

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

**Allcargo Logistics Limited**  
(Demerged Company/Transferee Company 2)

AND

**Allcargo Supply Chain Private Limited**  
(Transferor Company 1)

AND

**Gati Express & Supply Chain Private Limited**  
(Transferor Company 2)

AND

**Allcargo Gati Limited**  
(Transferee Company 1/ Transferor Company 3)

AND

**Allcargo ECU Limited**  
(Resulting Company)

AND

**THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

**OVERVIEW, OBJECTS AND BENEFITS OF THE SCHEME**

**A. Description of Companies**

- (a) **Allcargo Logistics Limited** (hereinafter referred to as the “**Demerged Company**”, with respect to Section B of the Scheme, and “**Transferee Company 2**”, with respect to Section D of the Scheme) is a listed public limited company incorporated on August 18, 1993 under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN L63010MH2004PLC073508 having its registered office at 6th Floor, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400098, Maharashtra, India. The equity shares of Demerged Company are listed on BSE and NSE. The Demerged Company is engaged inter-alia in the business of international supply chain, related logistics businesses, and other support functions, as specified in its Memorandum of Association.
- (b) **Allcargo Supply Chain Private Limited** (formerly known as Avvashya Supply Chain Private Limited and hereinafter referred to as the “**Transferor Company 1**”) is a private limited company incorporated on February 28, 2008, under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN U45200MH2008PTC179557, having its



registered office at 6<sup>th</sup> Floor, Allcargo House, CST Road, Kalina Santacruz (East), Mumbai-400098, Maharashtra, India. The Transferor Company 2 is engaged inter-alia in the business of contract logistics and warehousing services, as specified in its Memorandum of Association.

- (c) **Gati Express & Supply Chain Private Limited** (formerly known as Gati-Kintestu Express Private Limited and hereinafter referred to as the **"Transferor Company 2"**) is a private limited company incorporated on November 14, 2007, under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN U62200MH2007PTC390900 having its registered office at 4<sup>th</sup> Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai-400098, Maharashtra, India. The Transferor Company 2 is engaged inter-alia in the business of express distribution and supply chain, as specified in its Memorandum of Association.
- (d) **Allcargo Gati Limited** (formerly known as Gati Limited), hereinafter referred to as the **"Transferee Company 1"**, with respect to Section C of the Scheme, and **"Transferor Company 3"**, with respect to Section D of the Scheme) is a listed public limited company incorporated on April 25, 1995 under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN L63011TG1995PLC020121, having its registered office at Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p), Kondapur, Hyderabad, Rangareddi, Telangana – 500084. The Transferee Company 1 is in the process shifting its registered office to Mumbai and the application is currently pending for final approval with Registrar of Companies, Mumbai This process is expected to be completed prior to filing of the Scheme with NCLT. The Transferee Company 1 is engaged inter-alia in the business of domestic express and supply chain logistics as specified in its Memorandum of Association.
- (e) **Allcargo ECU Limited** (hereinafter referred to as the **"Resulting Company"**) is a public limited company incorporated on August 20, 2023 under the Companies Act, 2013 with CIN U52220MH2023PLC408966 and having its registered office at 6<sup>th</sup> Floor, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400098, Maharashtra, India. The Resulting Company is engaged inter-alia in the business of logistics services, as specified in its Memorandum of Association.

The Transferor Company 1 and Transferor Company 2 shall hereinafter collectively be referred to as **"Transferor Companies"**.

## B. Overview of the Composite Scheme of Arrangement

This Composite Scheme of Arrangement (hereinafter referred to as the **"Scheme"**) provides for:

- (i) the transfer by way of demerger of the Demerged Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company, and the consequent issue of New Equity Shares of Resulting Company by Resulting Company to the shareholders of the Demerged Company (**"Demerger"**), pursuant to Section 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(19AA) of IT Act, and listing of the New Equity Shares of Resulting Company on the Stock Exchanges (as defined hereinafter) along with various other matters consequential or otherwise integrally connected therewith;





- (ii) the transfer by way of amalgamation of Transferor Company 1 and Transferor Company 2 with and into the Transferee Company 1, and the consequent cancellation of equity shares of Transferor Company 2 held by the Transferee Company 1, and of Transferor Company 1 and Transferor Company 2 held by the Demerged Company ("Amalgamation 1"), pursuant to Section 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(1B) of IT Act; and issue of New Equity Shares of the Transferee Company 1, by the Transferee Company 1 to the shareholders of Transferor Companies.
- (iii) the transfer by way of amalgamation of Transferor Company 3 with and into the Transferee Company 2, and the consequent cancellation of equity shares of Transferor Company 3 held by the Transferee Company 2 ("Amalgamation 2"), pursuant to Section 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(1B) of IT Act; and issue of New Equity Shares of the Transferee Company 2, by the Transferee Company 2 to the shareholders of Transferor Company 3.

After the effectiveness of this Scheme, the Share Capital of (i) Resulting Company consisting of the fully paid up New Equity Shares of Resulting Company issued as consideration in terms of Section B of this Scheme, to the shareholders of Demerged Company, and (ii) Transferee Company 2 consisting of the fully paid-up New Equity Shares of Transferee Company 2 issued as consideration in terms of Section D of this Scheme to the shareholders of Transferor Company 3; each shall be listed on the Stock Exchanges in accordance with the provisions of SEBI Master Circular No. SEBI/HO/CFD/POD-2 /P/CIR/ 2023/93 dated June 20, 2023, as amended from time to time.

### C. Rationale and Benefits of this Scheme

This Composite Scheme of Arrangement results in the following benefits:

1. The Demerged Company is presently engaged, directly, & indirectly through subsidiaries, in the International Supply Chain Business as well as Express Logistics and Contract Logistics businesses through the Transferee Company 1, Transferor Company 1 and Transferor Company 2. These businesses are distinct, with different business models, industry dynamics and have unique financial and management requirements. The purpose of this Scheme is to make these businesses achieve strategic independence and financial flexibility.
2. Section B of the Scheme (relating to Demerger of the International Supply Chain Business) would enable creation of an independent company focusing on the International Supply Chain Business (in the Resulting Company).
3. The businesses of Transferee Company 1, Transferor Company 1 and Transferor Company 2 are complementary in nature, with similar strategies, target markets, growth opportunities, industry dynamics, competition, risks, and challenges. Due to close synergies between these companies, these businesses would benefit from a unified management structure. Due to legacy reasons, these businesses are undertaken by different entities and have different ownership structure. Section C of the Scheme (relating to Amalgamation 1) would bring all these





synergistic businesses under one entity focusing on Express Logistics and Contract Logistics businesses (in Transferee Company 1).

4. This Scheme will result in simplification of the corporate structure and reducing the number of legal entities. The International Supply Chain Business will be undertaken by the Resulting Company, which will be directly owned by the shareholders. Pursuant to the Amalgamation 1 and Amalgamation 2, the Express Logistics and Contract Logistics Businesses will be undertaken by the Transferee Company 2, which will be directly owned by the shareholders.
5. This will lead to focused and efficient management control, independent growth plans, financial independence, streamlining operations, and optimising costs.
6. The Resulting Company and Transferee Company 2 will be able to attract investors with specific knowledge, expertise and risk appetite corresponding to the business in the respective entities. Thus, each entity will have like-minded investors, thereby providing the necessary funding impetus to long-term growth strategies of each of the businesses.
7. The existing equity shares of the Transferor Company 3 and Transferee Company 2 are already listed on BSE and NSE. Pursuant to the Scheme, the New Equity Shares of the Resulting Company will be issued to shareholders of Demerged Company. The Scheme will also result in New Equity Shares of the Transferee Company 2 to be issued to shareholders of Transferor Company 3. These new equity shares will be listed on BSE and NSE. This Scheme will unlock value for shareholders.

The Board of Directors of the Demerged Company, Resulting Company, Transferor Companies and Transferor Company 3 believe that the Scheme is in the best interests of the respective entities / stakeholders including its shareholders.

#### **D. Treatment of the Scheme for the purposes of the IT Act**

The restructuring as embodied in this Scheme is intended to provide greater business focus both in the Transferee Company 2 and Resulting Company. The provisions of this Scheme have been drawn up to comply with the conditions under sections 2(1B) and 2(19AA) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with sections 2(1B) and 2(19AA) of the IT Act. Such modifications will however not affect the other parts of the Scheme, such that:

##### **(i) With respect to the Demerger**

- (a) All the assets and properties of the Demerged Undertaking (as defined hereinafter) being transferred/hived off by the Demerged Company immediately before the Demerger, become the properties of the Resulting Company, by virtue of the Demerger;
- (b) All the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company immediately before the Demerger, become the liabilities of the Resulting Company, by virtue of the Demerger;





- (c) The properties and the liabilities, if any, relating to the Demerged Undertaking, are transferred to the Resulting Company at the values appearing in the books of accounts of the Demerged Company immediately before the Demerger; unless a different value is required to be recorded by virtue of the rules prescribed under the Indian Accounting Standard ("Ind-AS"), as set out in Clause 5.17 of this Scheme;
- (d) The shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the Demerger, or by a nominee for, the Resulting Company or their respective subsidiaries) shall become shareholders of the Resulting Company by virtue of the Demerger.
- (e) The transfer of the Demerged Undertaking will be on a going concern basis;

(ii) With respect to the Amalgamation 1

- (a) All the assets and properties of the Transferor Companies immediately before Amalgamation 1, become the assets and properties of the Transferee Company 1, by virtue of Amalgamation 1;
- (b) All the liabilities of the Transferor Companies immediately before Amalgamation 1, become the liabilities of the Transferee Company 1, by virtue of Amalgamation 1;
- (c) The shareholders holding not less than three-fourths in value of the shares in the Transferor Companies (other than shares already held therein immediately before Amalgamation 1 by, or by a nominee for, the Transferee Company 1 or their respective subsidiaries) shall become shareholders of the Transferee Company 1 by virtue of Amalgamation 1.

(iii) With respect to the Amalgamation 2

- (a) All the assets and properties of the Transferor Company 3 immediately before Amalgamation 2, become the assets and properties of the Transferee Company 2, by virtue of Amalgamation 2;
- (b) All the liabilities of the Transferor Company 3 immediately before Amalgamation 2, become the liabilities of the Transferee Company 2, by virtue of Amalgamation 2;
- (c) The shareholders holding not less than three-fourths in value of the shares in the Transferor Company 3 (other than shares already held therein immediately before Amalgamation 2 by, or by a nominee for, the Transferee Company 2 or their respective subsidiaries) shall become shareholders of the Transferee Company 2 by virtue of Amalgamation 2.

**E. Sections of the Scheme & Sequence of Effectiveness**

Accordingly, this Scheme is divided into five sections, as follows:

- (a) Section A: Definitions and Terms of the Scheme.
- (b) Section B: Demerger of the Demerged Undertaking, on a going concern basis.
- (c) Section C: Amalgamation of Transferor Company 1 and Transferor Company 2 with Transferee Company 1.
- (d) Section D: Amalgamation of Transferor Company 3 with Transferee Company 2.
- (e) Section E: Other provisions, including the General Terms and Conditions.





## Section A – Definition and Terms of the Scheme

### 1. DEFINITIONS

In this Scheme, the following words and expressions, unless inconsistent with the context, shall bear the meanings assigned hereto. Any term not specifically defined hereunder but used elsewhere in the Scheme shall have the meaning as ascribed to such term under the relevant section or paragraph in which it is used.

- 1.1. **"2013 Act" or "the Act"** means the Companies Act, 2013, as notified, and ordinances and rules made thereunder and shall include any statutory modification(s), re-enactment(s) and/or amendment(s) thereof for the time being in force.
- 1.2. **"Amalgamation 1"** means the transfer by way of amalgamation of Transferor Company 1 and Transferor Company 2 with and into the Transferee Company 1, and the consequent cancellation of equity shares of Transferor Company 2 held by the Transferee Company 1, and of Transferor Company 1 and Transferor Company 2 held by the Demerged Company (**"Amalgamation 1"**), pursuant to Section 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(1B) of IT Act; and issue of New Equity Shares of the Transferee Company 1, by the Transferee Company 1 to the shareholders of Transferor Companies.
- 1.3. **"Amalgamation 2"** means the transfer by way of amalgamation of Transferor Company 3 with and into the Transferee Company 2, and the consequent cancellation of equity shares of Transferor Company 3 held by the Transferee Company 2 (**"Amalgamation 2"**), pursuant to Section 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(1B) of IT Act; and issue of New Equity Shares of the Transferee Company 2, by the Transferee Company 2 to the shareholders of Transferor Company 3.
- 1.4. **"Amalgamation"** means Amalgamation 1 and Amalgamation 2.
- 1.5. **"Applicable Law"** means (a) all the applicable statutes, notifications, enactments, acts of legislature, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders, or other instruments having force in law enacted or issued by any Government or Governmental Authority(ies) including any statutory modifications, amendments or re-enactments thereof for the time being in force; and (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, orders, decrees, as may be in force from time to time.
- 1.6. **"Appointed Date 1"** means the 1<sup>st</sup> day of October, 2023, with respect to the Demerger and Amalgamation 1.
- 1.7. **"Appointed Date 2"** means the Effective Date, with respect to Amalgamation 2.
- 1.8. **"Board of Directors" or "Board"** means and includes the respective boards of directors of Demerged Company, Transferor Companies, Transferee Company and Resulting Company or any committee constituted by such board of directors.





1.9. "BSE" means BSE Limited.

1.10. "CIN" means Company Identification Number.

1.11. "Copyrights" means rights associated with works of authorship, including exclusive exploitation rights, copyrights, moral rights and all registrations and applications therefor and all extensions, restorations, and renewals thereof.

1.12. "Demerged Undertaking" means the business of International Supply Chain / Multimodal Transport business (ISC / MTO) of Demerged Company ("Business Division") related logistics businesses, and other support functions, on a going concern basis, and shall include (without limitation):

- a) all assets wherever situated, whether movable or immovable, tangible or intangible, Intellectual Property Rights, buildings, vehicles, offices, investments, interest, capital work-in-progress, furniture, fixtures, office equipment, appliances, accessories (including, supplies, advertisement and promotional material), licenses, permits, quotas, approvals, registrations, lease, tenancy rights in relation to office and residential properties, incentives if any, municipal permissions, consents, or powers of every kind, nature and description whatsoever in connection with operating or relatable to the Business Division;
- b) Without limiting the generality of the aforesaid, including some common assets pertaining to Demerged Company but not specifically relatable to Business Division and as more particularly listed in Schedule A hereto;
- c) all other permissions, rights (including rights under any contracts or agreements or memorandum of understanding, government contracts, etc.), entitlements, copyrights, patents, royalties, and other designs, trade secrets, or Intellectual Property Rights of the Business Division of any nature and all other interest exclusively relating to the services/ products being dealt with by the Business Division; and all trademarks, trade names, domain names owned by Demerged Company;
- d) all deposits, advances and or moneys paid or received by Demerged Company in connection with or pertaining or relatable to the Business Division, all statutory licenses and/or permissions to carry on the operations of the Business Division and any financial assets, corporate guarantees issued by the Demerged Company and the benefits of any bank guarantees issued in relation to and for the benefit of the Business Division, deferred tax benefits, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Business Division;
- e) all shares and securities held by the Demerged Company in relation to Business Division, including shares held in any and all subsidiaries of the Demerged Company engaged in the Business Division;
- f) all debts, liabilities, duties, and obligations pertaining to the Business Division and in particular the following:





- (i) The liabilities, which arise out of the activities or operations of the Business Division;
  - (ii) Specific loans and borrowings raised, incurred and utilized for the activities or operations of the Business Division;
  - (iii) Liabilities other than those referred to in (i) and (ii) above and not directly relatable to the remaining business of Demerged Company being the amounts of general or multipurpose borrowings of Demerged Company shall be allocated to the Business Division in the same proportion which the value of the assets transferred under this clause bears to the total value of Demerged Company immediately before giving effect to this Scheme;
- g) all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by the Demerged Company directly or indirectly in connection with or relating to the Business Division;
  - h) all necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Business Division;
  - i) All permanent and/or temporary employees of Demerged Company substantially engaged in the Business Division and such other permanent and/or temporary employees that are determined by the Board of Directors of the Demerged Company;
  - j) all legal or other proceedings, claims, notices, demands and obligations of whatsoever nature and whether known or unknown, contingent or otherwise, present or future relating to the Business Division, excluding those related to the Remaining Business;
  - k) All insurance policies related to the Business Division;
  - l) all the credits for taxes such as sales tax, value added tax, service tax, CENVAT, GST and other indirect taxes, advance tax, tax credits (including but not limited to minimum alternate tax credit, pre-deposits made in indirect taxes), deferred tax benefits, tax deduction at source, accumulated losses and unabsorbed depreciation as per books if any as well as per the IT Act, enjoyed by the Demerged Company pertaining to the Business Division;
  - m) all exemption, benefits, allowance, rebates, etc. under IT Act (including right to admissibility of claim under the IT Act or such provisions becoming admissible in the period after the Appointed Date 1 on discharging liabilities pertaining to Business Division);

Any question that may arise as to whether a specified asset or liability pertains to Business Division or whether it arises out of the activities or operations of the Business Division shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

The broad list of assets, liabilities and intangibles including Intellectual Property Rights, as agreed upon between Demerged Company and Resulting Company is enclosed in Annexure A hereto.





- 1.13. **"Demerger"** means the transfer by way of demerger of the Demerged Undertaking to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the Shareholders of the Demerged Company as set out in Section-B hereof and shall have the same meaning as defined under section 2(19AA) of the Income-tax Act, 1961.
- 1.14. **"Effective Date"** means the date on which all the conditions and matters in relation to the Scheme referred to in clause 40 of this Scheme have been fulfilled.
- 1.15. **"ESAR 2021"** shall mean GATI – Employees Stock Appreciation Rights Plan, 2021 as approved by the Board of Directors of the Transferor Company 3 and its shareholders as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.
- 1.16. **"IT Act"** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.17. **"Intellectual Property"** shall mean all intellectual property and other proprietary rights of any kind or nature, in India or outside India, whether registered or unregistered, whether protected, created or arising under any Law, including but not limited to the following: (i) patent rights, (ii) industrial design rights, and all registrations thereof, applications therefor and renewals and extensions of the foregoing, (iii) Marks, (iv) Copyrights, (v) Know-How and Other Information, all other intellectual property and proprietary rights, (vi) all tangible embodiments of any of the foregoing and (vii) all rights, benefits, and priorities afforded under Applicable Law with respect to any of the foregoing.
- 1.18. **"Intellectual Property Rights"** shall mean all rights arising out of or in relation to the Intellectual Property.
- 1.19. **"Know-How and Other Information"** means information, know-how, inventions, discoveries, compositions, formulations, formulas, practices, procedures, processes, methods, knowledge, trade secrets, technology, techniques, designs, drawings, correspondence, business models, franchisee data, computer programs, Software documents, apparatus, results, strategies, regulatory documentation and submissions, and information pertaining to, or made in association with, filings with any Governmental Authority, filings with any trademark, copyright or patent office, data, in written, electronic, oral or other tangible or intangible form, whether or not patentable; non-registrable trademarks.
- 1.20. **"Marks"** means all trademarks, trade names, trade dress, service marks, service names, logos, corporate names, product configuration rights, business symbols, brand names, certification marks, or domain names, and other indications of origin, whether registered or unregistered, and all registrations and applications therefor and all renewals of any of the foregoing, together with the goodwill associated any of with the foregoing.
- 1.21. **"NCLT"** means the National Company Law Tribunal, Mumbai Bench.
- 1.22. **"NSE"** means National Stock Exchange of India Limited.
- 1.23. **"Remaining Business"** means all other businesses, divisions, assets and liabilities of the Demerged Company that shall remain with the Demerged Company which is not transferred to the Resulting Company as part of this Scheme.





- 1.24. **"Rupees"** or **"Rs."** or **"INR"** or **"₹"** means the lawful currency of India.
- 1.25. **"Record Date 1"** shall mean in relation to Demerger and Amalgamation 1, such date to be fixed by the Board of Directors of Demerged Company (in the context of Demerger)/ Transferee Company 1 (in the context of Amalgamation 1) or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date, for the purpose of determining the members of Demerged Company to whom shares of Resulting Company (in case of Demerger) and members of Transferor Company 1 and Transferor Company 2 to whom the shares of Transferee Company 1 (in case of Amalgamation 1) will be allotted pursuant to this Scheme.
- 1.26. **"Record Date 2"** shall mean in relation to Amalgamation 2, such date to be fixed by the Board of Directors of Transferee Company 2 or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date, for the purpose of determining the members of Transferor Company 3 to whom the shares of Transferee Company 2 will be allotted pursuant to this Scheme.
- 1.27. **"Scheme"** means this composite scheme of arrangement among Demerged Company/Transferee Company 2, the Resulting Company, Transferor Companies, Transferee Company 1/ Transferor Company 3, and their respective shareholders pursuant to the provisions of sections 230 to 232 of the Companies Act, and other applicable provisions of the Act, as the case may be, in its present form or with any modification(s) made under clause 39 of the Scheme, and/ or as approved or directed by the NCLT.
- 1.28. **"SEBI"** means the Securities and Exchange Board of India.
- 1.29. **"SEBI Circular"** means Master Circular No. SEBI/HO/CFD/POD-2 /P/CIR/ 2023/93 dated June 20, 2023 (as amended from time to time), or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.30. **"Shareholders"** means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of company concerned.
- 1.31. **"Stock Exchanges"** means the BSE and NSE.

## 2. INTERPRETATION

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income-tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

- (i) the words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;
- (ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;





- (iii) the words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (v) the term "Clause" or "Sub-Clause" refers to the specified clause of this Scheme, as the case may be;
- (vi) 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 legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- (vii) words in the singular shall include the plural and vice versa.

### 3. DATE OF COMING INTO EFFECT

Different parts of the Scheme shall come into operation from the Appointed Date 1 and Appointed 2 respectively, though it shall be effective from the Effective Date.

### 4. SHARE CAPITAL

- 4.1 The authorized, issued, subscribed and paid-up capital of the Demerged Company as on November 30, 2023 is as follows:

PARTICULARS	AMOUNT (Rs.)
<b>AUTHORIZED CAPITAL</b>	
29,47,25,000 Equity Shares of Rs 2/- each	58,94,50,000
500 4% Cumulative Redeemable Preference Shares of Rs 100/- each	50,000
5,45,000 Redeemable Preference shares of Rs 100 each	5,45,00,000
	64,40,00,000
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	
24,56,95,524 Equity Shares of Rs 2/- each fully paid up	49,13,91,048
<b>TOTAL</b>	49,13,91,048

The Board of Directors & shareholders of the Demerged Company have approved the increase in the authorised share capital of the Demerged Company and issuance of bonus shares to its existing shareholders. After considering this, the authorized, issued, subscribed and paid-up capital of the Demerged Company, post the issuance of bonus shares will be as follows:

PARTICULARS	Post Bonus Issue Amount (Rs.)
<b>AUTHORIZED CAPITAL</b>	
100,00,00,000 Equity Shares of Rs 2/- each	200,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	
98,27,82,096 Equity Shares of Rs 2/- each fully paid up	196,55,64,192
<b>TOTAL</b>	196,55,64,192





- 4.2 The authorized, issued, subscribed and paid-up capital of the Transferor Company 1 as on November 30, 2023 is as follows:

PARTICULARS	AMOUNT (Rs.)
<u>AUTHORIZED CAPITAL</u>	
23,00,00,000 Equity Shares of Rs 10/- each	2,30,00,00,000
2,00,00,000 Redeemable Preference shares of Rs 10/- each	20,00,00,000
<u>TOTAL</u>	<b>2,50,00,00,000</b>
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
22,91,57,113 Equity Shares of Rs 10/- each fully paid up	2,29,15,71,130
1,97,28,682 Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid up	19,72,86,820
<u>TOTAL</u>	<b>2,48,88,57,950</b>

After November 30, 2023, there has been no change in the authorized, issued, subscribed and paid-up share capital of Transferor Company 1.

- 4.3 The authorized, issued, subscribed and paid-up capital of the Transferor Company 2 as on November 30, 2023 is as follows:

PARTICULARS	AMOUNT (Rs.)
<u>AUTHORIZED CAPITAL</u>	
7,50,000 Equity Shares of Rs 10/- each	75,00,000
<u>TOTAL</u>	75,00,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
5,00,000 Equity Shares of Rs 10/- each fully paid up	50,00,000
<u>TOTAL</u>	50,00,000

After November 30, 2023, there has been no change in the authorized, issued, subscribed and paid-up share capital of Transferor Company 2.

- 4.4 The authorized, issued, subscribed and paid-up capital of the Resulting Company as on November 30, 2023 is as follows:

PARTICULARS	AMOUNT (Rs.)
<u>AUTHORIZED CAPITAL</u>	
50,000 Equity Shares of Rs 2/- each	1,00,000
<u>TOTAL</u>	1,00,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
7 Equity Shares of Rs 2/- each fully paid up	14
<u>TOTAL</u>	14





After November 30, 2023, there has been no change in the authorized, issued, subscribed and paid-up share capital of Resulting Company.

- 4.5 The authorized, issued, subscribed and paid-up capital of the Transferee Company 1 as on November 30, 2023 is as follows:

PARTICULARS	AMOUNT (Rs.)
<u>AUTHORIZED CAPITAL</u>	
17,50,00,000 Equity Shares of Rs 2/- each	35,00,00,000
<u>TOTAL</u>	35,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
13,02,37,337 Equity Shares of Rs 2/- each fully paid up	26,04,74,674
<u>TOTAL</u>	26,04,74,674

After November 30, 2023, there has been no change in the authorized, issued, subscribed and paid-up share capital of Transferee Company 1.

As on November 30, 2023, Transferee Company 1 has granted 40,55,000 Employee Stock Appreciation Rights under ESAR 2021 to the eligible beneficiaries of ESAR 2021.

- 4.6 The issued, subscribed and paid-up capital of Transferor Company 1, Transferor Company 2, and Transferee Company 1 are held by Demerged Company/ Transferee Company 2, as on November 30, 2023, as follows:

Entity	Shareholding Percentage
Transferor Company 1	100.00%
Transferor Company 2	30.00%
Transferee Company 1	50.16%

- 4.7 The issued, subscribed and paid-up capital of Transferor Company 2, is held by Transferee Company 1, as on November 30, 2023, as follows:

Entity	Shareholding Percentage
Transferor Company 2	70%





## SECTION B: DEMERGER OF BUSINESS DIVISION

### 5. TRANSFER AND VESTING OF DEMERGED UNDERTAKINGS

- 5.1 Upon the coming into effect of the Scheme, with effect from the Appointed Date 1, and prior to Section D of the Scheme being deemed to have taken effect, the Demerged Undertaking shall, in accordance with Section 2(19AA) of the IT Act, pursuant to the provisions contained in sections 230 to 232 of the Act and other provisions of law for the time being in force and without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on the Appointed Date 1, on a going concern basis, so as to vest in the Resulting Company all the rights, title, interest or obligations of the Demerged Company therein.
- 5.2 It is hereby clarified that notwithstanding anything stated herein, the Demerged Company shall not transfer the Remaining Business (in whole or in part) to the Resulting Company and the same shall continue in the Demerged Company.
- 5.3 The Demerged Company and the Resulting Company, if required, shall enter into transitional arrangement and shall be deemed to be authorized to execute any such arrangements and to carry out or perform all such formalities or compliances as may be deemed proper and necessary for effecting the transfer and vesting of the properties of the Demerged Undertaking, with the Resulting Company.
- 5.4 All assets (including fixed assets, intangible assets, current assets, cash and bank balances etc.) acquired by Demerged Company after the Appointed Date 1 and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the Demerged Undertaking shall be deemed to have been acquired for and on behalf of the Resulting Company.
- 5.5 In respect of such assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by the Demerged Company and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Demerged Company and the Board of Directors (or a duly authorized committee) of the Resulting Company within sixty days from the Effective Date.
- 5.6 In respect of movables of the Demerged Undertaking other than those specified in Clause 5.5 above, which are to be transferred to the Resulting Company, including sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause, and such transfer shall be effected by notice to the concerned persons, or in any manner as may be mutually agreed between the Demerged Company and the Resulting Company.
- 5.7 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 5.5 and 5.6 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting





Company on the Appointed Date 1 pursuant to the provisions of section 230/232 of the Act or other provisions of law as applicable.

- 5.8 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, in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of Demerged Company and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking and all certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other Intellectual Property Rights of the Business Division, (including "ECU" and "Allcargo" brand and rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relatable to the Demerged Undertaking), and all other interests relating to the Demerged Undertaking, be transferred to and vested in the Resulting Company.
- 5.9 In so far as the various incentives, subsidies (including applications for subsidies), grants, special status and other benefits or privileges granted by any Government body, local authority or by any other person, enjoyed or availed of by the Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions.
- 5.10 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of the Demerged Company as on the Appointed Date 1 and being a part of the Demerged Undertaking shall, without any further act or deed be and shall stand transferred to the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans or incurred such borrowings and the Resulting Company undertakes to meet, discharge and satisfy the same:
- (i) the liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking,
  - (ii) specific loans or borrowings raised, incurred, and utilized solely for the activities or operations of the Demerged Undertaking,
  - (iii) in cases other than those referred to in sub-clauses (i) and (ii) above, proportionate part of the general or multipurpose borrowings and liabilities of Demerged Company allocable to the Demerged Undertaking in the same proportion in which the value of the assets of Demerged Company transferred under this Scheme bears to the total value of the assets of Demerged Company immediately before the Demerger.
- 5.11 All loans raised and used and all liabilities and obligations incurred by Demerged Company for the operations of the Demerged Undertaking after the Appointed Date 1 and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become its liabilities and obligations.
- 5.12 Upon the coming into effect of this Scheme, the balances as on the Appointed Date 1, of general or multipurpose borrowings shall be transferred to and assumed by the Resulting Company in the proportion provided in Clause 5.10 above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of the Resulting Company. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of





convenience and towards facilitating single point creditor discharge, Resulting Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Demerged Company (to the extent possible), which in turn shall make payments to the respective creditors.

- 5.13 Upon coming into effect of this Scheme, in so far as the security in respect of the liabilities of the Demerged Company as on the Appointed Date 1 is concerned, it is hereby clarified that the Demerged Company and the Resulting Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities.

Provided however, any reference in any security documents or arrangements (to which the Demerged Company is a party) to the assets of Demerged Company offered or agreed to be offered as security for any financial assistance or obligations pertaining to the Demerged Undertaking, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the Resulting Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, save and except as may be otherwise agreed between the Demerged Company, the Resulting Company and the respective lender(s). It is further clarified that upon the coming into effect of this Scheme, in the event any security, charge and/ or mortgage is extended over the assets of the Demerged Company in respect of any financial assistance or obligations pertaining to the Demerged Undertaking vested in the Resulting Company, such security, charge and/ or mortgage shall be deemed to be carried out as an integral part of the Scheme and no separate compliances/ clearances/ permissions of regulatory authorities shall be required.

Provided further that the securities, charges and mortgages (if any subsisting) of and in respect of the assets of any other parties that are provided in respect of the borrowings of the Demerged Company (where such securities, charges and mortgages were created pursuant to Scheme of Arrangement and Demerger between Allcargo Logistics Limited, Allcargo Terminals Limited and TransIndia Real Estate Limited, as approved by the NCLT) to the extent it pertains to any loans or borrowings of the Demerged Undertaking, that are vested in the Resulting Company as a result of this Scheme, shall continue, and such security, charge and/ or mortgage shall be deemed to be carried out as an integral part of the Scheme and no separate compliances/ clearances/ permissions of regulatory authorities shall be required.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Demerged Company vested in the respective Resulting Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company which shall vest in the Resulting Company by virtue of the Demerger of the Demerged Undertaking into the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security thereof after the Scheme has become operative.





- 5.14 Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of section 180(1)(c) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Demerged Company which are being transferred to the Resulting Company pursuant to the Scheme, such limits being incremental to the existing limits of the Resulting Company, with effect from the Appointed Date 1.
- 5.15 The provisions of this Clause insofar as they relate to the transfer of liabilities to the Resulting Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.
- 5.16 It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
- 5.17 It is hereby clarified that all assets and liabilities of the Demerged Undertaking shall be transferred at values appearing in the books of account of the Demerged Company as on the Appointed Date 1 which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date 1. For the avoidance of doubt it is hereby clarified that Resulting Company shall record the value of the property and the liabilities of the Demerged Undertakings at a value different from the value appearing in the books of account of the Demerged Company, immediately before the Demerger, if required, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, and as amended from time to time.
- 5.18 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company (in relation to Business Division) after the Effective Date shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers. Similarly, the banker of Resulting Company shall honour all cheques / electronic fund transfer instructions issued by Resulting Company (in relation to the Business Division) for payment after the Effective Date. If required, the bankers of the Demerged Company and Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of Resulting Company.
- 5.19 Benefits of any and all corporate approvals as may have already been taken by the Demerged Company in connection with the Demerged Undertaking, including approvals under Sections 42, 62(1A), 135, 177, 180, 185, 186 and 188 of the 2013 Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Foreign Exchange Management Act, 1999, shall stand transferred to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Resulting Company.





## 6 LEGAL PROCEEDINGS

All legal or other proceedings of whatsoever nature by or against the Demerged Undertaking pending and / or arising on or after the Appointed Date 1 and relating to the Demerged Undertaking or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date by the Demerged Company (and the costs thereof to be reimbursed by the Resulting Company to Demerged Company) and as and from the Effective Date shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in its name in relation to the respective Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by the Demerged Company.

## 7 CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Demerged Company (to the extent related to the Demerged Undertaking) is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against Resulting Company as fully and effectually as if, instead of the Demerged Company, Resulting Company had been a party thereto. The Resulting Company may enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmation or novation, to which the Demerged Company (to the extent possible) will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

## 8 BUSINESS AND PROPERTY IN TRUST

As and from the Appointed Date 1, up to and including the Effective Date:

- (i) The Demerged Company (to the extent of the Demerged Undertaking) shall carry on and be deemed to have carried on its business and activities and shall stand possessed of all the assets and properties, in trust for the Resulting Company and shall account for the same to such Resulting Company.
- (ii) Income or profit accruing or arising to the Demerged Undertaking and all costs, charges, expenses and losses or taxes incurred by the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

## 9 CONDUCT OF BUSINESS

9.1 With effect from Appointed Date 1 and up to and including the Effective Date:





- (i) The Demerged Company (to the extent related to the Demerged Undertaking) shall carry on its business (including with respect to funding the business) with reasonable diligence and in the same manner as it had been doing hitherto, and the Demerged Company shall not alter or substantially expand the business of the Demerged Undertaking, except with the written concurrence of the Resulting Company.
- (ii) The Demerged Company shall not, without the written concurrence of the Resulting Company, transfer, alienate, charge or encumber any business activity of the Demerged Undertaking, or properties (including Intellectual Property), rights or assets of the Demerged Undertaking, except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Demerged Company.

It is further clarified that upon receipt of the written concurrence of the Resulting Company, the Demerged Company may transfer, alienate, charge or encumber any business activity of the Demerged Undertaking, or properties (including Intellectual Property), rights or assets of the Demerged Undertaking, for cash or any other consideration. Further, any such consideration received by the Demerged Company shall constitute a part of the respective Demerged Undertaking.

- (iii) The Demerged Company (to the extent of the Demerged Undertaking) shall not without the written concurrence of the Resulting Company, vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Demerged Company, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.
- (iv) all profits or income arising or accruing to or received in regard to the respective Demerged Undertaking and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld / paid, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the respective Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company.

## 10 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and the continuance of proceedings by or against the Resulting Company shall not affect any transaction or proceedings already concluded by the Demerged Undertaking on or before the date when the Demerged Company adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the respective Demerged Undertaking in respect thereto as done and executed on behalf of itself.

## 11 STAFF AND EMPLOYEES

- 11.1 Upon the Scheme coming into effect, all staff and employees of the Demerged Undertaking and such other staff and employees of the Demerged Company (as the Board of Directors of the Demerged Company may determine fit) shall be deemed to have become staff and employees of the Resulting Company (with effect from Appointed Date 1) without any break in their service and on the basis of continuity of service and the terms and conditions of their





employment with the respective Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Company as on the Effective Date.

- 11.2 Upon the Scheme coming into effect, the accounts of the employees of the Demerged Undertaking relating to provident fund, gratuity and any other trusts / funds (as per amounts outstanding as on Appointed Date 1) shall be identified, determined and transferred to the respective funds/ trusts of the Resulting Company and the employees shall be deemed to have become members of such funds/ trusts of Resulting Company. The Demerged Company shall take all steps necessary for the transfer of the provident fund, gratuity trust and any other fund of employees, pursuant to the Scheme, to the Resulting Company. The obligation to make contributions to the said fund or funds shall be transferred to the Resulting Company from the Effective Date in accordance with the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company (to the extent related to the Demerged Undertaking) in relation to such fund or funds shall become those of Resulting Company and all the rights, duties and benefits of the employees employed in the Demerged Company (to the extent related to the Demerged Undertaking) under such funds and trusts shall be protected, subject to the provisions of law for the time being in force.
- 11.3 Upon the Scheme coming into effect, until such time that the Resulting Company creates its own funds, the Resulting Company may continue to make contributions pertaining to the employees of the respective Demerged Undertaking to the relevant funds of the Demerged Company and such contributions pertaining to the employees of the Demerged Undertaking shall be transferred by the Demerged Company (to the extent possible) to the funds of the Resulting Company as and when created. The Demerged Company (to the extent possible) shall take all steps necessary for the transfer of the provident fund, gratuity trust and any other fund of employees, pursuant to the Scheme, to the Resulting Company.

## 12 TREATMENT OF TAX

- 12.1 The Resulting Company will be the successor of the Demerged Company vis-à-vis the Demerged Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Demerged Undertaking and the obligations, if any, for payment of taxes on any assets of the Demerged Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by the Resulting Company, or be deemed to be the obligation of the Resulting Company, as the case may be.
- 12.2 Any refund or credits, under the income tax, GST, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other Applicable Law, dealing with taxes/ duties/ levies due to Demerged Undertaking consequent to the assessment made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date 1 shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.
- 12.3 The tax payments (including, without limitation income tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of TDS, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date 1, shall be deemed to be paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.





- 12.4 Obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company in connection with or in relation to the Demerged Undertaking, on and from the Appointed Date 1, to the Effective Date, shall be made or deemed to have been made and duly complied with by the Resulting Company.
- 12.5 Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date 1 up to the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under Tax Laws, and such actions shall also be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.
- 12.6 Upon the Scheme becoming effective, all un-availed credits and exemptions, benefit of carried forward losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including MAT credit, and any tax holidays), goods and service tax, cenvat, customs, applicable state value added tax, sales tax, service tax etc. relating to the Demerged Undertaking on or after the Appointed Date 1 which remain unutilized by the Demerged Company shall be available to and vest in the Resulting Company, without any further act or deed.
- 12.7 The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Resulting Company.
- 12.8 Upon this Scheme becoming effective, the accounts of the Demerged Undertaking as on the Appointed Date 1 shall be reconstructed in accordance with the terms of this Scheme. The Resulting Company shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc.

### 13 CONSIDERATION FOR DEMERGER

- 13.1 Upon the coming into effect of this Scheme and in consideration of the Demerger of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares of Resulting Company") at par on a proportionate basis to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company as holding shares on Record Date 1, in the ratio of 1 equity share of Rs 2 each fully paid up of Resulting Company for every 1 equity share of Rs 2 each fully paid up held in the Demerged Company.
- 13.2 Cancellation of shares of the Resulting Company:

Simultaneous with the issuance and allotment of the equity shares by the Resulting Company in accordance with the Clause 13.1 above, the initial issued and paid-up equity share capital of the Resulting Company, comprising of 7 equity shares of Rs. 2 each, aggregating to Rs. 14 shall be cancelled.





- 13.3 The exchange ratios pertaining to Demerger have been determined by the Boards of Directors of the Demerged Company and the Resulting Company based on the joint valuation report provided by independent registered valuers as per the terms of the present proposed Scheme.
- 13.4 The issue and allotment of New Equity Shares of Resulting Company by Resulting Company to the members/shareholders of Demerged Company pursuant to Clause 13.1 above is an integral part of this Scheme.
- 13.5 The approval of this Scheme by the shareholders of Resulting Company shall be deemed to be due compliance of the provisions of section 62 and other applicable provisions of the Act, for the issue and allotment of New Equity Shares of the Resulting Company by the Resulting Company to the shareholders of the Demerged Company as provided in this Scheme.
- 13.6 The New Equity Shares of the Resulting Company to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu with the other equity shares issued and allotted to the members of the Resulting Company.
- 13.7 The approval of this Scheme by the shareholders under sections 230 and 232 of the Act shall be deemed to have the approval under (i) sections 13, 14 and other applicable provisions of the Act; and (ii) any other consents / permissions as may be required in this regard.
- 13.8 In the event that the Demerged Company, restructures its equity share capital prior to the Effective Date, by way of issue of bonus / share split / consolidation / subdivision / re-organisation, the Share Entitlement Ratio and / or number of New Equity Shares of the Resulting Company to be issued (as applicable) shall stand modified / adjusted accordingly to take into account the effect of such corporate actions.
- 13.9 Subject to Applicable Laws, the fully paid-up New Equity Shares of Resulting Company that are to be issued in terms of Clause 13.1 shall be issued in dematerialised form, unless a shareholder of the Demerged Company gives a notice to the Demerged Company and the Resulting Company on or before the Record Date 1, requesting for issuance of such Equity Shares in physical form. The shareholders of the Demerged Company shall provide such confirmation, information and details as may be required by the Resulting Company to enable it to issue the aforementioned Equity Shares. However, if as of the date of allotment by the Resulting Company, the Demerged Company is unable to provide the details of the demat account of any shareholder, subject to applicable law, then the Resulting Company shall allot the appropriate number of respective New Equity Shares of Resulting Company, to such shareholder in physical form. Notwithstanding the above, if as per Applicable Laws, the Resulting Company is not permitted to issue and allot the respective New Equity Shares of the Resulting Company in physical form, and it has still not received the demat account details of certain shareholders of the Demerged Company, it shall issue and allot such shares in lieu of the respective New Equity Shares of Resulting Company entitlement of such shareholders, into a demat suspense/escrow account, which shall be operated by one of authorised person of Resulting Company, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlement, will transfer from such demat suspense/escrow account into the individual demat accounts of such claimant shareholders, such number of shares as may be required in terms of this Scheme.





- 13.10 Equity shares to be issued by the Resulting Company pursuant to Clause 13.1 in respect of Equity Shares of the shareholders of the Demerged Company which are held in abeyance shall continue to be kept in abeyance by the Resulting Company.
- 13.11 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the shares in the Demerged Company and in relation to the Equity Shares issued by the Resulting Company upon the effectiveness of this Scheme. The Board of Directors of the Demerged Company and the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
- 13.12 If the allotment of shares pursuant to this Clause 13.1 will result in any shareholders being issued fractional shares, the Board of the Resulting Company shall consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/trustee authorized by the Board of the Resulting Company in this behalf who shall hold the shares on behalf of the shareholders of the Demerged Company entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Resulting Company so allotted on the Stock Exchanges at such price or prices at any time within a period of 90 days from the date of allotment, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses been carrying as applicable, to the shareholders of the Demerged Company, in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person/trustee authorized by the Board of the Resulting Company by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.
- 13.13 The Resulting Company shall apply to all the Stock Exchanges (where the shares of Demerged Company are listed) and SEBI for listing and admission of all the Equity Shares of the Resulting Company (the New Equity Shares of Resulting Company) to trading in terms of the SEBI Master Circular No. SEBI/HO/CFD/POD-2 /P/CIR/ 2023/93 dated June 20, 2023, as amended from time to time.
- 13.14 The New Equity Shares of Resulting Company issued and allotted pursuant to the Scheme shall remain frozen in the depository system until listing/trading permission is given by the Stock Exchanges for the New Equity Shares of Resulting Company.
- 13.15 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of the Resulting Company to non-resident equity shareholders of the Demerged Company, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.





## 14 ACCOUNTING TREATMENT

### 14.1 Accounting Treatments In The Books Of Demerged Company (For The Demerger Of Demerged Undertaking With The Resulting Company)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Demerged Company shall account for the demerger of Demerged Undertaking in its books of accounts, such that:

- 14.1.1. All the assets and the liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company transferred to and vested in the Resulting Company pursuant to the Scheme shall be reduced from the respective book value of assets and liabilities of the Demerged Company.
- 14.1.2. The investments made by the Demerged Company in the equity share capital of the Resulting Company, shall stand cancelled.
- 14.1.3. The difference, if any, between the book value of the assets of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company less the book value of the liabilities of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company as per clause 14.1.1 and investment made by Demerged Company in Resulting Company cancelled as per clause 14.1.2, shall be recognised in Retained Earnings.
- 14.1.4. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of Demerged Undertaking are completed.
- 14.1.5. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

### 14.2 Accounting treatments in the books of Resulting Company (For the Demerger of Demerged Undertaking with the Resulting Company)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Resulting Company shall account for the demerger of the Demerged Undertaking by the Demerged Company to the Resulting Company in its books of accounts such that:

- 14.2.1. The Resulting Company shall record the assets and liabilities, if any, of the Demerged Undertaking of the Demerged Company vested in it pursuant to this Scheme, at their carrying values;
- 14.2.2. Pursuant to the demerger of Demerged Undertaking of the Demerged Company with the Resulting Company, the inter-company balances, if any, between the Resulting Company and the Demerged Undertaking of the Demerged Company shall stand cancelled;
- 14.2.3. The consideration transferred by the Resulting Company to the shareholders of the Demerged Company, as prescribed in clause 13 of Section B of this Scheme, shall be





recognised at nominal /face value and credited to the Equity Share Capital of the Resulting Company.

14.2.4. The shares held by the Demerged Company in the Resulting Company shall stand cancelled.

14.2.5. The surplus/deficit, if any arising after taking the effect of clause 14.2.1, clause 14.2.3, and clause 14.2.4, after adjustment of clause 14.2.2 shall be recognised as Capital Reserve in the financial statements of the Resulting Company.

14.2.6. In case of any difference in accounting policy between the Demerged Undertaking of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

14.2.7. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the demerger of Demerged Undertaking are completed.

14.2.8. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

#### SECTION C – AMALGAMATION 1

##### 15 TRANSFER AND VESTING OF TRANSFEROR COMPANIES TO TRANSFEREE COMPANY 1

15.1 Upon the coming into effect of the Scheme, and prior to Section D of this Scheme having taken effect, each of the Transferor Companies shall and in accordance with Section 2(1B) of the IT Act, pursuant to the provisions contained in sections 230 to 232 of the Act and other provisions of law for the time being in force and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 1 on the Appointed Date 1 so as to vest in the Transferee Company 1, all the rights, title, interest or obligations of each of the Transferor Companies therein.

15.2 All assets (including fixed assets, intangible assets, current assets, cash and bank balances etc.) acquired by Transferor Companies after the Appointed Date 1 and prior to the Effective Date for operation of the Transferor Companies or pertaining to the Transferor Companies shall be deemed to have been acquired for and on behalf of the Transferee Company 1.

15.3 In respect of such of the respective assets of the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall stand delivered, paid over, or endorsed and delivered, by the Transferor Companies, and shall become the property of the Transferee Company 1 as an integral part of the Transferor Companies transferred to it upon the coming into effect of this Scheme, without requiring any further act, or deed, or instrument of conveyance for the same.

15.4 In respect of movables of the Transferor Companies other than those specified in Clause 15.3 above, including sundry debtors, future receivables, outstanding loans and advances, if any,





recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the same, along with all titles, rights, interests, and obligations therein, shall become property of the Transferee Company 1, and shall be deemed to have been mutated and recorded as that of the Transferee Company 1, upon the coming into effect of this Scheme, without any further act, deed, or instrument of conveyance for the same, and without any necessity or requirements to obtain the consent of any third party or other persons. The Transferee Company 1 may at its sole discretion, but without being obliged, give notice in such form as it deems fit, to any third party or other persons, with respect to the above-mentioned transfer.

- 15.5 In respect of such of the assets of the Transferor Companies other than those referred to in Clause 15.3 and 15.4 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company 1 on the Appointed Date 1 pursuant to the provisions of section 230/232 of the Act or other provisions of law as applicable. The Transferee Company 1 shall be entitled to exercise all rights, interest, and privileges, as well as fulfil all obligations with respect to all assets transferred to the Transferee Company 1 pursuant to Clauses 15.3, 15.4, and 15.5. Further, in respect of the transfer of any immovable properties, in accordance with the above-mentioned Clauses, to the Transferee Company 1, the mutation/substitution of title to the immovable property shall be made and duly recorded in the name of the Transferee Company 1 by the appropriate authorities, pursuant to the coming into effect of the Scheme.
- 15.6 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, in accordance with the provisions of relevant laws, all consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of Transferor Companies (and the rights and benefits under the same), all certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other Intellectual Property Rights of the Transferor Companies, and all other interests relating to the Transferor Companies, be transferred to, mutated, and vested in the Transferee Company 1 in its entirety, without any further act or deed.
- 15.7 In so far as the various incentives, subsidies (including applications for subsidies), grants, special status and other benefits or privileges granted by any Government body, local authority or by any other person, enjoyed or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company 1 on the same terms and conditions. The benefit of all statutory and regulatory permissions, approvals, licenses, registrations, consents, certificates, authorities, intellectual property rights, benefits, incentives, subsidies, grants, special status, or otherwise (including as set out in Clauses 15.6 and 15.7 above and including all rights, entitlements, licenses, applications and registrations relating to the Intellectual Property, rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the business of the Transferor Companies) shall automatically vest into and become available to the Transferee Company 1 pursuant to this Scheme coming into effect, in the same manner as if the same were granted to, issued, executed in favour of, or given directly to the Transferee Company 1, by the concerned authorities; and shall remain in full force and effect in favour of or against the Transferee Company 1, as the case may be, and may be enforced as fully and effectively as if instead of the Transferor Companies, the Transferee Company 1 has instead been a party or a beneficiary, or a obligee thereto.





- 15.8 It is clarified that, upon the coming into effect of the Scheme, all debts, duties, liabilities (including contingent liabilities), and obligations of each of the Transferor Companies, whether provided for or not, as on the Appointed Date 1 shall, without any further act or deed be and shall stand transferred to the Transferee Company 1, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Transferee Company 1, in such manner, as if it had entered into such loans or incurred such borrowings by itself; and the Transferee Company 1 undertakes to meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties, and liabilities have arisen in order to give effect to the provisions of this clause.
- 15.9 All loans and borrowings raised and used and all liabilities and obligations incurred by Transferor Companies after the Appointed Date 1 and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 1 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 1 and shall become its liabilities and obligations.
- 15.10 Upon the coming into effect of this Scheme, the balances as on the Appointed Date 1, of all borrowings of Transferor Companies shall be transferred to and assumed by the Transferee Company 1 as set out in Clauses 15.8 and 15.9 above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of the Transferee Company 1. Subject to Clauses 15.7, 15.8, and 15.9 above, from the Effective Date, the Transferee Company 1 alone shall be liable to perform all obligations in respect of the liabilities of the Transferor Companies as the borrower/issuer thereof, and the Transferor Companies shall not have any obligations in respect of the said liabilities.
- 15.11 Upon the coming into effect of this Scheme, any securities, pledges, mortgages, and existing charges in respect of any assets of the Transferor Companies, related to any loans or borrowings of the Transferor Companies, as on the Appointed Date 1, shall stand transferred to the Transferee Company 1, without any further act or deed; and the same shall after the Effective Date continue to relate and attach to exclusively such transferred assets or any part thereof to which they related or were attached to prior to the coming into effect of the Scheme, and such encumbrances shall not relate to or attach to, or extend over, any other assets of the Transferee Company 1.

Provided that if any of the assets of the Transferor Companies which are transferred to the Transferee Company 1 by virtue of this Scheme have not been encumbered, then the existing encumbrance referred to above shall not extend to and shall not operate over such assets. The absence of any formal amendments which may be required by a lender or third party shall not affect the operation of this clause in any manner whatsoever.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company 1 shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Transferor Companies as vested in the Transferee Company 1.





Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company 1 by virtue of the Amalgamation 1 into the Transferee Company 1 and the Transferee Company 1 shall not be obliged to create any further or additional security thereof after the Scheme has become operative.

15.12 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company 1 in terms of Section 180(1)(c) of the Act shall be deemed without any further act or deed to have been enhanced by all of the aggregate liabilities of the Transferor Companies which are being transferred to the Transferee Company 1 pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company 1, with effect from the Appointed Date 1.

15.13 The provisions of this Clause insofar as they relate to the transfer of liabilities to the Transferee Company 1 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.

15.14 It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

15.15 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of Transferee Company 1 and credited to the account of Transferee Company 1, if presented by the Transferee Company 1 or received through electronic transfers. Similarly, the banker of Transferor Companies shall honour all cheques / electronic fund transfer instructions issued by Transferee Company 1 for payment after the Effective Date. If required, the bankers of the Transferor Companies and Transferee Company 1 shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Transferor Companies for such time as may be determined to be necessary by the Transferee Company 1 for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of Transferee Company 1.

15.16 Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, including approvals under Sections 42, 62(1A), 177, 180, 185, 186 and 188 of the 2013 Act and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall stand transferred to the Transferee Company 1 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company 1.

15.17 Upon this Scheme coming into effect, all receivables and payables inter-se between the Transferor Companies and the Transferee Company 1 except third party trade receivables/ payables and related balances, if any, shall stand cancelled and neither the Transferor Companies (severally) nor the Transferee Company 1 shall have any obligation or liability against each other with respect to the same.





## 16 LEGAL PROCEEDINGS

All legal or other proceedings of whatsoever nature by or against each of the Transferor Companies pending and/ or arising on or after the Appointed Date 1 and relating to the Transferor Companies or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by the Transferee Company 1 (and the costs thereof to be reimbursed by the Transferee Company 1 to Transferor Companies) and as and from the Effective Date shall be continued and enforced by or against the Transferee Company 1 in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. On and from the Effective Date, the Transferee Company 1 shall and may, if required, initiate any legal proceedings in its name in relation to the respective Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.

## 17 CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Transferor Companies are a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company 1, and may be enforced by or against Transferee Company 1 as fully and effectually, as if, instead of any of the Transferor Companies, the Transferee Company 1 had been a party thereto. The Transferee Company 1 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

## 18 BUSINESS AND PROPERTY IN TRUST

As and from the Appointed Date 1, up to and including the Effective Date:

- (i) Transferor Companies shall carry on and be deemed to have carried on its business and activities and shall stand possessed of all the assets and properties, in trust for the Transferee Company 1 and shall account for the same to Transferee Company 1.
- (ii) Income or profit accruing or arising to the Transferor Companies and all costs, charges, expenses and losses or taxes incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company 1 and shall be available to the Transferee Company 1 for being disposed off in any manner as it thinks fit.

## 19 CONDUCT OF BUSINESS

With effect from Appointed Date 1 and up to and including the Effective Date:

- (i) The Transferor Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto, and the Transferor Companies shall not alter or substantially expand their business, except with the written concurrence of the Transferee Company 1.





- (ii) The Transferor Companies shall not, without the written concurrence of the Transferee Company 1, transfer, alienate, charge or encumber any business activity of the Transferor Companies, or assets/ properties (including Intellectual Property), except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Companies.

It is further clarified that upon receipt of the written concurrence of the Transferee Company 1, the Transferor Companies may transfer, alienate, charge or encumber any business activity of the Transferor Companies, or properties (including Intellectual Property), rights or assets of the Transferor Companies, for cash or any other consideration. Further, any such consideration received by the Transferor Companies shall constitute a part of the Transferor Companies.

- (iii) The Transferor Companies shall not without the written concurrence of Transferee Company 1, vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Companies, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.
- (iv) all profits or income arising or accruing to or received in regard to the Transferor Companies and all taxes paid thereon (including, but not limited to, advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld / paid in a foreign country or India, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company 1.

## 20 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Transferor Companies and the continuance of proceedings by or against the Transferee Company 1 (pursuant to this Scheme) shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the date when the Transferor Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that the Transferee Company 1 accept and adopt all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

## 21 STAFF AND EMPLOYEES

- 21.1 Upon the Scheme coming into effect, all staff and employees of the Transferor Companies shall be deemed to have become staff and employees of the Transferee Company 1 (with effect from Appointed Date 1) without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with the Transferor Companies shall not be less favourable than those applicable to them with reference to the Transferor Companies as on the Effective Date.
- 21.2 Upon the Scheme coming into effect, the accounts of the employees of the Transferor Companies relating to provident fund, gratuity and any other trusts/ funds (as per amounts outstanding as on Appointed Date 1) shall be identified, determined and transferred to the respective funds/ trusts of Transferee Company 1 and the employees shall be deemed to have become members of such funds / trusts of Transferee Company 1. The Transferor Companies shall take all steps necessary for the transfer of the provident fund, gratuity trust and any other





fund of employees, pursuant to the Scheme, to the Transferee Company 1. The obligation to make contributions to the said fund or funds shall be transferred to the Transferee Company 1 from the Effective Date in accordance with the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such fund or funds shall become those of Transferee Company 1 and all the rights, duties and benefits of the employees employed in the Transferor Companies under such funds and trusts shall be protected, subject to the provisions of law for the time being in force.

Upon the Scheme coming into effect, until such time that the Transferee Company 1 creates its own funds, the Transferee Company 1 may continue to make contributions pertaining to the employees of the Transferor Companies to the relevant funds of the Transferor Companies and such contributions pertaining to the employees of the Transferor Companies shall be transferred by the Transferor Companies (to the extent possible) to the funds of the Transferee Company 1 as and when created. The Transferor Companies (to the extent possible) shall take all steps necessary for the transfer of the provident fund, gratuity trust and any other fund of employees, pursuant to the Scheme, to the Transferee Company 1.

## 22 TREATMENT OF TAX

- 22.1 The Transferee Company 1 will be the successor of the Transferor Companies. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Transferor Companies and the obligations, if any, for payment of taxes on any assets of the Transferor Companies or their erection and/or installation, etc. shall be deemed to have been availed by the Transferee Company 1, or be deemed to be the obligation of the Transferee Company 1, as the case may be.
- 22.2 Any refund or credits, under the income tax, GST, service tax laws, excise duty laws, central sales tax, applicable state Value added tax laws or other Applicable Law, dealing with taxes / duties / levies due to Transferor Companies consequent to the assessment made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date 1 shall also belong to and be received by the Transferee Company 1 upon this Scheme becoming effective. Accordingly, on and from the Appointed Date 1, if any certificate for the above with respect to the Transferor Companies is received in the name of such Transferor Companies, the same shall be deemed to have been received by the Transferee Company 1, which alone shall be entitled to claim such credit or refund.
- 22.3 The tax payments (including, without limitation income tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of TDS, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Transferor Companies after the Appointed Date 1, shall be deemed to be paid by the Transferee Company 1 and shall, in all proceedings, be dealt with accordingly.
- 22.4 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies, on and from the Appointed Date 1, to the Effective Date, shall be made or deemed to have been made and duly complied with by the Transferee Company 1.
- 22.5 Any actions taken by the Transferor Companies to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) on and from the





Appointed Date 1 up to the Effective Date shall be considered as adequate compliance by the Transferor Companies with such requirements under Tax Laws and such actions shall also be deemed to constitute adequate compliance by the Transferee Company 1 with the relevant obligations under such Tax Laws.

- 22.6 Upon the Scheme becoming effective, all un-availed credits and exemptions, benefit of carried forward losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including MAT credit, or tax holidays), goods and service tax, cenvat, customs, applicable state value added tax, sales tax, service tax etc. relating to the Transferor Companies on or after the Appointed Date 1 which remain unutilized by the Transferee Company 1 shall be available to and vest in the Transferee Company 1, without any further act or deed.
- 22.7 Upon this Scheme becoming effective, the Transferee Company 1 shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc.

### 23 CONSIDERATION FOR AMALGAMATION

- 23.1 Upon the coming into effect of this Scheme, in consideration of the Amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company 1 pursuant to this Scheme, the Transferee Company 1 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares of Transferee Company 1") at par on a proportionate basis to each member of the Transferor Company 1 and Transferor Company 2 (excluding with respect to shares held by the Transferee Company 1 in Transferor Company 2), whose name is recorded in the register of members of the Transferor Company 1 and Transferor Company 2 and as holding shares on Record Date 1, in the ratio of 2 equity shares of Rs 2 each fully paid up of Transferee Company 1 for every 10 equity shares of Rs 10 each fully paid up held in the Transferor Company 1 and, in the ratio of 3475 equity shares of Rs 2 each fully paid up of Transferee Company 1 for every 10 equity shares of Rs 10 each fully paid up held in the Transferor Company 2 respectively.

It is hereby further clarified that any shares held by the Transferee Company 1 in Transferor Company 2 shall stand cancelled without any further act, application or deed.

- 23.2 The exchange ratios pertaining to the Amalgamation have been determined by the Boards of Directors of the Transferor Companies and the Transferee Company 1 based on the joint valuation report provided by independent registered valuers as per the terms of the present proposed Scheme.
- 23.3 The issue and allotment of New Equity Shares of Transferee Company 1 by Transferee Company 1 to the members / shareholders of Transferor Company 1 and Transferor Company 2, pursuant to Clause 23.1 above is an integral part of this Scheme.
- 23.4 The approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be due compliance of the provisions of Section 62 and other applicable provisions of the Act for the issue and allotment of New Equity Shares of Transferee Company 1 by the Transferee Company 1 to the shareholders of the Transferor Company 1 and Transferor Company 2 as provided in this Scheme.





- 23.5 The New Equity Shares of Transferee Company 1 to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company 1 and shall rank pari passu with the other equity shares issued and allotted to the members of the Transferee Company 1.
- 23.6 The approval of this Scheme by the shareholders under Sections 230 and 232 of the Act shall be deemed to have the approval under (i) Sections 13, 14 and other applicable provisions of the Act; and (ii) any other consents/ permissions as may be required in this regard.
- 23.7 In the event that the Transferor Company 1 / Transferor Company 2 (i.e., the Transferor Companies), or the Transferee Company 1 restructures its equity share capital prior to the Effective Date, by way of issue of bonus shares / share split / consolidation / subdivision / reorganisation the share exchange ratio and / or number of consideration shares to be issued (as applicable) shall stand modified / adjusted accordingly to take into account the effect of such corporate actions.
- 23.8 Subject to Applicable Laws, the fully paid-up New Equity Shares of Transferee Company 1 that are to be issued in terms of Clause 23.1 shall be issued in dematerialised form, unless a shareholder of the Transferor Company 1 or Transferor Company 2 gives a notice to the Transferor Company 1 / Transferor Company 2 and the Transferee Company 1 on or before the Record Date 1, requesting for issuance of such Equity Shares in physical form. The shareholders of the Transferor Company 1 / Transferor Company 2 shall provide such confirmation, information and details as may be required by the Transferee Company 1 to enable it to issue the aforementioned Equity Shares. However, if as of the date of allotment by the Transferee Company 1, the Transferor Company 1 / Transferor Company 2 is unable to provide the details of the demat account of any shareholder, subject to applicable law, then the Transferee Company 1 shall allot the appropriate number of respective New Equity Shares of Transferee Company 1 to such shareholder in physical form. Notwithstanding the above, if as per Applicable Laws, the Transferee Company 1 is not permitted to issue and allot the respective New Equity Shares of Transferee Company 1 in physical form, and it has still not received the demat account details of certain shareholders of the Transferor Company 1 / Transferor Company 2, it shall issue and allot such shares in lieu of the respective New Equity Share of Transferee Company 1 entitlement of such shareholders, into a demat suspense/escrow account, which shall be operated by one of the authorised person of Transferee Company 1, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlement, will transfer from such demat suspense/escrow account into the individual demat accounts of such claimant shareholders, such number of shares as may be required in terms of this Scheme.
- 23.9 Equity shares to be issued by Transferee Company 1 pursuant to Clause 23.1 in respect of Equity Shares of the shareholders of the Transferor Company 1 / Transferor Company 2 which are held in abeyance shall continue to be kept in abeyance by the Transferee Company 1.
- 23.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1 or Transferor Company 2, the Board of Directors of the Transferor Company 1 / Transferor Company 2 shall be empowered in appropriate cases, prior to or even subsequent to Record Date 1, to effectuate such a transfer in the Transferor Company 1 / Transferor Company 2 as if such changes in registered holder were operative as on Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the shares in the Transferor Company 1 / Transferor Company 2 and in relation to the Equity Shares





issued by Transferee Company 1 upon the effectiveness of this Scheme. The Board of Directors of the Transferor Companies and the Transferee Company 1 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company 1 on account of difficulties faced in the transition period.

23.11 If the allotment of shares pursuant to this Clause 23.1 will result in any shareholders being issued fractional shares, the Board of the Transferee Company 1 shall consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person /trustee authorized by the Board of the Transferee Company 1 in this behalf who shall hold the shares on behalf of the shareholders of the Transferor Companies entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Transferee Company 1 so allotted on the Stock Exchanges at such price or prices at any time within a period of 90 days from the date of allotment , as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses been carrying as applicable, to the shareholders of the Transferor Company 1 in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person/trustee authorized by the Board of the Transferee Company 1 by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.

23.12 Transferee Company 1 shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of the Transferee Company 1 by to non-resident equity shareholders of the Transferor Company 1 / Transferor Company 2, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment

The Transferor Company 1 has issued Optionally Convertible Redeemable Preference Shares ("Transferor Company 1 OCRPS") for which the holder of Transferor Company 1 OCRPS has rescinded the option of conversion and has elected for redemption. Accordingly, upon the coming into effect of this Scheme, the Transferee Company 1 shall, without any further act or deed and without any further payment, issue to each member holding Transferor Company 1 OCRPS as on Record Date 1, new Redeemable Preference Shares ("Transferee Company 1 RPS") in Transferee Company 1 (and such Transferee Company 1 RPS will have the same terms and conditions including financial terms and only a right to redemption without conversion as the Transferor Company 1 OCRPS), at par on a proportionate basis, in the ratio of 1 Transferee Company 1 RPS of Rs. 10 each fully paid up for every 1 Transferor Company 1 OCRPS of Rs 10 each fully paid up held in the Transferor Company 1.

## 24 ACCOUNTING TREATMENT

24.1 Accounting Treatments in the books of Demerged Company (For the Transfer of Investment in Transferor Company 1 and Transferor Company 2 to the Transferee Company 1 pursuant to Amalgamation 1)





Notwithstanding anything else contained in the Scheme, upon the Scheme becoming effective and with effect from the Appointed Date 1, the Demerged Company shall account for the transfer of investment in Transferor Company 1 and Transferor Company 2 to the Transferee Company 1 and consideration received from Transferee Company 1, in its books of accounts such that:

- i. The Demerged Company shall derecognise cost of investment in Transferor Company 1 and Transferor Company 2 with a corresponding addition to the cost of investment in Transferee Company 1.
- ii. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of investment in Transferor Company 1 and Transferor Company 2 are completed.
- iii. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

**24.2 Accounting Treatments in the books of Transferee Company 1 (For the merger of Transferor Company 1 and Transferor Company 2 with the Transferee Company 1)**

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Transferee Company 1 shall account for the amalgamation of the Transferor Company 1 in accordance with the Pooling of Interest Method of accounting, in its books of accounts such that:

- 24.2.1. The Transferee Company 1 shall record the assets and liabilities, if any, of the Transferor Company 1 vested in it pursuant to this Scheme, at their carrying values.
- 24.2.2. The identity of the reserves of the Transferor Company 1 shall be preserved and the Transferee Company 1 shall record the reserves of the Transferor Company 1 in the same form and at their carrying amount.
- 24.2.3. Pursuant to the amalgamation of the Transferor Company 1 with the Transferee Company 1, inter-company balances, if any, between the Transferee Company 1 and the Transferor Company 1 as appearing in the books of the Transferee Company 1 shall stand cancelled;
- 24.2.4. The consideration transferred by the Transferee Company 1 to the shareholders of the Transferor Company 1, as prescribed in clause 23 of Section C of this Scheme, shall be recognised at nominal /face value and credited to the Equity Share Capital of the Transferee Company 1.
- 24.2.5. The surplus/deficit, if any arising after taking the effect of clause 24.2.1, clause 24.2.2 and clause 24.2.4, after adjustment of clause 24.2.3 shall be recognised as Capital Reserve in the financial statements of the Transferee Company 1.
- 24.2.6. In case of any difference in accounting policy between the Transferor Company 1 and the Transferee Company 1, the accounting policies followed by the Transferee





Company 1 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

24.2.7. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of Transferor Company 1 are completed.

24.2.8. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

24.3 Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Transferee Company 1 shall account for the amalgamation of the Transferor Company 2 in accordance with the Pooling of Interest Method of accounting, in its books of accounts such that:

24.3.1. The Transferee Company 1 shall record the assets and liabilities, if any, of the Transferor Company 2 vested in it pursuant to this Scheme, at their carrying values.

24.3.2. The identity of the reserves of the Transferor Company 2 shall be preserved and the Transferee Company 1 shall record the reserves of the Transferor Company 2 in the same form and at their carrying amount.

24.3.3. Pursuant to the amalgamation of the Transferor Company 2 with the Transferee Company 1, inter-company balances, if any, between the Transferee Company 1 and the Transferor Company 2 appearing in the books of the Transferee Company 1 shall stand cancelled;

24.3.4. The value of all the investments held by the Transferee Company 1 in the Transferor Company 2 shall stand cancelled pursuant to amalgamation.

24.3.5. The consideration transferred by the Transferee Company 1 to the shareholders of the Transferor Company 2, as prescribed in clause 23 of section C of this Scheme, shall be recognised at nominal /face value and credited to the Equity Share Capital of the Transferee Company 1.

24.3.6. The surplus/deficit, if any arising after taking the effect of clause 24.3.1, clause 24.3.2, clause 24.3.4 and clause 24.3.5, after adjustment of clause 24.3.3 shall be recognised as Capital Reserve in the financial statements of the Transferee Company 1.

24.3.7. In case of any difference in accounting policy between the Transferor Company 2 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

24.3.8. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of Transferor Company 2 are completed.

24.3.9. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.





## SECTION D – AMALGAMATION 2

### 25 TRANSFER AND VESTING OF TRANSFEROR COMPANY 3 TO TRANSFEE COMPANY 2

- 25.1 Upon the coming into effect of the Scheme, the Transferor Company 3 shall and in accordance with Section 2(1B) of the IT Act, pursuant to the provisions contained in sections 230 to 232 of the Act and other provisions of law for the time being in force and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 2 on the Appointed Date 2 so as to vest in the Transferee Company 2, all the rights, title, interest or obligations of the Transferor Company 3 therein.
- 25.2 All assets (including fixed assets, intangible assets, current assets, cash and bank balances etc.) acquired by Transferor Company 3 after the Appointed Date 2 and prior to the Effective Date for operation of the Transferor Company 3 or pertaining to the Transferor Company 3 shall be deemed to have been acquired for and on behalf of the Transferee Company 2.
- 25.3 In respect of such of the respective assets of the Transferor Company 3 as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall stand delivered, paid over, or endorsed and delivered, by the Transferor Company 3, and shall become the property of the Transferee Company 2 as an integral part of the Transferor Company 3 transferred to it upon the coming into effect of this Scheme, without requiring any further act, or deed, or instrument of conveyance for the same.
- 25.4 In respect of movables of the Transferor Company 3 other than those specified in Clause 25.3 above, including sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the same, along with all titles, rights, interests, and obligations therein, shall become property of the Transferee Company 2, and shall be deemed to have been mutated and recorded as that of the Transferee Company 2, upon the coming into effect of this Scheme, without any further act, deed, or instrument of conveyance for the same, and without any necessity or requirements to obtain the consent of any third party or other persons. The Transferee Company 2 may at its sole discretion, but without being obliged, give notice in such form as it deems fit, to any third party or other persons, with respect to the above-mentioned transfer.
- 25.5 In respect of such of the assets of the Transferor Company 3 other than those referred to in Clause 25.3 and 25.4 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company 2 on the Appointed Date 2 pursuant to the provisions of section 230/232 of the Act or other provisions of law as applicable. The Transferee Company 2 shall be entitled to exercise all rights, interest, and privileges, as well as fulfil all obligations with respect to all assets transferred to the Transferee Company 2 pursuant to Clauses 25.3, 25.4, and 25.5. Further, in respect of the transfer of any immovable properties, in accordance with the above-mentioned Clauses, to the Transferee Company 2, the mutation/substitution of title to the immovable property shall be made and duly recorded in the name of the Transferee Company 2 by the appropriate authorities, pursuant to the coming into effect of the Scheme.





- 25.6 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, in accordance with the provisions of relevant laws, all consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of Transferor Company 3 (and the rights and benefits under the same), all certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other Intellectual Property Rights of the Transferor Company 3, and all other interests relating to the Transferor Company 3, be transferred to, mutated, and vested in the Transferee Company 2 in its entirety, without any further act or deed.
- 25.7 In so far as the various incentives, subsidies (including applications for subsidies), grants, special status and other benefits or privileges granted by any Government body, local authority or by any other person, enjoyed or availed of by the Transferor Company 3 are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company 2 on the same terms and conditions. The benefit of all statutory and regulatory permissions, approvals, licenses, registrations, consents, certificates, authorities, intellectual property rights, benefits, incentives, subsidies, grants, special status, or otherwise (including as set out in Clauses 25.6 and 25.7 above, and including "Gati" brand and rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relatable to the business of the Transferor Company 3), shall automatically vest into and become available to the Transferee Company 2 pursuant to this Scheme coming into effect, in the same manner as if the same were granted to, issued, executed in favour of, or given directly to the Transferee Company 2, by the concerned authorities; and shall remain in full force and effect in favour of or against the Transferee Company 2, as the case may be, and may be enforced as fully and effectively as if instead of the Transferor Company 3, the Transferee Company 2 has instead been a party or a beneficiary, or a obligee thereto.
- 25.8 It is clarified that, upon the coming into effect of the Scheme, all debts, duties, liabilities (including all contingent liabilities), and obligations of the Transferor Company 3, whether provided for or not, as on the Appointed Date 2 shall, without any further act or deed be and shall stand transferred to the Transferee Company 2, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Transferee Company 2, in such manner, as if it had entered into such loans or incurred such borrowings by itself; and the Transferee Company 2 undertakes to meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, obligations, duties, and liabilities have arisen in order to give effect to the provisions of this clause.
- 25.9 All loans and borrowings raised and used and all liabilities and obligations incurred by Transferor Company 3 after the Appointed Date 2 and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 2 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 2 and shall become its liabilities and obligations.
- 25.10 Upon the coming into effect of this Scheme, the balances as on the Appointed Date 2, of all borrowings of Transferor Company 3, shall be transferred to and assumed by the Transferee Company 2 as set out in Clauses 25.8 and 25.9 above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of the Transferee Company 2. Subject to





Clauses 25.7, 25.8, and 25.9 above, from the Effective Date, the Transferee Company 2 alone shall be liable to perform all obligations in respect of the liabilities of the Transferor Company 3 as the borrower / issuer thereof, and the Transferor Company 3 shall not have any obligations in respect of the said liabilities.

- 25.11 Upon the coming into effect of this Scheme, any securities, pledges, mortgages, and existing charges in respect of any assets of the Transferor Company 3, related to any loans or borrowings of the Transferor Company 3, as on the Appointed Date 2, shall stand transferred to the Transferee Company 2, without any further act or deed; and the same shall after the Effective Date continue to relate and attach to exclusively such transferred assets or any part thereof to which they related or were attached to prior to the coming into effect of the Scheme, and such encumbrances shall not relate to or attach to, or extend over, any other assets of the Transferee Company 2.

Provided that if any of the assets of the Transferor Company 3 which are transferred to the Transferee Company 2 by virtue of this Scheme have not been encumbered, then the existing encumbrance referred to above shall not extend to and shall not operate over such assets. The absence of any formal amendments which may be required by a lender or third party shall not affect the operation of this clause in any manner whatsoever.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company 2 shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Transferor Company 3 as vested in the Transferee Company 2.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company 3 which shall vest in the Transferee Company 2 by virtue of the Amalgamation into the Transferee Company 2 and the Transferee Company 2 shall not be obliged to create any further or additional security thereof after the Scheme has become operative.

- 25.12 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company 2 in terms of Section 180(1)(c) of the Act shall be deemed without any further act or deed to have been enhanced by all of the aggregate liabilities of the Transferor Company 3 which are being transferred to the Transferee Company 2 pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company 2, with effect from the Appointed Date 2.

- 25.13 The provisions of this Clause insofar as they relate to the transfer of liabilities to the Transferee Company 2 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.

- 25.14 It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.





- 25.15 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Company 3 after the Effective Date shall be accepted by the bankers of Transferee Company 2 and credited to the account of Transferee Company 2, if presented by the Transferee Company 2 or received through electronic transfers. Similarly, the banker of Transferor Company 3 shall honour all cheques / electronic fund transfer instructions issued by Transferee Company 2 for payment after the Effective Date. If required, the bankers of the Transferor Company 3 and Transferee Company 2 shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Transferor Company 3 for such time as may be determined to be necessary by the Transferee Company 2 for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of Transferee Company 2.
- 25.16 Benefits of any and all corporate approvals as may have already been taken by the Transferor Company 3, including approvals under Sections 42, 62(1A), 177, 180, 185, 186 and 188 of the 2013 Act and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall stand transferred to the Transferee Company 2 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company 2.
- 25.17 Upon this Scheme coming into effect, all receivables and payables inter-se between the Transferor Company 3 and the Transferee Company 2 except third party trade receivables/ payables and related balances, if any, shall stand cancelled and neither the Transferor Company 3 (severally) nor the Transferee Company 2 shall have any obligation or liability against each other with respect to the same.

## 26 LEGAL PROCEEDINGS

All legal or other proceedings of whatsoever nature by or against the Transferor Company 3 pending and/ or arising on or after the Appointed Date 2 and relating to the Transferor Company 3 or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by the Transferee Company 2 (and the costs thereof to be reimbursed by the Transferee Company 2 to Transferor Company 3) and as and from the Effective Date shall be continued and enforced by or against the Transferee Company 2 in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 3. On and from the Effective Date, the Transferee Company 2 shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company 3 in the same manner and to the same extent as would or might have been initiated by the Transferor Company 3.

## 27 CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Transferor Company 3 is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company 2, and may be enforced by or against Transferee Company 2 as fully and effectually, as if, instead of the Transferor Company 3, the Transferee Company 2 had been a party thereto. The Transferee Company 2 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the





Transferor Company 3 and to implement or carry out all formalities required on the part of the Transferor Company 3 to give effect to the provisions of this Scheme.

## 28 BUSINESS AND PROPERTY IN TRUST

As and from the Appointed Date 2, upto and including the Effective Date:

- (i) Transferor Company 3 shall carry on and be deemed to have carried on its business and activities and shall stand possessed of all the assets and properties, in trust for the Transferee Company 2 and shall account for the same to Transferee Company 2.
- (ii) Income or profit accruing or arising to the Transferor Company 3 and all costs, charges, expenses and losses or taxes incurred by the Transferor Company 3 shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company 2 and shall be available to the Transferee Company 2 for being disposed off in any manner as it thinks fit.

## 29 CONDUCT OF BUSINESS

Up till the Effective Date:

- (i) The Transferor Company 3 shall carry on their business (including with respect to the funding the business) with reasonable diligence and in the same manner as it had been doing hitherto, and the Transferor Company 3 shall not alter or substantially expand their business, except with the written concurrence of the Transferee Company 2.
- (ii) The Transferor Company 3 shall not, without the written concurrence of the Transferee Company 2, transfer, alienate, charge or encumber any business activity of the Transferor Company 3, or assets/ properties (including Intellectual Property), except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Company 3.

It is further clarified that upon receipt of the written concurrence of the Transferee Company 2, the Transferor Company 3 may transfer, alienate, charge or encumber any business activity of the Transferor Company 3, or properties (including Intellectual Property), rights or assets of the Transferor Company 3, for cash or any other consideration. Further, any such consideration received by the Transferor Company 3 shall constitute a part of the Transferor Company 3.

- (iii) The Transferor Company 3 shall not without the written concurrence of Transferee Company 2, vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Company 3, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.
- (iv) all profits or income arising or accruing to or received in regard to the Transferor Company 3 and all taxes paid thereon (including, but not limited to, advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld / paid in a foreign country or India, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the Transferor Company 3 shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company 2.





### 30 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Transferor Company 3 and the continuance of proceedings by or against the Transferee Company 2 (pursuant to this Scheme) shall not affect any transaction or proceedings already concluded by the Transferor Company 3 on or before the date when the Transferor Company 3 adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that the Transferee Company 2 accept and adopt all acts, deeds and things done and executed by the Transferor Company 3 in respect thereto as done and executed on behalf of itself.

### 31 STAFF AND EMPLOYEES

- 31.1 Upon the Scheme coming into effect, all staff and employees of the Transferor Company 3 shall be deemed to have become staff and employees of the Transferee Company 2 (with effect from Appointed Date 2) without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with the Transferor Company 3 shall not be less favourable than those applicable to them with reference to the Transferor Company 3 as on the Effective Date.
- 31.2 Upon the Scheme coming into effect, the accounts of the employees of the Transferor Company 3 relating to provident fund, gratuity and any other trusts/ funds (as per amounts outstanding as on Appointed Date 2) shall be identified, determined and transferred to the respective funds/ trusts of Transferee Company 2 and the employees shall be deemed to have become members of such funds/ trusts of Transferee Company 2. The Transferor Company 3 shall take all steps necessary for the transfer of the provident fund, gratuity trust and any other fund of employees, pursuant to the Scheme, to the Transferee Company 2. The obligation to make contributions to the said fund or funds shall be transferred to the Transferee Company 2 from the Effective Date in accordance with the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 3 in relation to such fund or funds shall become those of Transferee Company 2 and all the rights, duties and benefits of the employees employed in the Transferor Company 3 under such funds and trusts shall be protected, subject to the provisions of law for the time being in force.
- 31.3 Upon the Scheme coming into effect, until such time that the Transferee Company 2 creates its own funds, the Transferee Company 2 may continue to make contributions pertaining to the employees of the Transferor Company 3 to the relevant funds of the Transferor Company 3 and such contributions pertaining to the employees of the Transferor Company 3 shall be transferred by the Transferor Company 3 (to the extent possible) to the funds of the Transferee Company 2 as and when created. The Transferor Company 3 (to the extent possible) shall take all steps necessary for the transfer of the provident fund, gratuity trust and any other fund of employees, pursuant to the Scheme, to the Transferee Company 2.
- 31.4 Employee Stock Appreciation Rights:
- (i) In respect of stock appreciation rights granted by the Transferor Company 3 under the ESAR 2021 plan, upon the effectiveness of the Scheme, the Transferee Company 2 shall issue Employee Stock Appreciation Rights (ESARs) to the beneficiaries who are eligible under





ESAR 2021, taking into account the share exchange ratio as provided for in this Scheme and on the terms and conditions that are no less favourable than the terms and conditions existing in ESAR 2021, however, subject to Applicable Laws. Such ESARs may be issued by the Transferee Company 2 either under its existing employees stock appreciation rights plan or under a revised stock appreciation rights plan that may be created by the Transferee Company 2.

- (ii) Upon the issue of such ESARs by the Transferee Company 2, any and all ESARs under ESAR 2021 shall automatically be deemed to have lapsed. Further, upon the Scheme becoming effective and after cancellation of the ESARs granted to the eligible beneficiaries of ESARs under ESAR 2021, the fresh ESARs shall be granted by the Transferee Company 2 to the eligible beneficiaries on the basis of the share exchange ratio. The exercise price payable for ESARs granted by the Transferee Company 2 to the eligible beneficiaries shall be based on the exercise price payable by such eligible beneficiaries under the ESAR 2021 as adjusted after taking into account the effect of the share exchange ratio, as decided by the Board of Transferee Company 2.
- (iii) The grant of ESARs to the eligible beneficiaries pursuant to Clause 31.4(i) of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company 2 to this Scheme shall be deemed to be their consent in relation to all matters pertaining thereto. No further approval of the shareholders of the Transferee Company 2 would be required in this connection under Applicable Law.
- (iv) It is hereby clarified that in relation to the ESARs granted by the Transferee Company 2 to the eligible beneficiaries, the period during which the options granted by the Transferor Company 3 were held by or deemed to have been held by the eligible beneficiaries shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for such ESARs.
- (v) The Board of Directors of the Transferee Company 2 or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme,

## 32 TREATMENT OF TAX

- 32.1 The Transferee Company 2 will be the successor of the Transferor Company 3. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Transferor Company 3 and the obligations, if any, for payment of taxes on any assets of the Transferor Company 3 or their erection and/or installation, etc. shall be deemed to have been availed by the Transferee Company 2, or be deemed to be the obligation of the Transferee Company 2, as the case may be.
- 32.2 Any refund or credits, under the income tax, GST, service tax laws, excise duty laws, central sales tax, applicable state Value added tax laws or other Applicable Law, dealing with taxes / duties / levies due to Transferor Company 3 consequent to the assessment made on the Transferor Company 3 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date 2 shall also belong to and be received by the Transferee Company 2 upon this Scheme becoming effective. Accordingly, on and from the Appointed Date 2, if any certificate for the above with respect to the Transferor Company 3 is





received in the name of such Transferor Company 3, the same shall be deemed to have been received by the Transferee Company 2, which alone shall be entitled to claim such credit or refund.

- 32.3 The tax payments (including, without limitation income tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of TDS, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Transferor Company 3 after the Appointed Date 2, shall be deemed to be paid by the Transferee Company 2 and shall, in all proceedings, be dealt with accordingly.
- 32.4 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company 3, on and from the Appointed Date 2, to the Effective Date, shall be made or deemed to have been made and duly complied with by the Transferee Companies.
- 32.5 Any actions taken by the Transferor Company 3 to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) on and from the Appointed Date 2 up to the Effective Date shall be considered as adequate compliance by the Transferor Company 3 with such requirements under Tax Laws and such actions shall also be deemed to constitute adequate compliance by the Transferee Company 2 with the relevant obligations under such Tax Laws.
- 32.6 Upon the Scheme becoming effective, all un-availed credits and exemptions, benefit of carried forward losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including MAT credit, or tax holidays), goods and service tax, cenvat, customs, applicable state value added tax, sales tax, service tax etc. relating to the Transferor Company 3 on or after the Appointed Date 2 which remain unutilized by the Transferee Company 2 shall be available to and vest in the Transferee Company 2, without any further act or deed.
- 32.7 Upon this Scheme becoming effective, the Transferee Company 2 shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc.

### 33 CONSIDERATION FOR AMALGAMATION

- 33.1 Upon the coming into effect of this Scheme, in consideration of the Amalgamation of the Transferor Company 3 with the Transferee Company 2 pursuant to this Scheme, the Transferee Company 2 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares of Transferee Company 2") at par on a proportionate basis to each member of the Transferor Company 3 (excluding with respect to shares held by the Transferee Company 2 in Transferor Company 3), whose name is recorded in the register of members of the Transferor Company 3 as holding shares on Record Date 2, in the ratio of 63 equity shares of Rs 2 each fully paid up of Transferee Company 2 for every 10 equity shares of Rs 2 each fully paid up held in the Transferor Company 3. It is hereby clarified that any shares held by the Transferee Company 2 in Transferor Company 3 (including the shares issued pursuant to Amalgamation 1) shall hereby stand cancelled without any further action, or deed.
- 33.2 The exchange ratio pertaining to the Amalgamation 2 has been determined by the Boards of Directors of the Transferor Company 3 and the Transferee Company 2 based on the joint





valuation report provided by independent registered valuers as per the terms of the present proposed Scheme.

- 33.3 The issue and allotment of New Equity Shares of Transferee Company 2 by Transferee Company 2 to the members and shareholders of Transferor Company 3 pursuant to Clause 33.1 above is an integral part of this Scheme.
- 33.4 The approval of this Scheme by the shareholders of Transferee Company 2 shall be deemed to be due compliance of the provisions of Section 62 and other applicable provisions of the Act, for the issue and allotment of New Equity Shares of Transferee Company 2 by the Transferee Company 2 to the shareholders of the Transferor Company 3 as provided in this Scheme.
- 33.5 The New Equity Shares of Transferee Company 2 to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company 2 and shall rank pari passu with the other equity shares issued and allotted to the members of the Transferee Company 2.
- 33.6 The approval of this Scheme by the shareholders under Sections 230 and 232 of the Act shall be deemed to have the approval under (i) Sections 13, 14 and other applicable provisions of the Act; and (ii) any other consents/ permissions as may be required in this regard.
- 33.7 In the event that the Transferor Company 3 or Transferee Company 2, restructures their equity share capital prior to the Effective Date, by way of any issue of bonus shares (except issuance of bonus shares as approved by the Board of Directors, and shareholders, as mentioned in clause 4.1 of the Scheme) / share split / consolidation / subdivision / re-organisation, the share exchange ratio and / or number of consideration shares to be issued (as applicable) shall stand modified / adjusted accordingly to take into account the effect of such corporate actions.
- 33.8 Subject to Applicable Laws, the fully paid-up New Equity Shares of Transferee Company 2 that are to be issued in terms of Clause 33.1 shall be issued in dematerialised form, unless a shareholder of the Transferor Company 3 gives a notice to the Transferor Company 3 and the Transferee Company 2 on or before the Record Date 2, requesting for issuance of such Equity Shares in physical form. The shareholders of the Transferor Company 3 shall provide such confirmation, information and details as may be required by the Transferee Company 2 to enable it to issue the aforementioned Equity Shares. However, if as of the date of allotment by the Transferee Company 2, the Transferor Company 3 is unable to provide the details of the demat account of any shareholder, subject to applicable law, then the Transferee Company 2 shall allot the appropriate number of respective New Shares to such shareholder in physical form. Notwithstanding the above, if as per Applicable Laws, the Transferee Company 2 is not permitted to issue and allot the respective New Equity Shares of Transferee Company 2 in physical form, and it has still not received the demat account details of certain shareholders of the Transferor Company 3, it shall issue and allot such shares in lieu of the respective New Equity Share of Transferee Company 2 entitlement of such shareholders, into a demat suspense/escrow account, which shall be operated by one of the authorised person of Transferee Company 2, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlement, will transfer from such demat suspense/escrow account into the individual demat accounts of such claimant shareholders, such number of shares as may be required in terms of this Scheme.





- 33.9 Equity shares to be issued by Transferee Company 2 pursuant to Clause 33.1 in respect of Equity Shares of the shareholders of the Transferor Company 3 which are held in abeyance shall continue to be kept in abeyance by the Transferee Company 2.
- 33.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 3, the Board of Directors of the Transferor Company 3 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer in the Transferor Company 3 as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor / transferee of the shares in the Transferor Company 3 and in relation to the Equity Shares issued by the Transferee Company 2 upon the effectiveness of this Scheme. The Board of Directors of the Transferor Company 3 and the Transferee Company 2 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company 2 on account of difficulties faced in the transition period.
- 33.11 If the allotment of shares pursuant to this Clause 33.1 will result in any shareholders being issued fractional shares, the Board of the Transferee Company 2 shall consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/trustee authorized by the Board of the Transferee Company 2 in this behalf who shall hold the shares on behalf of the shareholders of the Transferor Company 3 entitled to fractional entitlements with the express understanding that such person/trustee shall sell the shares of the Transferee Company 2 so allotted on the Stock Exchanges at such price or prices at any time within a period of 90 days from the date of allotment, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses been carrying as applicable, to the shareholders of the Transferor Company 3 in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person/trustee authorized by the Board of the Transferee Company 2 by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.”
- 33.12 The Transferee Company 2 shall apply to all the Stock Exchanges (where the shares of Transferor Company 3 are listed) and SEBI for listing and admission of all the Equity Shares the New Equity Shares of Transferee Company 2 to trading in terms of SEBI Master Circular No. SEBI/HO/CFD/POD-2 /P/CIR/ 2023/93 dated June 20, 2023 read with other Applicable Laws (as amended from time to time).
- 33.13 The New Equity Shares of Transferee Company 2 issued and allotted pursuant to the Scheme shall remain frozen in the depository system until listing/trading permission is given by the Stock Exchanges for the Equity Shares of Transferee Company 2.
- 33.14 Transferee Company 2 shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of the Transferee Company 2 by to non-resident equity shareholders of the Transferor Company 3, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.





33.15 Upon this Scheme coming into effect, all Transferee Company 1 RPS shall stand cancelled and neither the Transferor Company 3 (severally) nor the Transferee Company 2 shall have any rights, obligation or liability against each other with respect to the same.

#### 34 ACCOUNTING TREATMENT

34.1 Accounting Treatments in the books of Transferee Company 2 (For the Amalgamation of Transferor Company 3 (including Transferor Company 1 and Transferor Company 2 under Amalgamation 1) with the Transferee Company 2)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 2, the Transferee Company 2 shall account for the amalgamation of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2 under Amalgamation 1), in its books of accounts such that:

- 34.1.1. The Transferee Company 2 shall record the assets and liabilities, if any, of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) vested in it pursuant to this Scheme, at their carrying values.
- 34.1.2. The identity of the reserves of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) shall be preserved and the Transferee Company 2 shall record the reserves of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) in the same form and at their carrying amount.
- 34.1.3. Pursuant to the amalgamation of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) with the Transferee Company 2, inter-company balances, if any, between the Transferee Company 2 and the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) appearing in the books of the Transferee Company 2 shall stand cancelled;
- 34.1.4. The value of all the investments held by the Transferee Company 2 in the Transferor Company 3 shall stand cancelled pursuant to amalgamation.
- 34.1.5. The consideration transferred by the Transferee Company 2 to the shareholders of the Transferor Company 3, as prescribed in clause 33 of Section D of this Scheme, shall be recognised at nominal /face value and credited to the Equity Share Capital of the Transferee Company 2.
- 34.1.6. The surplus/deficit, if any arising after taking the effect of clause 34.1.1, clause 34.1.2, clause 34.1.4 and clause 34.1.5, after adjustment of clause 34.1.3 shall be recognised as Capital Reserve in the financial statements of the Transferee Company 2.
- 34.1.7. In case of any difference in accounting policy between the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.





34.1.8. In case amount recognised as Capital Reserve as per clause 34.1.6 arising due to merger of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) results into net debit impact, the Transferee Company 2 will adjust the debit balance firstly against the amount lying to the credit of the Capital Reserve Account, if any; balance, if any remaining after adjustment of entire credit of Capital Reserve Account, against the amount lying to the credit of the Special Reserve Account, if any; balance, if any, remaining after adjustment of entire credit balance of the Special Reserve Account, against the amount lying to the credit of the Securities Premium Account, if any; balance, if any, remaining after adjustment of entire credit balance of the Securities Premium Account, against the amount lying to the credit of the Retained Earnings and balance, if any, remaining after adjustment of entire credit balance of the Retained Earnings, such amount shall continue as Capital Reserve Account. In case impact arising due to merger accounting results in net credit in Capital Reserve, if any, such amount shall continue to be recognised as Capital Reserve Account.

34.1.9. For accounting purposes, the Scheme will be given effect from the Appointed Date 2 and such entries will be recorded on the date when all substantial conditions for the transfer of the Transferor Company 3 are completed.

34.1.10. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

### 35 UTILISATION OF SECURITIES PREMIUM & SPECIAL RESERVE

The utilization and / or adjustment of the Securities Premium in the books of Transferee Company 2 in accordance Clause 34.1.8 of this Scheme, shall be deemed to be due compliance of the provisions of section 66 and other applicable provisions of the Act, and approval to this Scheme will be deemed to include approval under section 66 and other applicable provisions of the Act

The utilization and / or adjustment of the Special Reserve, recognized in the books of Transferor Company 3 ((on account of the Scheme of Arrangement for Amalgamation between Gati Limited, Gati Express Distribution Limited, Trymbak Commercial & Trading Private Limited, Newatia Commercial & Trading Private Limited, Ocimum Commercial & Trading Private Limited, Sumeru Commercial & Trading Private Limited and respective shareholders of these companies, such scheme being approved by the Hon'ble High Court of Andhra Pradesh in the year 2013), which Special Reserve is recognized in Transferee Company 2 pursuant to Amalgamation 2 under this Scheme), in accordance Clause 34.1.8 of this Scheme, shall be an integral part of this Scheme, and shall be deemed to be due compliance with all Applicable Laws, and approval to this Scheme will be deemed to include all such approvals as maybe required under Applicable Laws.





## SECTION E – OTHER PROVISIONS

### GENERAL TERMS & CONDITIONS APPLICABLE TO DEMERGER AND AMALGAMATION 1 AND AMALGAMATION 2

#### 36 APPOINTED DATE

The Appointed Date 1 and Appointed Date 2 shall be deemed to be the 'acquisition date' for all purposes, including for the purposes of accounts of Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3/ Transferee Company 1/ Transferee Company 2.

#### 37 APPLICATION TO THE NCLT

The Transferor Companies, the Transferor Company 3/the Transferee Company 1, the Transferee Company 2 and the Resulting Company shall, with all reasonable dispatch, make necessary applications/petitions under sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for seeking sanction of this Scheme.

#### 38 ALTERATION OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE RESULTING COMPANY AND THE TRANSFEE COMPANY 2

##### Increase in authorized Share Capital of the Resulting Company

- a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of Resulting Company shall stand suitably increased, without any further act, instrument or deed on the part of the Resulting Company for the purpose of issue of shares as per Clause 13.1, as on the Effective Date such that upon the effectiveness of the Scheme, the authorised share capital of the Resulting Company shall be Rs. 200,00,00,000 (Rupees Two Hundred Crores) divided into 100,00,00,000 Equity Shares of Rs 2/- each fully paid up. Clause 5 of the memorandum of association of the Resulting Company shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"Clause 5. The Authorized Share Capital of the Company is Rs 200,00,00,000 (Rupees Two Hundred Crores only) divided into 100,00,00,000 (One Hundred Crores) equity shares of Rs. 2/- (Rupees Two) each"

- b) As an integral part of the Scheme, and upon coming into effect of the Scheme, the articles of association of the Resulting Company shall stand amended and reinstated to replicate the articles of a listed company and in such form as the Board of the Resulting Company may determine.

##### Increase in authorized Share Capital of the Transferee Company 2

- a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of Transferee Company 2 shall stand automatically increased, without any further act, instrument or deed on the part of the Transferee Company 2, including without payment of stamp duty and fees paid to Registrar of Companies, by the authorised share capital of the Transferor Company 3 (i.e. Rs 285,75,00,000 (Rupees Two Hundred Eighty Five Crores Seventy Five Lacs), which is inclusive of the increase in authorized share capital of Transferor





Company 3, on account of Amalgamation 1,) as on the Effective Date such that upon the effectiveness of the Scheme, the authorised share capital of the Transferee Company 2 shall be Rs. 485,75,00,000 (Rupees Four Hundred Eighty Five Crores Seventy Five Lacs) divided into 242,87,50,000 (Two Hundred Forty Two Crores Eighty Seven Lacs Fifty Thousand) equity shares of Rs. 2/- (Rupees Two) each. Clause 5 of the memorandum of association of the Transferee Company 2 shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"Clause 5. The Authorized Share Capital of the Company is Rs 485,75,00,000 (Rupees Four Hundred Eighty Five Crores Seventy Five Lacs) divided into 242,87,50,000 ([Two Hundred Forty Two Crores Eighty Seven Lacs Fifty Thousand) equity shares of Rs. 2/- (Rupees Two) each"

- b) As an integral part of the Scheme, and upon coming into effect of the Scheme, the articles of association of the Transferee Company 2 shall stand amended if required, and in such form as the Board of the Transferee Company 2 may determine.

### 39 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 39.1 Subject to approval of NCLT, the shareholders of Demerged Company/ Resulting Company/ Transferor Companies/ Transferee Company 1, empower their respective Boards of Directors or by a person authorized by the Boards of Directors, may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the NCLT, as the case may be, as applicable and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events, and the Demerged Company/ Resulting Company/ Transferor Companies/ Transferee Company 1 through their Board of Directors are hereby authorized to take such steps and do all such acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and resolve any doubts, difficulties or questions whether by reason of any orders of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or virtue of this Scheme and/or any matters concerning or connected therewith.
- 39.2 If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of Demerged Company/ Resulting Company/ Transferor Companies/ Transferee Company 1, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme.

### 40 CONDITIONALITY OF THE SCHEME

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

- 40.1 The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to Demerged Company/ Resulting Company/ Transferor Companies/ Transferee Company 1.
- 40.2 The approval of the Scheme by the respective requisite majorities in number and value of the shareholders of the Demerged Company/ Resulting Company/ Transferor Companies/ Transferee Company 1 in accordance with sections 230 to 232 of the Act;





- 40.3 The Demerged Company / Resulting Company / Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 (as the case may be) complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Demerged Company / Transferor Companies / Transferor Company 3 / Transferee Company 1 / Transferee Company 2 through e-voting (as the case may be).
- 40.4 The Scheme being sanctioned by the NCLT in terms of Sections 230 to 232 and other relevant provisions of the Act; and
- 40.5 Certified copies of the orders of the NCLT sanctioning this Scheme being filed with the relevant Registrar of Companies by Demerged Company / Resulting Company / Transferor Companies / Transferor Company 3 / Transferee Company 1 / Transferee Company 2 as per the provisions of the Act.

#### 41 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 41.1 In the event any of the said sanctions and approvals referred to in Clause 40 are not obtained, and/ or complied with, and/or satisfied, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 41.2 In the event of revocation under Clause 41.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Demerged Company/ Resulting Company/ Transferor Companies / Transferor Company 3 / Transferee Company 1 / Transferee Company 2 or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each company shall bear its own costs unless otherwise mutually agreed.
- 41.3 The Board of Directors of the Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 shall be entitled to withdraw this Scheme prior to the Effective Date for any reason (s) including, but not limited to, in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

#### 42 WHEN THE SCHEME COMES INTO OPERATION

- 42.1 It is clarified that Sections B and C of the Scheme shall come into operation from the Appointed Date 1 and Section D of the Scheme shall come into operation from Appointed Date 2 and shall become effective on and from the Effective Date in terms of the Scheme.





42.2 The Demerged Company / Resulting Company / Transferee Company 1 / Transferee Company 2 shall carry on and shall be authorized to carry on, with effect from the Effective Date, the business pertaining to the Demerged Company (to the extent of Remaining Business) / Resulting Company (to the extent of the Demerged Undertaking) / Transferor Companies / Transferor Company 3 respectively. The Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 are and shall always be deemed to have been authorized to execute any pleadings, applications, forms as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

42.3 The Demerged Company / Resulting Company/ Transferor Companies / Transferor Company 3 / Transferee Company 1 / Transferee Company 2 shall be entitled to, amongst others, file / or revise its income tax returns, TDS / TCS returns, excise duty returns, GST returns, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under section 43B of the IT Act on payment basis, claim for deduction of provisions written back by the Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 previously disallowed in the hands of the Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 respectively under the IT Act, credit of foreign taxes paid / withheld, if any, pertaining Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 2 / Transferee Company 1 / Transferee Company 2 as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum.

#### 43 DIVIDENDS

43.1 The Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

43.2 The holders of the shares of the Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

43.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company/ Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company / Resulting Company / Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 and subject to the approval of the shareholders of the Demerged Company / Resulting Company/ Transferor Companies/ Transferor Company 3 / Transferee Company 1 / Transferee Company 2 respectively, if applicable.





#### 44 COSTS, CHARGES AND EXPENSES

All past, present and future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing (i) Section B of this Scheme and matters incidental thereto, shall be wholly borne by the Resulting Company; (ii) Sections C and D of this Scheme and matters incidental thereto, shall be wholly borne by Transferee Company 2.

#### 45 BINDING EFFECT

Upon this Scheme becoming effective it shall be binding on the Demerged Company, Resulting Company, Transferor Companies, and the Transferee Company, and, their respective shareholders, creditors and all other stakeholders.

*M*



**Certified True Copy**  
For Allcargo Logistics Limited

*Devanand*  
Devanand Mojindra  
Company Secretary



**CERTIFIED TRUE COPY**

For ALLCARGO GATI LTD

*T. Mahalingam*  
Company Secretary



## Annexure A

### List of assets & liabilities of Demerged Undertaking being moved from Demerged Company to Resulting Company

<b>Particular</b>
<b>ASSETS</b>
<b><u>Property plants and equipments</u></b>
Leasehold improvements
Plant and machinery
Vehicles
Office Equipment
Computers
Furniture & fixtures
Other Tangible Assets
Other intangible assets (Including Software)
"Allcargo"- and "ECU" brands, related Intellectual Property Rights and other intangible assets related to the Demerged Undertaking
Right of Use Asset AS PER IND AS for various premises related to Demerged Undertaking
Loans & Advances
Financial assets & Derivative instruments
Deferred tax assets (net)
Other Non-current assets
Current assets (including trade and other receivables, deposits, balances with government authorities, other current assets)
Cash and cash equivalents and bank balances
Contract assets recognized under IND AS
Other assets related to Demerged Undertaking (not covered above)
<b>LIABILITIES</b>
Borrowings (in the manner outlined in the Scheme)
Lease liabilities recognised under Ind-AS
Trade payables and other payables
Contract liabilities recognized under IND AS
Employee related liabilities
Other liabilities related to Demerged Undertaking (not covered above)
<b>List of investments in joint ventures/subsidiaries/ associates being moved from Demerged Company to Resulting Company</b>
<b>Particulars</b>
Contech Logistics Solutions Pvt. Ltd
Ecu International (Asia) Pvt. Ltd.
Allcargo Logistics Lanka Pvt. Ltd.
<b>ECU Worldwide NV (Formerly known as Allcargo Belgium NV) and its direct &amp; indirect subsidiaries, associates and JV's</b>
AGL Bangladesh Private Limited
Altcargo Oil & Gas Private Limited (Under Strike-off)





Schedule A: List of common assets and liabilities of Demerged Company being moved to Resulting Company

- Software and Servers which is for common usage
- Leasehold Land at Aamby Valley;
- Training Centre and Guest House at Lonavala;
- Real Estate at Gurugram;
- Leased offices at Mumbai;
- Leasehold improvements in connection with the above;
- Right of Use Assets and Lease Liabilities as per IND AS in connection with the above.  
(as may be applicable)
- Treasury Investments



**Certified True Copy**  
For Allcargo Logistics Limited

  
Devanand Mojindra  
Company Secretary

**CERTIFIED TRUE COPY**

For ALLCARGO GATI LTD

  
Company Secretary