL was originally incorporated as Stauffer Chemicals Private Limited on July 19, 1961 and its name was later changed to Savita Chemicals Private Limited on February 8, 1965. Thereinafter, the company was converted into a public company and consequently its name was changed to Savita Chemicals Limited on November 1, 1986. On May 19, 2009, a fresh certificate of incorporation was issued wherein the name of the company was changed to Savita Oil Technologies Limited. SOTL is authorized *inter alia*: -
- (a) To manufacture Chemicals and Fine Chemicals required for and in the industries of and relating to electroplating Chemicals, Electrical Chemicals, Fine & Sensitized Paper Chemicals, Leather Chemicals, Paint and Varnish Chemicals, Paper Chemicals, Photographic Chemicals, Printing Chemicals, Pyrotechnical Chemicals, Rubber and Plastic Chemicals, Textile Chemicals, Food and Confectionary, Foodstuff Chemicals, Pharmaceutical and Cosmetic Chemicals, Baking powder and Meat Chemicals, and all other natural and synthetic chemicals used from any industry or any other purpose; and especially to manufacture Acetates, Albuminates, benzoates, Borates, Carbonates, Chlorides, Citrates, Formates, Gluconate, Glycerophosphates, Hydroxides, Lactates, Nitrates, Oxalates, Peroxides, Phosphates, Phospho-lactates, Propionates, Pyrophosphates, Saccharates, Silicates, Stearates, Succinates, Sulphates, Sulfophenolates, Tartrates, Trisilicates refined mineral oils, plasticizers, Chlorinated compounds and incidental chemicals for the use of any industry;
- (b) To carry on the business of manufactures dealers in and importers and exporters of all kinds of chemicals materials industry styrene, polystyrene, vinyl chloride, poly vinyl chloride, polyethylene, polyolefins vinyl acetate and copolymers of one or more of the above and/or other products acrylics and polyesters, poly carbonate and polyether's and epoxy resins and compositions silicone resins and compositions, P-F, U-F and other thermosetting resins and moulding compositions, nylons and similar thermoplastic materials (of synthetic or natural origin), oxygen, nitrogen, hydrogen, halogens, hydrocarbon, gases including ethylene and acetylene, propylene, butanes and guologues and allied types, reagents, agricultural chemicals, insecticides, fumigants, weedicides, pesticides, colouring materials, pigments and flakes, paints, varnishes, lacquers, finishes, dyes, toners, perfume and flavouring chemicals, rubber chemicals, plastic and resinous materials, clastomers, gums, glues, and adhesive compositions, plasticizers, surface active agènts, tanning agents coasting resins, drugs and pharmaceutical chemicals, solvents, marine chemicals, synthetic fibres, fertilizers and all types of industrial chemicals, acids, alkalis, hormones, trace elements.
- (c) To carry on the business of and dealers in chemical products, materials and substances of any nature kind and whatsoever, importers and exporters and manufacturers of and dealers in fine chemicals and heavy chemicals, alkalies, acids, drugs , tannins, essences and pharmaceuticals, photographic, sizing, medicinal, chemical, petrochemical, industrial, emulsifiers and other preparations and articles of any nature and kind whatsoever, waxes natural and synthetic, Industrial solvents and pasting agents, extenders, rubber chemicals, including vulcanisers antioxidants, accelerators reinforcing agents, carbon black silica compounds softeners, blowing agents, special chemical substances, cements, oils, paints, plasticizers and extenders, pigments and varnishers, dyestuffs, organic and mineral intermediates, makers of and dealers in proprietary articles of all kinds and of electrical, mechanical and photographic, scientific and surgical apparatus and materials.



- (d) To manufacture and produce either as principals or agents, trade and deal in any articles belonging to the business which the company may carry on and all apparatus appliances and things used in connection therewith or with any Inventions patents or privileges for the time being belonging to the company.
- ii. Savita Polymers Limited ("**SPL**" or the "**Transferor**") is a public limited company incorporated under the Companies Act, 1956 in the State of Maharashtra. The Corporate Identity Number (CIN) of SPL is U74999MH1992PLC065826. The registered office of SPL is 66/67, Nariman Bhavan, Nariman Point, Mumbai - 400 021, Maharashtra. SPL was originally incorporated under the name and style of "Savita Polymers Private Limited" on March 10, 1992. On December 3, 1992, the Registrar of Companies deleted the word 'private' from the name of the company pursuant to Section 43 A of the erstwhile Companies Act, 1956. Consequently, the name of the company was changed to Savita Polymers Limited. SPL is a wholly owned subsidiary of SOTL. SPL is authorized *inter alia*:
- (a) To carry on business of manufacture, buyers, sellers, importers, exporters, distributors and dealers in all kind of polymers including additives for lubricating, crude and fuel oils including dispersants, corrosion and oxidation, inhibitors, cetane improvers, multifunctional and CEPP additives, Crude Flow Improvers, Pour Point Depressants, Viscosity Index Improvers and additive packages and intermediates including polypropylene, polybutene, alkylates, sulfonates and their derivatives, propylene tetramer, alkyl Phenols, naphtha including paraffin and microcrystalline wax, petroleum jellies, cable filling and flooding compounds, intermediates, derivatives including lubricating oils and grease.
- (b) To manufacture Chemicals and Fine Chemicals required for and in the industries of and relating to electroplating Chemicals, Electrical Chemicals, Fine & Sensitized Paper Chemicals, Leather Chemicals. Paint and Varnish Chemicals, Paper Chemicals, Leather, Paint and Varnish Chemicals, Paper Chemicals, Photographic Chemicals, Printing Chemicals, Pyrotechnical Chemicals, Rubber and Plastic Chemicals, Textile Pharmaceutical and Cosmetic Chemicals, Baking Powder and Meat Chemicals, and all other natural and synthetic chemicals used for any industry or any other purpose; and especially to Carbonates, Chlorides, Citrates, Formates, Gluconate, Glycerophosphates, Hydroxides, Lactates, Nitrates, Oxalates, Peroxides, Phosphates, Phospho-lactates, Propionates, Pyrophosphates, Suchharates, Silicates, Stearates, Succinates, Sulphates, Sulfophenolates, Tartrates, Trisilicates, refined Mineral Oils, Sanitizers, Plasticizers, Chlorinated Compounds and incidental chemicals for the use of any industry.
- (c) To manufacture and produce either as principals or agents trade and deal in any articles belonging to the business which the company may carry on and all apparatus appliances and things used in connection therewith or with any Inventions patents or privileges for the time being belonging to the company;

The Transferor and the Transferee may hereinafter collectively be referred to as the "**Parties**" and individually as a "**Party**".

## **B. Rationale for the Scheme of Arrangement and Amalgamation**

- i. The amalgamation of the Transferor (i.e., SPL) into the Transferee (i.e., SOTL) as contemplated under Part B of the Scheme intends to achieve restructuring, consolidation and effective management of the petroleum specialty products and related businesses of the Transferor and the Transferee in a single entity which will provide synergy benefits, attain efficiencies, and cost competitiveness, as the Transferor and the Transferee are engaged into complementary business.
- ii. The restructuring, consolidation and streamlining pursuant to this Scheme intends to achieve the following benefits:



- (a) Streamlining operations, efforts, employees, costs and enable better and more efficient management, control and day to day operations and reducing overheads, administrative, and other expenditure and achieving operational rationalization, organizational efficiency, combining synergies and optimal utilization of resources and manufacturing facilities which will be in the interest of shareholders, employees, creditors, and other stakeholders, post the implementation of the Scheme;
  - (b) Since the Transferor and the Transferee are in similar and/or complementary lines of business, achieving larger and diversified product portfolio, economies of scale, efficiency, optimization of logistics and distribution network and other related economies by consolidating the business operations, post the implementation of the Scheme including enabling the Transferor and Transferee as one combined entity to be a manufacture of all three types of transformer oils viz. mineral oil, natural ester and synthetic ester and to access the plants and manufacturing facilities post the implementation of the Scheme;
  - (c) Broadening the product portfolio and addition of value added products in one entity and facilitate rapid entry into the emerging areas of alternate transformer fluids, which is being driven by safety and environmental concerns and in addition to the combining of synergies, post the implementation of the Scheme;
  - (d) Enhancing shareholder value including that of the public shareholders of the Transferee by consolidating entities engaged in similar and/or complementary business and also having inter-se contracts between them, post the implementation of the Scheme;
  - (e) Eliminating multiple accounting, multiple compliances and multiple auditing resulting in reduction of costs, post the implementation of the Scheme;
  - (f) Pooling in administrative synergies and know-how of the holding company and its wholly owned subsidiary, post the implementation of the Scheme;
  - (g) Attracting and facilitating investors, strategic partners and other stakeholders who may be interested in investing in one entity and overall offering a better investment opportunity to potential investors resulting in a greater market for the Transferee, post the implementation of the Scheme.
- iii. Accordingly, in order to achieve the above objectives, the Board of Directors of the Parties have resolved to make requisite applications and/or petitions before the Hon'ble National Company Law Tribunal/ Governmental Authority (as defined hereinafter) as the case may be and as applicable under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the rules framed thereunder and other applicable provisions for the sanction of this Scheme.
- iv. Pursuant to the Scheme, in accordance with Section 2(1B) of the Income-tax Act, 1961, the Transferor shall merge and amalgamate with the Transferee. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961, such that the modification do not affect other parts of the Scheme.



## I. PARTS OF THE SCHEME

### Parts of the Scheme

The Scheme is divided into the following parts:

- (i) Part A deals with the definitions and share capital of the Transferor and the Transferee;
- (ii) Part B deals with the amalgamation of the Transferor and the Transferee;
- (iii) Part C deals with general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for matters consequential, incidental, or otherwise integrally connected herewith.

## PART A

### DEFINITION AND SHARE CAPITAL OF THE COMPANIES

#### 1. DEFINITIONS

**"Appointed Date"** means start of business hours in Mumbai, India on April 1, 2022 or any other date as may be determined by the Board of Directors of the Parties and approved by the hon'ble NCLT;

**"Applicable Law"** means and includes any applicable central, provincial, local or other law including all applicable provisions of all (i) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any authority, statutory authority, court, tribunal having jurisdiction over the Parties; (ii) Permits; and (iii) orders, decisions, injunctions, judgments, awards and decrees or agreements with any authority having jurisdiction over the Parties;

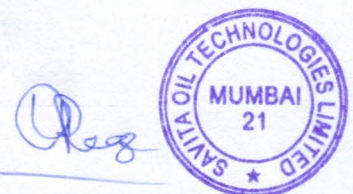
**"Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of the Transferor and the Transferee, as the context may require, and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to the Scheme and/or any other consequential or incidental matter in relation thereto;

**"Clause"** means the relevant clauses of the Scheme and of the relevant part of the Scheme as the context may require;

**"Companies Act"** or **"Act"** means the Companies Act, 2013, the rules and regulations framed thereunder including any statutory modifications, amendments, or re-enactments thereof from time to time;

**"Effective Date"** shall mean a date on which all the conditions (taken together) specified under Clause 18.1 of this Scheme stands satisfied;

**"Encumbrance"** or **"Encumbrances"** shall have the meaning as ascribed in Clause 4.20;



"Funds" has the same meaning as ascribed in Clause 11.2;

"Governmental Authority" means any governmental authority including, without limitation, the RoC, Ministry of Corporate Affairs, the Regional Director, or any other relevant authority approving the Scheme, as the case may be;

"INR" means Indian Rupee, the lawful currency of the Republic of India;

"National Company Law Tribunal" or "NCLT" means the National Company Law Tribunal, Mumbai including its benches;

"Parties" has the same meaning as ascribed in the Preamble;

"Permits" means and includes all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory, or otherwise including those required under Applicable Laws;

"Person" means and includes an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization;

"RoC" means the Registrar of Companies, Mumbai;

"Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement and Amalgamation in its present form along with any modification(s) and/or amendment(s) made under Clause 17 of the Scheme as approved or directed by the NCLT/Governmental Authority, as the case may be, as applicable; and

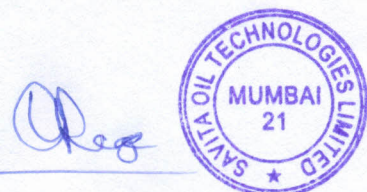
"Transferee" has the same meaning as ascribed in the Preamble;

"Transferor" has the same meaning as ascribed in the Preamble;

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

## 2. DATE OF TAKING EFFECT OF THE SCHEME

The Scheme as set out herein in its present form along with any modification(s) and/or amendments(s) made under Clause 17 of the Scheme, approved, or imposed or directed by the NCLT/Governmental Authority as the case may be, as applicable, shall be effective from Appointed Date and be operative from the Effective Date.



### 3. SHARE CAPITAL OF THE COMPANIES

3.1 The share capital of Parties as on the date of approval of this Scheme by the Board is as set out below:

(i) Share capital of the Transferee is as under:

Particulars	Amount in INR
<u>Authorised share capital</u> 3,00,00,000 equity shares of INR 10/- each	INR 30,00,00,000 /-
<u>Subscribed and fully paid-up share capital</u> 1,38,20,083 equity shares of INR 10/- each	INR 13,82,00,830/-

(ii) Share capital of the Transferor is as under:

Particulars	Amount in INR
<u>Authorised share capital</u> 20,00,000 equity shares of INR. 10/- each  30,00,000 11% redeemable cumulative preference shares of INR 10/- each	INR 5,00,00,000
<u>Subscribed and fully paid-up share capital</u> 6,10,000 equity shares of Rs. 10/- each	INR 61,00,000/-

#### PART B

#### AMALGAMATION (AMALGAMATION OF TRANSFEROR INTO TRANSFEREE)

### 4. TRANSFER AND VESTING

#### Transfer of Assets

4.1 With effect from the Appointed Date, the Transferor without any further act, instrument or deed, be and stand amalgamated, merged and transferred to and vested in or be deemed to be amalgamated, merged and transferred to and vested in the Transferee, as a going concern, so as to vest in the Transferee, all

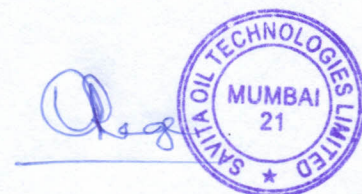


the rights, titles and interests of the Transferor pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the NCLT/Governmental Authority as the case may be, sanctioning the Scheme.

- 4.2 In respect of such assets and properties of the Transferor (as are movable in nature) which are or are otherwise capable of passing by manual delivery or by endorsement and delivery including cash in hand, shall on and from the Appointed Date be transferred or stand vested and recorded pursuant to this Scheme and be deemed to be transferred to or vested in the Transferee without requiring any deed or instrument of conveyance for the same and shall become the property and an integral part of the Transferee. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement, as may be appropriate to the property being transferred or vested and title to the property shall be deemed to have been transferred and vested accordingly.
- 4.3 In respect of movable assets of the Transferor, other than those specified in Clause 4.2 above, including, sundry debtors, outstanding loans, rights, title and interests pursuant to any contractual agreements including agreements for lease or license of the properties, investments in shares, mutual funds, bond or other securities whether recoverable in cash or in kind or value to be received, bank balances and deposits with government bodies, customers (if any), the same shall on and from the Appointed Date stand transferred to and vested in the Transferee and be deemed to be transferred to and vested in the Transferee without any requirement to provide notice or other intimation to such party, debtors or depositors, as the case may be. The Transferee may, although it is not obliged, give notice in such form as it may deem fit and proper to each party, debtors or depositors, as the case may be, that pursuant to the orders of the NCLT/Governmental Authority, as the case may be, sanctioning the Scheme, the said debts, loans, advances, etc., on and from the Appointed Date, be paid or made good or held on account of the Transferee as the person entitled thereto and the right of the Transferor, to recover or realize the same stands extinguished. The Transferee may, if required, give notice in such form as it may deem fit and proper to each Person, debtor or depositor that pursuant to the orders of the NCLT/Governmental Authority, as the case may be, sanctioning the Scheme, the said debts, loans, advances, etc., on and from the Appointed Date stand transferred to and vested in the Transferee and the said debtor or depositor should pay the said debt loan, advance or make good the same or hold the same to its account and that the rights of the Transferee to recover or realize the same are in substitution of the rights of the Transferor.
- 4.4 Upon this Scheme becoming effective and with effect from the Appointed Date, all assets relating to the Transferor that are immovable in nature shall stand transferred and vested as such by the Transferor and shall become the property and an integral part of the Transferee.
- 4.5 In respect of assets belonging to the Transferor that require execution of separate documents to effect transfer, the relevant Parties will execute the necessary documents, as and when required after the Effective Date. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in so far as the immovable properties (if any) comprised in the Transferor are concerned, the Parties shall register the true copy of the orders of the NCLT/Governmental Authority, as the case may be, sanctioning the Scheme, with the offices of the relevant Governmental Authority having jurisdiction over such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard.



- 4.6 With effect from the Appointed Date and upon the Effective Date, all unavailed credits and exemptions including any input credits, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses (if any) and other statutory benefits, including in respect of income tax (including minimum alternate tax ("MAT")), State Goods and Services Tax ("SGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Services Tax ("CGST") under Goods and Services Tax ("GST") laws, CENVAT, customs, VAT, sales tax, service tax etc. to which the Transferor are entitled to, shall be available to and vest in the Transferee without any further act or deed.
- 4.7 All the licenses, Permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims including any claim under any subsisting insurance policies, leases including all leases with Maharashtra Industrial Development Corporation, tenancy rights (if any), liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor and all rights and benefits that have accrued or which may accrue to the Transferor whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Transferee so as to become as and from the Appointed Date, the licenses, Permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims including any claim under any subsisting insurance policies, leases including all leases with Maharashtra Industrial Development Corporation, tenancy rights (if any), liberties, special status and other benefits or privileges of the Transferee and shall remain valid, effective and enforceable on the same terms and condition and shall be appropriately registered by the relevant statutory authorities in favour of the Transferee pursuant to this Scheme, in order to facilitate the continuation of operations of the Transferor in the Transferee without any hindrance, on and from the Appointed Date.
- 4.8 Without prejudice to anything contained in Clause 4.2, Clause 4.3 and Clause 4.4 above, all assets, properties and undertaking of the Transferor as on the Appointed Date, whether or not included in the books of the Transferor and all assets and properties which are acquired by the Transferor 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 Transferee, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee from the Effective Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.9 Pursuant to this Scheme, all benefits, entitlements, and incentives of any nature whatsoever (including sales tax concessions and incentives) of the Transferor to the extent statutorily available, shall be claimed by the Transferee and without the imposition of any fees, charges, taxes, or levy. Such benefits shall relate back to the Appointed Date as if the Transferee was originally entitled to such benefits, subject to compliance by the Transferee with all the terms entitled and conditions upon which such benefits were made available to the Transferor. With respect to admissibility of claim under Section 43B or similar provisions of the Income-tax Act, 1961 or such provisions becoming admissible in the period after the Appointed Date on discharging liabilities pertaining to the Transferor, the Transferee shall be entitled to such claims in the same manner and to the same extent as the Transferor would have been entitled to deduction but for the amalgamation.



- 4.10 Upon the transfer of each of the benefits, entitlements, and incentives of any nature whatsoever of the Transferor to the Transferee pursuant to the order of the NCLT/Governmental Authority, as the case may be, the Transferee shall file the relevant notifications and communications, if any required, for the record of the appropriate authorities which shall take them on record.
- 4.11 With effect from the Appointed Date, all intellectual properties, labels, brands, trademarks, trade names, service marks, copyrights, designs, software and computer programmes, databases, domain names, including those pending registrations and applications for brands, trademarks, labels, trade names, service marks, copyrights, patents, designs, software and computer programs, databases and domain names, whether owned or used by the Transferor, shall, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.12 All the insurance policies registered in the name of the Transferor shall without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee and accordingly, the name of the Transferee shall be deemed to be substituted as the insured in all such insurance policies and the insurance companies shall record the name of the Transferee in all the insurance policies registered in the name of the Transferor.

#### **Assumption/Transfer of Liabilities**

- 4.13 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor shall, pursuant to the order of the NCLT/Governmental Authority, as the case may be, under Sections 232 of the Companies Act, without any further act or deed, be transferred/assumed or deemed to be transferred/assumed to and vested in and assumed by the Transferee so as to become the debts, liabilities, duties and obligations of the Transferee subject to Clause 4.15. It shall not be necessary to obtain the consent of any third party or other Person who is a party to any contract or arrangement by virtue of which, such debts, liabilities, duties, and obligations have arisen, in order to give effect to the provisions of this Clause of this Scheme.
- 4.14 All debts, liabilities, duties, and obligations of the Transferor as on the Appointed Date, whether or not provided in the books, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor on or after the Appointed Date till and prior to the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee by virtue of this Scheme.
- 4.15 Where any such debts, loans raised, liabilities, duties, and obligations of the Transferor as on the Appointed Date have been discharged or satisfied by the Transferor as the case may be after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee.
- 4.16 All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred/assumed to and vested in or be deemed to have been transferred/assumed

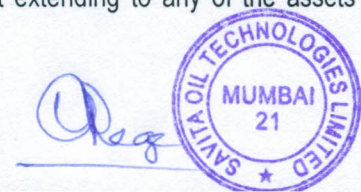


to and vested in the Transferee and shall become the loans and liabilities, duties and obligations of the Transferee which shall meet, discharge and satisfy the same.

- 4.17 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Transferor including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims on account of the Transferee.
- 4.18 In respect of share application money (if any) received by the Transferor and against which the issuance of securities and against which the issue of shares is pending, the same shall with effect from the Appointed Date be transferred/assumed or stand vested and recorded pursuant to this Scheme and/or be deemed to be transferred/assumed to or vested in the Transferee without requiring any deed or instrument of conveyance and shall become the property and an integral part of the Transferee and the Transferee shall issue and allot such securities, credited as fully paid up, to the Persons (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee) who had infused such share application money as if such issue and allotment of equity shares were carried out by the Transferor.

#### **Encumbrances**

- 4.19 The transfer and vesting of the properties, assets, liabilities, and undertakings of the Transferor to and in the Transferee in the manner as provided herein, shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent and subject to the terms hereinafter provided.
- 4.20 All the existing securities, charges, encumbrances or liens (the "**Encumbrances**"), if any, created by the Transferor after the Appointed Date, over the properties, assets, undertakings or any part thereof transferred to the Transferee by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferor, and such Encumbrances shall not relate or attach to any of the other assets of the Transferor, provided however that no Encumbrances shall have been created by the Transferor over their assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee.
- 4.21 Subject to Clause 4.20 above, the existing Encumbrances over the assets, all debts, liabilities, duties and obligations of the Transferor as on the Appointed Date, whether or not provided in the books of the Transferor, and all debts and loans raised, and duties, liabilities and obligations incurred, or which arise or accrue to the Transferor on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee by virtue of this Scheme. It is provided for abundant caution that encumbrances over receivables of the Transferor will stand transferred in manner that encumbrances continue over the receivables from existing business transferred by the Transferor and the encumbrance shall not get extended to the receivables of the existing business of the Transferee automatically by virtue of this Scheme.
- 4.22 Notwithstanding anything contained under the Scheme, any reference in any security documents or arrangements to the Transferor and its assets and properties, shall be construed as a reference to the Transferee without enlarging the scope or extent of such security documents or arrangements and the extent of such assets and properties in any manner including not extending to any of the assets or



properties of the Transferee prior to the Appointed Date and all security documents or arrangements of the Transferee shall continue as is without enlarging the scope or extent of such security documents or arrangement in any manner including not extending to any assets of the Transferor. Without prejudice to the foregoing provisions, the Transferor and the Transferee 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(s), with the RoC to give formal effect to the above provisions, if required.

- 4.23 Upon the coming into effect of this Scheme, the Transferee alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of the Scheme.
- 4.24 It is expressly provided that no other term or condition of the liabilities transferred to the Transferee is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

## PART C

### GENERAL TERMS & CONDITIONS

#### 5. CONSIDERATION

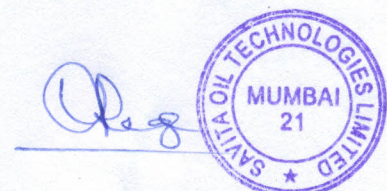
- 5.1 Given that the Transferor is a wholly owned subsidiary of the Transferee, and the entire paid-up share capital of the Transferor is either directly or beneficially owned by the Transferee, therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor with the Transferee.

#### Cancellation and reduction of shares

- 5.2 Upon the amalgamation of the Transferor into the Transferee, the Transferee's shareholding in the Transferor shall stand cancelled under all circumstances and without any further act, instrument or deed and there shall be no consideration whether in the form of issue of shares or otherwise that would be applicable in respect of any such cancellation.
- 5.3 The cancellation and reduction of the share capital of the Transferor as set out under Clause 5.2 above shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act or any other applicable provisions of the Act and the order of the Hon'ble National Company Law Tribunal sanctioning the Scheme shall be deemed as an order passed under Section 66 of the Act in respect of cancellation and reduction of such shares and without prejudice to the generality, the Transferor shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.

#### 6. ACCOUNTING TREATMENT IN THE BOOKS OF THE PARTIES

- 6.1 The accounting treatment of the amalgamation shall be as of the Appointed Date and the concerned Parties shall account for the amalgamation as per the applicable accounting standards as prescribed under section 133 of the Act.



## 7. COMBINATION OF AUTHORISED SHARE CAPITAL

- 7.1 Upon sanction of this Scheme, the authorised share capital of the Transferee as on the Effective Date shall stand increased without any further act, instrument, or deed on the part of the Transferee including payment of stamp duty and fees payable to RoC, by an amount equivalent to the authorised share capital of the Transferor.
- 7.2 As a result of combination of the authorised capital as set out under Clause 7.1 above, the memorandum of association and articles of association of the Transferee (relating to the authorized share capital), as applicable, shall, without any further act, instrument or deed, be and stand altered, modified and amended in the manner as set out herein, and the consent of the shareholders of the Transferee to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) or compliance under the applicable provisions of the Companies Act, would be required to be separately passed for this purpose. Accordingly, Clause 5 of the Memorandum of Association of the Transferee and Article 3 of the Articles of Association of the Transferee shall automatically stand amended and replaced in its entirety so as to read as appearing in quotes below:

### Clause 5 of the Memorandum of Association of the Transferee

*"The Authorised Share Capital of the Company is INR. 35,00,00,000 (Indian Rupees Thirty Five Crores only) divided into 3,20,00,000(Three Crores Twenty Lakhs) equity shares of Rs.10/- each (Rupees Ten only) and 30,00,000 (Thirty Lakhs) 11% Redeemable Cumulative Preference Shares of INR 10/- each".*

### Article 3 of the Articles of Association of the Transferee

*"The Authorised Share Capital of the Company shall be as set out under the Memorandum of Association of the Company as amended from time to time."*

## 8. DISSOLUTION OF THE TRANSFEROR

- 8.1 On and with effect from the Effective Date, the name of the Transferor shall or shall deemed to be struck off from the records of the RoC.
- 8.2 It is hereby clarified that the dissolution of the Transferor without being wound up shall occur on the completion of the Scheme and on the Effective Date,

## 9. ACTIONS OF THE TRANSFEROR AND PROFITS

- 9.1 The Board of the Transferor or any of the committee(s) thereof, if any, shall take such actions as may be necessary or desirable for the purpose of giving effect to the provisions of this Scheme.
- 9.2 Upon the Scheme becoming effective and on and from the Appointed Date, the profits of the Transferor shall belong to and be the profits of the Transferee and will be available to the Transferee for being disposed of in any manner as it thinks fit.



## 10. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 10.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor shall carry on their respective business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee alienate charge, mortgage, encumber or otherwise deal with or dispose of the assets forming part of the business of the Transferor. During this period, the Transferor undertakes to carry on and shall be deemed to have carried on their business activities and stand possessed and shall be deemed to have held and stood possessed of the properties, assets and profits pertaining to the Transferor, for and on account of and in trust for the Transferee.

## 11. EMPLOYEES AND OTHER PERSONNEL OF THE TRANSFEROR

- 11.1 From the Effective Date, all staff, employees if any, who are in employment of the Transferor and other personnel (i.e. *inter alia* apprentices, trainees whether at the factories or otherwise), on the date immediately preceding the Effective Date, shall be deemed on and from the Appointed Date, to have become staff, employees or personnel (as the case may be) of the Transferee without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee shall not be less favorable than those applicable to them with reference to their employment in the Transferor as on Effective Date.
- 11.2 On and from the Effective Date and with effect from the Appointed Date, the provident fund, gratuity fund, superannuation fund, employee state insurance scheme or any other special fund or trusts (hereinafter collectively referred as "**Funds**"), if any, created or existing for the benefit of the staff, employees or other personnel of the Transferor for any and all purposes whatsoever in relation to the administration or operation of such Fund(s) or in relation to the obligation to make contributions to the said Fund(s) in accordance with the provisions thereof, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor in relation to such Fund(s) shall become those of the Transferee. It is clarified that the services of the staff, employees and other personnel of the Transferor will be treated as having been continuous for the purpose of the said Fund(s).

## 12. LEGAL PROCEEDINGS

- 12.1 All legal proceedings of whatsoever nature by or against the Transferor pending on and/or arising after the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor.
- 12.2 The Transferee shall be entitled to have all such legal proceedings initiated by or against the Transferor as provided in Clause 12.1 above transferred to its name from on the Effective Date which will be deemed to have come into effect from the Appointed Date and to have the same continued, prosecuted and enforced by or against the Transferee as the case may be, to the exclusion of the Transferor.



### 13. TREATMENT OF TAXES

- 13.1 With effect from the Appointed Date and from the Effective Date, all taxes, duties, cess payable by the Transferor including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims on account of the Transferee.
- 13.2 With effect from the Appointed Date and upon from the Effective Date, all unavailed credits and exemptions including any input credits, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses (if any) and other statutory benefits, including in respect of income tax (including MAT), SGST, IGST, CGST under GST laws, CENVAT, customs, VAT, sales tax, service tax etc. to which the Transferor is entitled to, shall be available to and vest in the Transferee without any further act or deed.
- 13.3 From the Effective Date, the concerned Parties are expressly permitted to revise and file their respective income tax returns, including tax deducted at source, returns and certificates, any returns under the GST laws, sales tax/ value added tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme and in accordance with the Applicable Laws. Further, in case where the concerned Parties, if for any reason are unable to file their revised returns before the due date as per the provisions under Section 139(5) of the Income Tax Act, 1961, the concerned Parties be permitted to file their revised tax returns after the expiry of the due date as prescribed.
- 13.4 The Transferee shall be entitled to file/ revise its income tax returns, TDS certificates, TDS returns, and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB/115JAA of the Income Tax Act, 1961, credit of tax deducted / collected at source, credit of taxes paid/ withheld etc., if any, as may be required consequent to implementation of this Scheme.

### 14. CONTRACTS, DEEDS, ETC.

- 14.1 Subject to the provisions of this Scheme, from the Effective Date and subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which the Transferor is a party to and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Transferee and may be enforced by or against the Transferee as fully and effectually as if, the Transferee had been a party thereto in place of the Transferor. It is however provided that the contracts and agreements entered into between the Transferor and the Transferee shall stand cancelled.
- 14.2 The Transferee may at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or confirmations or enter into any tripartite arrangements, confirmations, or novation's, to which the Transferor will, if necessary, also be party in order to give formal effect to the provisions of this Scheme if so required or becomes necessary. The Transferee shall be deemed to be authorized to execute any such deeds, writings, or confirmations on behalf of the Transferor and to implement or carry out all formalities required to give effect to the provisions of this Scheme.



## 15. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Transferor and continuance of any legal proceedings by or against the Transferee shall not in any manner affect any transaction or legal proceedings already completed by any of the Transferor till the Appointed Date to the extent that the Transferee shall accept all such acts, deeds and things done and executed by and/or on behalf of the Transferor as acts, deeds and things done and executed by and on behalf of the Transferor.

## 16. APPLICATION TO NCLT/GOVERNMENTAL AUTHORITY

The Parties shall make all necessary applications under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act to the NCLT/Governmental Authority, as the case may be, as decided by the Board for seeking approval of the Scheme and for dissolution of the Transferor without being wound up.

## 17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1 The Parties by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the NCLT/Governmental Authority, as the case may be, as applicable and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable, or appropriate as a result of subsequent events or otherwise by them (i.e., the Board of Directors).

17.2 The Parties by their respective Board of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith and the same shall be binding on the Parties, in the same manner as if the same were specifically incorporated in this Scheme.

17.3 The Parties by their respective Board of Directors may jointly modify, vary, or withdraw this Scheme at any time prior to the Effective Date.

17.4 Any modification to the Scheme by the Parties after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

## 18. CONDITIONALITY OF THE SCHEME

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

- (i) The Scheme being approved by the requisite majority in number and value of the various class of shareholders of the Parties, as may be directed by the NCLT/Governmental Authority.
- (ii) The Scheme being sanctioned by the NCLT under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act and the Scheme being sanctioned/approved by Governmental Authority (if required).



- (iii) Certified copies of the orders of the NCLT/Governmental Authority sanctioning the Scheme, being filed with the RoC.
- (iv) The requisite consent, approval, or permission of any other statutory or regulatory authority including depository(ies), if any and which by law may be necessary for the implementation of this Scheme.

18.2 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. Further, the Scheme would be given effect to as per its terms only if is approved in its entirety unless specifically agreed otherwise by the Board of the Parties.

18.3 The Scheme will be operative from the Effective Date but with effect from the Appointed Date.

#### 19. EFFECT OF WITHDRAWAL OF THIS SCHEME

In the event the Scheme is withdrawn by the Parties in the manner as provided in Clause 17.3, then in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each Party shall bear and pay its respective costs, charges, and expenses for and in connection with the Scheme.

#### 20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Parties arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne in such manner as may be mutually agreed between the Parties and without prejudice to such mutual agreement between the Parties, any cash balances lying to the account of the Transferor may be utilised towards meeting such costs, charges, taxes including duties, levies and all other expenses, if any.

