

**SCHEME OF AMALGAMATION  
OF  
HATRI PHARMA PRIVATE LIMITED (TRANSFEROR COMPANY)  
AND  
VENMAXDRUGS AND PHARMACEUTICALS LIMITED (TRANSFeree COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
(Under sections 230 to 232 of the Companies Act, 2013)**

**GENERAL**

**i. PURPOSE OF SCHEME**

This Scheme of Amalgamation provides for the amalgamation of HATRI PHARMA PRIVATE LIMITED (CIN: U24232AP2010PTC116314) (hereinafter referred to as "HPPL"), referred to as "Transferor Company", with VENMAX DRUGS AND PHARMACEUTICALS LIMITED (CIN: L24230TG1988PLC009102) (hereinafter referred to as "VDPL"), referred to as "Transferee Company") pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, to the extent applicable. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

Hatri Pharma Private Limited hereinafter referred to as Transferor Company is engaged in the manufacturing of the drug intermediates, fine chemicals and also contract manufacturing. The manufacturing facilities of the Company situated at Survey No 1472, Vinjamur Village & Mandal, SPSR Nellore District, 524228, Andhra Pradesh. Registered Office at Plot No.16, 2<sup>nd</sup> Floor, Durga Shakti Peetam, Prashanth Nagar, Kukatpally, Malkajgiri, Medchal, Hyderabad, Telangana, 500072.

Venmax Drugs and Pharmaceuticals Limited hereinafter referred to as Transferee Company engaged in the business of trading of Nutraceuticals products and Drug Intermediates & Cosmetic Chemicals etc having registered office at Sy. No. 115, Brig Sayeed Road, Hanumanji Colony, Bowenpally, Picket, Hyderabad – 500009.

**ii. RATIONALE FOR THE SCHEME**

1. The businesses of both, the Transferor Company and the Transferee Company complement each other. Taking into consideration the growth prospects available, it is proposed to undertake the amalgamation. This amalgamation will inter alia result in all the businesses being housed in one listed company with the following benefits:
  - a. expected to improve operating margin of the Transferee Company to the extent procurement is from the Transferor company.



- b. help optimize/ revive the business of the Transferor Company owing to integration, higher capacity utilization and specialized management;
- c. result in a vertically integrated business model, enabling the Transferee Company to secure a consistent and quality consolidation of pharma business.
- d. enhancement of operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources through backward integration;
- e. an integrated and coordinated approach to business and a more efficient allocation of capital and resources for growth opportunities;
- f. ability to cross-sell products through the respective distribution channels;
- g. efficient materials management, warehouse rationalization and unified approach on customer engagement;
- h. unification and streamlining of legal and regulatory compliances currently required to be carried out by both, the Transferor Company and the Transferee Company;
- i. consolidation of administrative and managerial functions and elimination of multiple record-keeping, inter alia other expenditure and optimal utilization of resources; and
- j. adaptation of best practices and in enhancing mechanization/automation of various processes through latest technologies.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

### **III. PARTS OF THE SCHEME**

The Scheme is divided into following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;



- (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the equity shareholders of the Transferor Company and the treatment of convertible instruments;
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
- (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with 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 Section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification shall, however, not affect the other parts of the Scheme.

## **PART - I**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

- 1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

**"Act"** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, including the Companies Act, 2013 and provisions thereof as are notified and applicable from time to time and shall include any statutory modifications, re-enactment or amendments thereof;

**"Appointed Date"** means opening of business on April 1, 2025 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the NCLT, Hyderabad;



**"Board of Directors"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the Board of Directors of such company and, unless it is repugnant to the context, includes a duly authorised committee of directors;

**"Business Claims"** means the benefit of all rights and claims of the Transferor Company arising out of or in connection with the Transferor Company business under any agreements, licenses, warranties, conditions, guarantees, indemnities or other rights subsisting at the Appointed Date (whether express or implied) in favor of the Transferor Company.

**"Business Information"** means all information embodying know-how and other information relating to the business (whether or not confidential and no matter in what form held) including, without limitation, all designs, specifications, data, manuals and instructions and all lists of customers, suppliers, agents and distributors, business plans and forecasts and all notices, correspondence, orders and enquiries and other documents, in connection with its business.

**"Business Records"** means all records of Business Information and other data (wherever situated) and all books, files, registers, documents, literature, correspondence and other records of the Transferor Company owned or used or intended for use, in each case whether in writing or in electronic or any other form.

**"BSE"** means the BSE Limited;

**"CCI"** means the Competition Commission of India;

**"Effective Date"** means 8 (eight) business days from the last of the dates on which the conditions and matters referred to in Clause 18 hereof occur or have been fulfilled or waived; References in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date;

**"Eligible Employees"** mean all permanent employees of the Transferor Company holding stock options under the Hatri ESOP Scheme as on the Effective Date;

**"Employee Benefit Funds"** means the existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company;

**"Encumbrance"** or to **"Encumber"** means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person,





including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any person; and (iv) any adverse claim as to title, possession or use;

**"Employees"** mean all the permanent employees of the Transferor Company as on the Effective Date;

**"Financial Statements"** means the annual accounts (including balance sheet, statement of profit "Scheme taking effect" shall mean the Effective Date; and loss and cash flow statement) of the Transferor Company and the Transferee Company, including the accounts drawn up to the Appointed Date.

**"Goodwill"** means and includes the goodwill in connection with the businesses of the Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company and includes Business Claims, Business Information, Business Records, product registrations/ approvals, skilled employees, technical know-how and other Intangible Assets.

**"Governmental Authority"** means any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity in any jurisdiction authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of Law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, or any stock exchange of India or any other country;

**"Intangible Assets"** means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description through the World, in each case whether registered or unregistered, and including any applications for registration of any the following, including without limitation (i) inventions (whether patentable or not), patents, invention disclosures, and all related continuations, continuations-in-part, divisional, reissues, re-examinations, substitutions and extensions thereof: (ii) rights in computer programs (whether in source code, object code. Or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals training materials, related to any of the foregoing: (iii) copyrights and copyrightable Subject matter; (iv) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, registered designs, design rights and other similar designations of Source or origin; (v) all know-how.



confidential information, trade secrets, ideas, proprietary processes, formulae, models and methodologies: (vi) rights of publicity, privacy, and rights to personal information; (vi) moral rights and rights of attribution and integrity: (vii) any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world.

**"Law"** means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

**"Liabilities"** shall have the meaning set forth in Clause 4.3;

**"MAT"** means Minimum Alternate Tax;

**"NCLT"** means the National Company Law Tribunal, Hyderabad bench.

**"RBI"** means the Reserve Bank of India;

**"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company for determining names of the equity shareholders of the Transferor Company, who shall be entitled to shares of the Transferee Company upon coming into effect of this Scheme

**"Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation as submitted to the respective NCLT, Hyderabad together with any modification(s) approved or directed by the NCLT Hyderabad Bench.

**"SEBI"** means the Securities and Exchange Board of India;

**"Securities Act"** means the United States Securities Act of 1933, as amended;

**"Share Exchange Ratio"** means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company pursuant to the Scheme;

**"Stock Exchanges"** means the BSE;

**"Transferee Company" or "Venmax"** means Venmax Drugs and Pharmaceuticals Limited, a public limited company incorporated under the Act, and having its registered office at Sy. No. 115, Brig Sayeed Road, Hanumanji Colony, Bowenpally, Picket, Hyderabad, Secunderabad, Telangana, India, 500009;



**"Transferor Company" or "Hatri"** means Hatri Pharma Private Limited, a private limited company incorporated under the Act, and having its registered office at the Plot No.16, 2<sup>nd</sup> Floor, Durga Shakti Peetam, Prashanth Nagar, Kukatpally, Malkajgiri, Medchal, Hyderabad, Telangana, 500072.

**"Undertaking"** means the whole of the undertaking and entire business of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees including, but not limited to, the following:

- a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, without being limited to, manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, equipment, buildings and structures, offices, residential and other premises, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediates, capital work in progress, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including share application money, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates in domestic or overseas entities and including shares or other securities held by the Transferor Company in its subsidiaries), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, brands, patents, copyrights, licenses, marketing authorizations, approvals, marketing tangibles, and other intellectual property rights of any nature whatsoever and wheresoever situate, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, refunds, other benefits (including indemnities given for the benefit of the Transferor Company and tax benefits), assets held by or relating to any Transferor Company employee benefit plan, export incentives accrued, derivative



instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b) All agreements, rights, contracts, entitlements, licenses, assignments, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, brands, trademarks, licenses, marketing authorizations, approvals, marketing tangibles, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations;
- c) All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;
- d) All intellectual property rights, engineering and process information, and approvals, records, files, papers, computer programmers, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents, whether in physical or electronic form and whether owned by, licensed to or assigned to the Transferor Company, relating to the Transferor Company's business activities and operations whether in India or abroad;
- e) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise; and





- f) All permanent employees engaged by the Transferor Company as on the Effective Date.
- 1.2. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.
- 1.3. References to "Schedules", "Clauses", "Sections" and "Parts", unless otherwise stated, are references to schedules, clauses, Sections and parts of this Scheme.
- 1.4. The headings herein shall not affect the construction of this Scheme.
- 1.5. The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.6. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed without limitation.
- 1.7. References to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).



## 2. SHARE CAPITAL

### 2.1. Transferor Company:

- (i) The share capital structure of the Transferor Company as on September 30, 2025 is as follows:

(in Rupees)

Authorized Share Capital	
2,70,00,000 equity shares of Rs. 10/- each	Rs. 27,00,00,000
Issued, Subscribed and Paid-up Share Capital	
2,37,30,000 equity shares of Rs 10/- each fully paid up	Rs. 23,73,00,000

- (ii) The equity shares of the Transferor Company are unlisted on any stock exchange.

### 2.2. Transferee Company:

- (i) The share capital structure of the Transferee Company as on September 30, 2025 is as follows:

(in Rupees)

Authorized Share Capital	
2,20,00,000 equity shares of Rs. 10/- each	Rs. 22,00,00,000
Issued, Subscribed and Paid-up Share Capital	
80,07,930 equity shares of Rs. 10/- each fully paid up	Rs. 8,00,79,300
Convertible Equity Share Warrants Pending Allotment	
72,56,000 equity share warrants of Rs. 5 each received	Rs. 3,62,80,000

- (ii) The Transferee Company has issued 1,00,25,000 (One Crore Twenty-Five Thousand) convertible equity share warrants at a price of Rs. 20/- (Rupees Twenty) per warrant ("**Transferee Company Warrants**") out of which company allotted the 27,69,000 equity shares to the warrant holders pursuant to conversion of warrants and the balance 72,56,000 equity shares warrant conversion is pending. The exercise of the Transferee Company Warrants by the holder thereof would result in an increase in the issued, subscribed and paid-up equity share capital of the Transferee Company.

- (iii) The equity shares of the Transferee Company are listed on the BSE Limited.



### 3. DATE WHEN THE SCHEME COMES INTO OPERATION

The Scheme shall come into operation from the Appointed Date, but the same shall become effective on and from the Effective Date

## **PART II**

### **TRANSFER AND VESTING OF THE UNDERTAKING**

#### 4. TRANSFER OF UNDERTAKING

##### 4.1. Generally:

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of this Scheme by the NCLT, Hyderabad and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

##### 4.2. Transfer of Assets:

4.2.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and wheresoever situate shall, under the provisions of Section 230 to Section 232 of the Act and all other provisions of applicable law, if any, without any further act or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company. Notwithstanding this Clause 4.2.1, the immovable properties of the Transferor Company as may be identified by the Transferor Company shall stand transferred to the Transferee Company by way of a separate conveyance without payment of any consideration.

4.2.2. In respect of such of the assets and properties of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same may be so transferred by the Transferor



Company upon the coming into effect of the Scheme, and shall become the assets and property of the Transferee Company with effect from the Appointed Date pursuant, to the provisions of Section 230 to Section 232 of the Act and all other provisions of applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same.

4.2.3. In respect of such of the assets and properties belonging to the Transferor Company 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 deposits with any governmental authority, quasi government, local or other authority or body or with any company or other person, other than those referred to in Clause 4.2.1 above, the same shall, as more particularly provided in Clause 4.2.2 above, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date, pursuant to the provisions of Section 230 to Section 232 of the Act and all other provisions of applicable Law, if any.

4.2.4. All assets, rights, title, interest, investments and properties of the Transferor Company and any assets, right, title, interest, investments and properties acquired by the Transferor Company after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Section 230 to Section 232 of the Act and all other provisions of applicable law, if any.

4.2.5. All the consents licenses, permits, entitlements, quotas, approvals, permissions, registrations, marketing authorizations, incentives, tax deferrals, exemptions and benefits (including sales tax), subsidies, refunds, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to either of the Transferor Company, whether on, before or after the Appointed Date, including income tax and other tax benefits and exemptions shall, under the provisions of Section 230 to Section 232 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the consents, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties,





special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.2.6. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Section 230 to Section 232 of the Act and all other provisions of applicable Law, if any, the Transferee Company will be entitled to all the trade and service names and marks, brands, patents, copyrights, licenses, marketing authorizations, approvals and marketing tangibles of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including those attached to goodwill, title, interest, labels and brands registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature, and the Transferee Company may take such actions as may be necessary and permissible to get the same transferred and /or registered in the name of the Transferee Company.

#### 4.3. Transfer of Liabilities:

4.3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the NCLT, Hyderabad and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and 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.

4.3.2. All debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts, loans raised, liabilities, duties and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised,



liabilities, duties and obligations incurred by the Transferee Company by virtue of this Scheme.

4.3.3. Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on or arising after the Appointed Date have been discharged or satisfied by the Transferor Company 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 Company.

4.3.4. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company 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 Company 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 to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

4.3.5. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end on the Effective Date and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. it is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

#### 4.4. Encumbrances

4.4.1. The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 and 4.2 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.

4.4.2. All the existing Encumbrances, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or pertain to Liabilities of



the Transferor Company, the same 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 Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. No Encumbrances shall have been created by the Transferor Company over its assets after September 30, 2025 without the prior written consent of the Board of Directors of the Transferee Company or except as mutually agreed to in writing between the Transferor Company and the Transferee Company.

4.4.3. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties transferred to and vested in the Transferee Company by virtue of the Scheme.

4.4.4. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Transferor Company and the Transferee Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

4.4.5. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme. Notwithstanding such transfer of all obligations in respect of the Liabilities, any guarantees or other security provided by the promoters of the Transferor Company in respect of any Liabilities of the Transferor Company and the obligations of the promoters of Transferor Company in relation thereto shall continue and shall not be transferred to the Transferee Company or its existing promoters upon the Effective Date.

4.4.6. it is expressly provided that, save as mentioned in this Clause 4.4, no other term or condition of the liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

4.4.7. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 4.4 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.



#### 4.5. Inter - se Transactions:

Without prejudice to the provisions of Clauses 4.1, 4.2, 4.3 and 4.4, as on the Effective Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions of the Transferee Company for all purposes from the Appointed Date.

#### 4.6. Transfer of Contracts, Deeds, Etc.

4.6.1. Upon the coming into effect of this 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 Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favor, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

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

4.6.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor Company in relation to the Transferor Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any governmental authority as may be necessary in this behalf.





## 5. LEGAL PROCEEDINGS

On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and/or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

## 6. CONDUCT OF BUSINESS

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

6.1.1. The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.

6.1.2. All the profits or income accruing or arising to the Transferor Company, all cheques or payments made out to the name of the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

6.1.3. All taxes (including income tax, MAT, GST etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

6.1.4. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments



attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

6.2. With effect from September 30, 2025 and up to and including the Effective Date:

6.2.1. The Transferor Company and the Transferee Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and they shall not undertake any additional financial commitments or investments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of their group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

- (i) if the same is in its ordinary course of business as carried on by it as on September 30, 2025; or
- (ii) if written consent of the Board of Directors of the Transferee Company has been obtained; or
- (iii) if mutually agreed between the Transferor Company and the Transferee Company in writing.

6.2.2. Without prejudice to the generality of Clause 6.2.1 above, neither the Transferor Company nor the Transferee Company shall take, enter into, perform or undertake, as applicable: (i) any material decision in relation to its business and affairs and operations; and (ii) any agreement or transaction, which is not in the ordinary course of business as carried on by it as on September 30, 2025, without the prior written consent of the Board of Directors of the other company or except as mutually agreed between the Transferor Company and the Transferee Company in writing.

6.2.3. Without prejudice to the generality of Clause 6.2.1 above, neither the Transferor Company nor the Transferee Company shall make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided in Clause 9.2 below), except under any of the following circumstances:

- (i) by mutual consent of the respective Board of Directors of the Transferor Company and of the Transferee Company; or



- (ii) as may be expressly permitted under this Scheme; or
- (iii) if mutually agreed between the Transferor Company and the Transferee Company in writing.

## 7. EMPLOYEES

- 7.1. Upon the coming into effect of this Scheme, all Transferor Employees as on the Effective Date shall become the permanent employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of, or break in service as a result of the transfer of the Transferor Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Transferor Employees and such benefits to which the Transferor Employees are entitled in the Transferor Company shall also be taken into account, and the Transferor Company agrees and undertakes to pay the same as and when payable.
- 7.2. It is clarified that save as expressly provided for in this Scheme, the Transferor Employees who become the employees of the Transferee Company by virtue of this Scheme, shall be entitled to the employment policies and shall be entitled to avail of any schemes and benefits existing as on the Effective Date that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee or trade union of the Transferor Company.
- 7.3. Insofar as the provident fund, gratuity fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the Transferor Employees or to which the Transferor Company is contributing for the benefit of the Transferor Employees and other such funds, trusts, the benefits of which the Hatri Employees enjoy (the "**Employee Benefit Funds**") are concerned, all the contributions made to such Employee Benefit Funds for the benefit of the Transferor Employees and the investments made by the Employee Benefit Funds in relation to the Transferor Employees shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Hatri Employees. In the event the Transferee Company has its own funds in respect of any of the Employee Benefit Funds, such contributions and investments shall, subject to the necessary approvals and



permissions and at the discretion of the Transferee Company, be transferred to the relevant funds of the Transferee Company and shall be held for the benefit of the concerned Hatri Employees.

- 7.4. In relation to those Transferor Employees for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Hatri Employees.

## **8. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company in accordance with this Scheme.

## **PART III**

### **ISSUE OF EQUITY SHARES BY TRANSFEE COMPANY**

## **9. ISSUE OF EQUITY SHARES**

- 9.1. The provisions of this Part III shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

### **9.2. Issue of New Equity Shares by Transferee Company**

- 9.2.1. Upon the Scheme coming into effect and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register or members of the Transferor Company on the Record Date to be announced by the Board of the Transferor Company, 1(One) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 1 (One) Equity Shares of Rs 10 each fully paid-up, held by such shareholder in the capital of the transferor Company ("Share Exchange Ratio").





9.2.2. Where New Equity Shares are to be allotted to heirs, executors or administrators or as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

9.2.3. In the event of any increase in the issued, subscribed or paid up share capital of the Transferor Company or the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of share split/ consolidation/ issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferor Company or the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares. The New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and admitted to trading on the BSE, where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

9.2.4. Upon the New Equity Shares being issued and allotted to the shareholders of the Transferor Company, the shares held by the said members of the Transferor Company in the Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.

9.2.5. In so far as the New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of the Transferor Company, provided that all details relating to the account with the depository participant are available to the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/ certificate form unless such details are communicated in writing by the shareholders on or before such date as may be determined by the board of the Transferee Company or committee thereof.



9.2.6. Upon the coming into effect of the Scheme, the New Equity Shares of the Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of the Transferee Company including entitlement in respect of dividends. Provided however that the lock-in period, if any, as per applicable Law outstanding on the equity shares of the Transferor Company held by any of its shareholders shall continue to be applicable on the New Equity Shares held by such shareholder for the remainder of the period stipulated under applicable Law. The issue and allotment of the New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to and in accordance with all provisions of the Act and other applicable Law which may otherwise have been applicable to the issue and allotment of the New Equity Shares.

9.2.7. No fractional shares shall arise pursuant to the Share Exchange Ratio under this Scheme. The share entitlement of the shareholders of the Transferor Company shall be calculated in whole numbers only. Accordingly, there shall be **no fractional share entitlement**, and the Transferee Company shall **not issue or allot any fractional shares** to any shareholder."

- (i) The New Equity Shares the Transferee Company to be issued to the shareholders of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank *pari-passu* in all respects with the existing Equity Shares of the Transferee Company.
- (ii) The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading.

### 9.3. Pending Share Transfers

In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be



issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

#### **9.4. Obtaining of approvals**

For the purpose of issue of the New Equity Shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and approvals of other concerned regulatory authorities for the issue and allotment by the Transferee Company of such New Equity Shares.

#### **9.5. Fund-Raising Flexibility**

During the course of the scheme the Transferee Company shall have the right and flexibility to explore various fund-raising options such as rights issue, preferential issue, further public issue, or any other mode as may be permitted under applicable laws, and raise funds through one or more of such options to meet its working capital, expansion, and other business requirements.

### **10. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY**

#### **10.1. Increase of Authorised Share Capital**

10.1.1. As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, and the share capital of the Transferee Company shall stand reclassified into the equity share capital of the Transferee Company, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause VI of the Memorandum of Association of the Transferee Company and Article 4 of the Articles of Association of the Transferee Company shall be altered accordingly.

- a. Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically enhanced without any further act, instrument or deed. on the part of the Transferee Company, including with payment of stamp duty and fees payable to the Registrar of Companies and the provisions in the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised



share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on their authorised share capital shall be utilized and applied to the increased authorized equity share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly the Transferee Company shall be required to pay filing fees and stamp duty on the increased authorised share capital.

- b. Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein the Authorised Share Capital of the Transferor Company shall stand merged into the combined with Authorised Share Capital of the Transferee Company pursuant to the Scheme. Since the present combined Authorised Capital stands 49,00,00,000/- which is less than the post-merger issued capital of Rs. 38,99,39,300/-.

"4. The Authorized Share Capital of the Company shall be as provided for in Clause VI of the Memorandum of Association of the Company.

- 10.1.2. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

#### **PART IV**

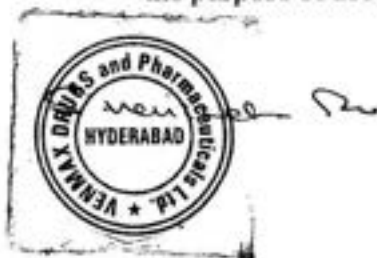
#### **ACCOUNTING TREATMENT AND DIVIDENDS**

#### **11. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY**

- 11.1. The Transferee Company shall credit its share capital account with the aggregate face value of the New Equity Shares issued to the shareholders of the Transferor Company pursuant to Clause 9.2 of the Scheme.

- 11.2. The difference between the net Asset value of the Transferor Company (i.e., the book value of assets minus the book values of the liabilities and reserves of the Transferor Company as on the Appointed Date) and the value of equity share capital to be issued to the shareholders of the Transferor Company on amalgamation by the Transferee Company, if any, shall be credited by the Transferee Company to its reserves. In case the difference results in a debit, it shall be debited by the Transferee Company to its reserves.

- 11.3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the





books of the Transferee Company, all assets and liabilities shall be recorded at Fair Value and adjust differences in Goodwill / Capital Reserve/Gain from bargain purchase price.

- 11.4. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Indian Accounting Standard Ind AS - 8 Accounting Policies, Change in Accounting Estimates and Errors, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5. The difference between the value of respective investments carried in the books of the Transferee Company and the "Fair Value" of the assets of the respective Transferor Company, shall be debited/credited to Goodwill / Other Comprehensive Income respectively as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Indian Accounting Standard Ind AS-103 issued by the Institute of Chartered Accountants of India.
- 11.6. Subject to provisions of this Scheme, the Transferee Company shall abide by Indian Accounting Standard Ind AS-103 issued by the Institute of Chartered Accountants of India.
- 11.7. The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(18) of the Income Tax Act, 1961.
- 11.8. Notwithstanding the above, the Transferee Company, in consultation with their statutory auditors, are authorized to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit in accordance with the applicable accounting standards.
- 11.9. The reserves (whether capital or revenue or on revaluation) of the Transferor Company, other than the statutory reserves should not be recorded in the Financial Statements of the Transferee Company. Where the statutory reserve is transferred and recorded, corresponding debit should be given to a suitable account head (e.g. Amalgamation Adjustment Account) which should be disclosed as a part of miscellaneous expenditure or other similar category in the balance sheet. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account should be reversed.
- 11.10. In case of any differences in accounting policies between the Transferor Company and the Transferee Company the accounting policies followed by the Transferee Company



shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

- 11.11. Any inter-company balances and inter-company investments between the Transferor Company and the Transferee Company as on the Effective date will stand cancelled and there shall be no further obligation / outstanding in that behalf.

**12. TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE**

During the period from the Appointed Date to the Effective Date:

- 12.1 The Transferor Company shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their respective businesses and undertaking for and on account of and in trust for the Transferee Company;
- 12.2 The Transferor Company shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;
- 12.3 With effect from the Appointed Date and up to and including the Effective Date, Transferor Company shall not, without the written consent of Transferee Company, undertake any new business,
- 12.4 With effect from Appointed Date/ date of approval of scheme and up to and including the effective Dae, Transferor Company shall not sell, transferor alienate. charge. mortgage or encumber or otherwise deal With or dispose of any of their Undertaking or any part thereof save and except in each case.
- (a) If the same is in the ordinary course of business of Transferor Company as carried on by them as on the date of filing this Scheme with the NCLT; or
- (b) if the same is expressly permitted by this Scheme; or
- (C) if the prior written consent of the Board of Directors of Transferee Company has been obtained.
- 12.5. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 12.6 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.



### **13. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date and the Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

### **PART V - DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS**

#### **14. DISSOLUTION OF TRANSFEROR COMPANY**

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

#### **15. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

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

#### **16. MODIFICATIONS, AMENDMENTS TO THE SCHEME**

- a. If at any time the NCLT Hyderabad, the Stock Exchanges or any Governmental authority, including SEBI, suggests or requires material modifications or amendments to the Scheme, such material modifications or amendments shall not be binding on the Transferee Company and the Transferor Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the mutual agreement in writing between the Transferor Company



and Transferee Company, the Transferor Company and Transferee Company shall perform such part accordingly.

- b. Subject to the foregoing, the Transferor Company and the Transferee Company (by any of their respective Directors) jointly:
- (a) may in their full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the NCLT Hyderabad or any authorities under Law may deem fit to approve of or impose and/or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect;
  - (b) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;
  - (c) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise;
  - (d) May mutually agree to modify any of the terms of this Scheme in the future to settle any question or difficulties (including as to the meaning or interpretation of this Scheme) or to implement the provisions of this Scheme smoothly or in any matter whatsoever connected therewith, if such need arises, and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme; and
  - (e) in their full and absolute discretion and by mutual agreement in writing, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

## 17. FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the respective High Courts having jurisdiction for sanction of this Scheme under the provisions of Law, and shall apply for such approvals as may be required under Law.





## 18. APPROVALS

- a. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.
- b. This Scheme shall be acted upon only if the votes cast by the public shareholders of each of the Transferor Company and the Transferee Company, respectively, in favor of the Scheme are more than the number of votes cast by the public shareholders of each of the Transferor Company and the Transferee Company, respectively, against it. The term "public shareholders" shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulation) Rules, 1957 as amended from time to time.

## 19. CONDITIONS OF THE SCHEME

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

- (i) The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- (ii) Approval by the NCLT Hyderabad where the registered office of the Transferor Company is located;
- (iii) The certified copy of the order of the NCLT Hyderabad sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- (iv) Compliance with such other conditions as may be imposed by the NCLT.

## 20. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event that the Scheme is not sanctioned by the NCLT or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the scheme are not obtained or complied with or for any other reason, the Scheme can not be implemented, the Scheme shall become null and void, the Amalgamated Company shall bear the costs, charges and expenses in connection with the Scheme.

## 21. TAXES / DUTIES / CESS ETC.

- a. The Transferee Company will be the successor of the Transferor Company. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor



Company as well as the unutilized credits relating to service tax paid on input services consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.

- b. With effect from the Appointed Date, all income tax paid (including advance tax and self-assessment tax), income tax refund due or receivable, tax deducted at source, alternative minimum tax, MAT, wealth tax, carried forward losses, depreciation, capital losses, pending balances of amortizations, tax holiday benefits, incentives, credits (including tax credits), MAT credit entitlement, tax losses (if available) etc., under the Income Tax Act, 1961 in respect of any assessment and/or appeal, (whether as per books or as per the Income Tax Act, 1961) and any rights / refunds under Income Tax Act, 1961 including applications for rectification, appeals filed with tax authorities of the Transferor Company shall also pursuant to Section 232 or other provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company and shall be treated as paid by the Transferee Company and it shall be entitled to claim credit, refund or adjustment for the same as may be applicable.
- c. If any of the Transferor Company is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.
- d. Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, GST returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

## 22. SEVERABILITY

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

## 23. POST SCHEME CONDUCT OF OPERATIONS



Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company.

#### **24. EXPENSES CONNECTED WITH THE SCHEME**

If the amalgamation contemplated under this Scheme is successfully consummated, all costs, charges and expenses, including any taxes, stamp duties and registration fees of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferee Company, and the stamp duty on the orders of the NCLT, Hyderabad, if any and to the extent applicable, shall also be borne and paid by the Transferee Company. If the amalgamation contemplated under this Scheme is not successfully consummated, the Transferor Company and the Transferee Company shall each bear their own costs, charges and expenses and any costs, charges and expenses incurred jointly by the Transferor Company and the Transferee Company shall be borne by each of them in the same proportion as the Share Exchange Ratio.

