

**SCHEME OF AMALGAMATION OF T N S HOTELS AND RESORTS PVT LTD
WITH MIRZA INTERNATIONAL LTD;**

**AND SHAREHOLDERS AND CREDITORS OF T N S HOTELS AND RESORTS PVT
LTD UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, AND
OTHER APPLICABLE PROVISIONS, IF ANY**

Preamble

This Scheme of Amalgamation is framed in terms of the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme provides for Amalgamation of T N S Hotels and Resorts Pvt Ltd with Mirza International Ltd on going-concern basis; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation, if any.

1.1 DEFINITIONS

In this Scheme and all other connected documents, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as under:

- 1.1.1 **"Act or Companies Act, 2013"** means the Companies Act, 2013 (18 of 2013); and Rules, Notifications, Circulars, Clarifications made or issued thereunder [including but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016]; and includes any amendments, statutory re-enactments, and modifications thereof for the time being in force; and provisions of the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- 1.1.2 **"Amalgamation"** means amalgamation of T N S Hotels and Resorts Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company) in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.1.3 **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to the Companies to this Scheme.
- 1.1.4 **"Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2023; or such other date as may be decided by the Board of Directors of the Transferor Company and the Transferee Company with the approval of the Hon'ble National Company Law Tribunal; or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- 1.1.5 **"Board" or "Board of Directors"** means the respective Board of Directors of the Transferor Company and the Transferee Company and will, unless it is repugnant to the context or otherwise, include

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Director/Authorized Signatory

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Company Secretary

Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).

1.1.6 **"Companies"** means the Transferor Company and the Transferee Company when referred collectively; and "Company" means any of these Companies, individually.

1.1.7 **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Amalgamation, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" will be a reference to the Effective Date.

It is, however, clarified that though this Scheme will become operative from the Effective Date, the provisions of this Scheme will be effective from the Appointed Date. In other words, the effective date is only a trigger point for implementation of the Scheme. As soon as the effective date is achieved, provisions of this Scheme will come into operation; and will be effective and applicable with effect from the Appointed Date in terms of the provisions of Section 232(6) of the Companies Act, 2013, and other applicable provisions, if any.

1.1.8 **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance 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 Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.

1.1.9 **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

1.1.10 **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company and the Transferee Company, or in the nature of common law rights of the Transferor Company and the Transferee Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, as well as copyright in all of the brands, logos and their variations, along with the global goodwill associated with the foregoing; uniforms, all applications and registration for the foregoing (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and

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formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.

- 1.1.11 **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.1.12 **"National Company Law Tribunal"** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/"NCLT".
- 1.1.13 **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- 1.1.14 **"Scheme"** means the present Scheme of Amalgamation framed under the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for the amalgamation of T N S Hotels and Resorts Pvt Ltd with and into Mirza International Ltd; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation, if any; in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.
- It is, however, clarified that the proposed Scheme of Amalgamation does not envisage any compromise or arrangement between the Transferee Company and its Shareholders or Creditors or any other class of persons whatsoever within the meaning of Sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, if any.
- 1.1.15 **"SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 1.1.16 **"SEBI Scheme Circular"** means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India (SEBI), on Scheme of Arrangement by Listed Entities and other related matters, as amended from time to time.
- 1.1.17 **"Stock Exchanges"** means BSE Ltd (Bombay Stock Exchange/BSE) and National Stock Exchange of India Ltd (National Stock Exchange/NSE) when referred collectively.
- 1.1.18 **"Transferor Company"** means **T N S Hotels and Resorts Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Plot No. 1-A, Sector Ecotech-1, Extension-1, Greater Noida Industrial Development Area

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Knowledge Park-I, Dadri, Gautam Buddha Nagar-201 308, Uttar Pradesh; e-mail: compliance@mirzaindia.com.

The Transferor Company-T N S Hotels and Resorts Pvt Ltd [Corporate Identification No. (CIN): U55101UP2007PTC185484; Income Tax Permanent Account No. (PAN): AADCT6850B] (hereinafter referred to as "the Transferor Company/the Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 13th May, 2007, issued by the Registrar of Companies, Delhi & Haryana, New Delhi. Registered Office of the Company was shifted from the NCT of Delhi to the State of Uttar Pradesh as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi vide Order dated 13th April, 2023. The Registrar of Companies, Uttar Pradesh, Kanpur, registered the aforesaid order and allotted a new CIN to the Company.

- 1.1.19 **"Transferee Company"** means **Mirza International Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: compliance@mirzaindia.com; website: www.mirza.co.in.

The Transferee Company-Mirza International Ltd [Corporate Identification No. (CIN): L19129UP1979PLC004821; Income Tax Permanent Account No. (PAN): AAECM3626M] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated on 5th September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6th May, 1994 issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10th August, 2005 issued by the ROC, Kanpur.

1.2 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein will, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- i. References to "persons" will include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship.
- ii. Heading, sub-heading and bold typeface are only for convenience and will not affect the construction or interpretation of this Scheme.
- iii. The term "Clause" refers to the specified Clause of this Scheme.
- iv. References to one gender includes all genders.

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- v. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms.
- vi. Words denoting singular will include the plural and vice-versa.
- vii. Reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time; and any reference to a legal provision will include any subordinate legislation made from time to time under such a statutory provision.
- viii. Unless otherwise defined, the reference to the word "days" will mean calendar days.
- ix. References to dates and times will be construed to be references to Indian dates and times.

1.3 SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company is ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each.
- ii. The present Authorised Share Capital of the Transferee Company is ₹59,38,45,000 divided into 29,69,22,500 Equity Shares of ₹2 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹27,64,03,800 divided into 13,82,01,900 Equity Shares of ₹2 each.
- iii. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company. Entire issued and paid-up share capital of the Transferor Company is held by the Transferee Company and its nominee shareholders. Whereas the Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on BSE and NSE. Both the Companies are Group Companies under the common management and control.
- iv. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued pursuant to the present Scheme of Amalgamation. Hence, there will not be any change in the issued share capital of Mirza International Ltd pursuant to the proposed amalgamation.

1.4 RATIONALE AND BENEFITS OF THE SCHEME

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of T N S Hotels and Resorts Pvt Ltd with Mirza International Ltd; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

- i. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The proposed amalgamation of the Transferor Company with the Transferee Company would result in consolidation of the Wholly Owned Subsidiary with its Parent Company and pooling of their resources into a single entity.

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- ii. The Transferee Company is the Flagship Company of the Group, engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, leather goods and accessories, and other related activities. Mirza International Ltd also owns and operates one of the most modern tanneries in India which is engaged in procuring and processing of leather. Whereas the Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferor Company is developing a real estate office project on the piece of land owned by it in Sector-136, Noida, Uttar Pradesh jointly with the Transferee Company.
- iii. The proposed amalgamation will enable smooth completion of the on-going project. The Transferee Company is proposing to consolidate its various office operations at one place by utilizing the said office premises.
- iv. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the optimal utilization of these factors in the combined entity. The proposed Scheme of Amalgamation will further strengthen the financial position of the Transferee Company.
- v. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of redundancies, reduction of overheads, optimal utilization of financial, human and other resources and enhancement of overall business efficiency. The proposed Scheme of Amalgamation will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- vi. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be made separately by the Transferee Company as well as by the Transferor Company.
- vii. The proposed Amalgamation will streamline and simplify the shareholding structure.
- viii. The proposed amalgamation would enhance the shareholders' value of the Transferor and the Transferee Companies.
- ix. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

2. TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other lands, plots and land parcels) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests,

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benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

- 2.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.
- 2.3 On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.4 Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.
- 2.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation,

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modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

- 2.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.8 With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.9 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid Clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.
- 2.11 All compliances with respect to taxes or any other law between the Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax

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deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 2.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS)/registration of the Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

3. PERMISSIONS

All statutory and regulatory permissions, approvals, consents, licenses, registrations, permits, environmental approvals, no objection certificates (NOCs), obtained or granted to the Transferor Company shall stand vested in and transferred to the Transferee Company without any further act or deed. All the concerned Authorities shall promptly mutate all such licenses and permissions, etc., in favour of the Transferee Company. Benefits and obligations of all such permissions, approvals, consents, licenses, registrations, permits, environmental approvals, NOCs, etc., shall vest in and shall be available to the Transferee Company pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed by or availed of by the Transferor Company; the same shall vest with and be available to the Transferee Company on the same terms and conditions.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour 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 thereto.
- 4.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- 4.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to

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above on the part/behalf of the Transferor Company to be carried out or performed.

5. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

6. DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up.

7. STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANY

- 7.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Transferee Company on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them in the Transferor Company on the Effective Date.
- 7.2 Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees, if any, of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

From the Appointed Date until the Effective Date,

- i. The Transferor Company shall stand possessed of all the assets and properties referred to in Clause 2 above, in trust for the Transferee Company. Accordingly, any asset or property acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company.
- ii. The Transferor Company shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all

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purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

- iii. Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.
- iv. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company.
- v. The Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

9. ISSUE OF SHARES BY TRANSFEE COMPANY

- 9.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued pursuant to the present Scheme of Amalgamation. There will not be any change in the share capital of the Transferee Company pursuant to the proposed amalgamation.

10. UPON THIS SCHEME BECOMING EFFECTIVE:

- 10.1 Entire Issued Share Capital and share certificates of the Transferor Company will automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.
- 10.2 Cross holding of shares between the Transferor Company and the Transferee Company, on the Record Date, if any, will stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under Sections 230 and 232 of the Companies Act, 2013, will be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.
- 10.3 The authorised share capital of the Transferor Company will be added to and will form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company will stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. In terms of the provisions of Section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital will be set-off against the

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fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company will stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

- 10.4 Save as provided in this Scheme, the Transferee Company will increase/modify its Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Amalgamation by the Shareholders of the Transferee Company will be sufficient for such modification/increase in the authorised share capital and no further approval from the Shareholders or any other person will be required for the same.

11. ACCOUNTING TREATMENT FOR AMALGAMATION

- 11.1 Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.
- 11.2 The Transferee Company shall give effect of the proposed amalgamation in its books of accounts in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles. Following are the salient features of the accounting treatment to be given:
- 11.2.1 All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
- 11.2.2 Cross investments or other inter-company balances, if any, will stand cancelled.
- 11.2.3 All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- 11.2.4 Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus in the books of the

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Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

11.2.5 Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

11.3 It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

12. APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL

12.1 The Transferor Company will make necessary application(s)/ petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.

12.2 The Transferee Company will make necessary application(s)/ petition(s) under the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

13. COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions later whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

14. COMPLIANCE WITH SEBI REGULATIONS

14.1 In terms of the provisions of Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India (the SEBI Scheme Circular), since the present Scheme solely provides for amalgamation of a Wholly Owned Subsidiary

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with its Parent Company, no formal approval, NOC or vetting is required from the BSE, NSE or SEBI for the Scheme.

- 14.2 In terms of the SEBI Scheme Circular, the present Scheme of Amalgamation is only required to be filed with the Stock Exchanges for the purpose of disclosure and dissemination on their website.
- 14.3 Notwithstanding above, the Transferee Company will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Listing Regulations, SEBI Scheme Circular, Listing Agreement, SEBI Regulations, and other applicable provisions, if any, in connection with this Scheme and other connected matters.
- 14.4 BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1 The Transferor Company and the Transferee Company, through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 14.2 To give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and is authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

16. SEVERABILITY

If any provision of this scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the consent of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other provisions of this scheme.

17. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

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Company Secretary

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