

## **ANNEXURE - 2 'SCHEME OF AMALGAMATION'**

**SCHEME OF ARRANGEMENT  
BETWEEN  
MPS TELECOM PRIVATE LIMITED  
(TRANSFEROR COMPANY-1)  
AND  
ONEWORLD TELESERVICES PRIVATE LIMITED  
(TRANSFEROR COMPANY-2)  
AND  
OPTIEMUS INFRACOM LIMITED  
(TRANSFeree COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
FOR AMALGAMATION OF  
MPS TELECOM PRIVATE LIMITED  
(TRANSFEROR COMPANY-1)  
AND  
ONEWORLD TELESERVICES PRIVATE LIMITED  
(TRANSFEROR COMPANY-2)  
WITH  
OPTIEMUS INFRACOM LIMITED  
(TRANSFeree COMPANY)  
UNDER SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULE 25 OF  
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS)  
RULES, 2016)**

**Parts of the Scheme:**

1. **Part I** – This part of Scheme contains Definitions, Capital Structure of the Transferor Company-1, Transferor Company-2 and Transferee Company.
2. **Part II** – This part of Scheme deals with Amalgamation of the Transferor Company-1, Transferor Company-2 with the Transferee Company in accordance with Section 233 of the Companies Act, 2013.
3. **Part III** - This part of Scheme deals with the Accounting Methodology adopted for the Amalgamation.
4. **Part IV** - This part of Scheme contains other terms and conditions applicable to the Scheme.

**PREAMBLE****A. An overview of Scheme of Arrangement**

- This Scheme of Arrangement is presented under the provisions of Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 under fast track route for amalgamation of MPS Telecom Private Limited ('Transferor Company-1') and Oneworld Teleservices Private Limited ('Transferor Company-2') (collectively 'Transferor Companies' or 'Wholly Owned Subsidiaries') with Optiemus Infracom Limited (Transferee Company')
- The Transferor Companies is wholly owned subsidiary of Transferee Company hence, in consideration Transferee Company will not issue any shares under the scheme of Arrangement. The existing holding of Transferee Company in Transferor Company get cancel pursuant to the scheme of Arrangement.
- In addition, this Scheme of Arrangement also provides for various others matter consequential or otherwise integrally connected herewith.

**B. Background and Description of Companies**

1. **MPS Telecom Private Limited or MTPL or Transferor Company -1** bearing CIN U64200DL2013PTC254029 was incorporated on June 17, 2013 in accordance with the provisions of the Companies Act, 1956. The registered office of the Transferor Company-1 is situated at Ground Floor, Plot No.1 & 2, Khasra No. 382/2, Village Nasirpur, Post Office Palam, New Delhi - 110045. The Transferor Company-1 is engaged in the business of distribution of mobile phones and telecom accessories.  
The main objects of the Transferor Company-1 are set out in its Memorandum of Association.  
Transferor Company-1 is a wholly owned subsidiary of Transferee Company.
2. **Oneworld Teleservices Private Limited or OPTL or Transferor Company-2** bearing CIN U64100DL2013PTC259070 was incorporated on October 10, 2013 in accordance with the provisions of Companies Act, 1956. The registered office of the Transferor Company-2 is situated at K-20, 2nd Floor Lajpat Nagar-II New Delhi - 110024. The Transferor Company-2 is engaged in providing telecommunication services.  
Transferor Company-2 is wholly owned subsidiary of Transferee Company.
3. **Optiemus Infracom Limited or OIL or Transferee Company** bearing CIN L64200DL1993PLC054086 was incorporated on June 17, 1993 in accordance with the provisions of the Companies Act, 1956. The Registered Office of Transferee Company is situated at K-20, 2nd Floor Lajpat Nagar-II New Delhi - 110024. The shares of the Company are listed on BSE Limited and shall be listed on NSE w.e.f. August 8, 2017.

The Transferee Company is engaged in diversified business and has experience in managing and distributing various mobile brands and other telecommunication products in India. Apart from the aforesaid business, the Company also owns a Real Estate Project in Noida and operates the same on Rental Model. The Company has also obtained exclusive licensing agreement for manufacturing & distributing Blackberry mobile handsets in four countries including India.

**C. OBJECTS AND RATIONALE FOR THE SCHEME**

- The Transferor Company -1 and Transferor Company -2 are wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Companies and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the

multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Companies be amalgamated with Transferee Company.

- The independent operations of the Transferor Companies and Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
  - The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company.
  - The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
  - The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
  - The other benefits the proposed amalgamation include:
    - (a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
    - (b) Enhancement of competitive strengths including financial resources;
    - (c) Obtaining synergy benefits;
    - (d) Better management and focus on growing the businesses;
    - (e) Reduction of overheads, administrative, managerial and other expenditure.
    - (f) Simplify shareholding structure and reduce shareholding tiers
- D.** In view of the above, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in accordance with this Scheme, pursuant to Sections 233 of the Companies Act, 2013.
- E.** The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Sections 233 and other relevant provisions of the Companies Act, 2013, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

## PART-I GENERAL PROVISIONS

### 1. Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below:

- 1.1. **“Act”**: means the Companies Act, 2013, or the Companies Act, 1956 (to the extent applicable) and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. **“Appointed Date”**: means April 1, 2017, the date with effect from which this scheme shall come into effect or such other date(s) as may be fixed or approved by the Central Government or Tribunal or any other competent authority.
- 1.3. **“Board” or “Board of Directors”**: in relation to the Transferor Company-1, Transferor Company-2 and Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors, if any constituted or appointed and authorized to take any decision for the implementation of this scheme on behalf of such Board of Directors.
- 1.4. **“BSE”** shall mean BSE Limited.
- 1.5. **“NSE”** shall mean National Stock Exchange of India Limited.
- 1.6. **“Central Government”**: means the government of India and vide Notification No. S.O. 4090(E) dated 19<sup>th</sup> December, 2016 Central Government has delegated powers vested in it under Section 233 of the Companies Act, 2013 to the Regional Director, Ministry of Corporate Affairs having jurisdiction.
- 1.7. **“Effective Date”**: means the date on which the certified copy of the order(s) of the Regional Director under Sections 233 of the Act sanctioning the Scheme, is filed with the Registrar of Companies.

Any references in this Scheme to the words “upon the Scheme becoming effective” or “effectiveness of this Scheme” or “date of coming into effect of the Scheme” or “Scheme coming into effect” shall mean the Effective Date.

- 1.8. **“Equity Share(s)”** means the equity shares of the Transferor Company-1 or Transferor Company-2 or Transferee Company, as the case may be.
- 1.9. **“IT Act”** means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.
- 1.10. **“Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Board, Court of India or any other country or jurisdiction as applicable.
- 1.11. **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof .
- 1.12. **“Official Liquidator” or “OL”:** means Official Liquidator having jurisdiction over the Transferor Companies and Transferee Company.
- 1.13. **“Record Date”:** means date fixed by the Board of Directors or a committee thereof of the Transferee Company for the purpose of determining the members of Transferor Company-1, Transferor Company-2 and the Transferee Company approving the scheme of Amalgamation.
- 1.14. **Regional Director:** means the Regional Director (Northern Region), Ministry of Corporate Affairs at New Delhi, having jurisdiction over the Transferee Company.
- 1.15. **“Registrar of Companies” or “RoC”:** means the Registrar of Companies at NCT of Delhi and Haryana at New Delhi.
- 1.16. **“Rules”:** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 1.17. **“Scheme” or “Scheme of Arrangement”:** means this Scheme of Arrangement for Amalgamation of MPS Telecom Private Limited (‘Transferor Company-1’) and Oneworld Teleservices Private Limited (‘Transferor Company-2’) (collectively ‘Transferor Companies’ or ‘Wholly Owned Subsidiaries’) with Optiemos Infracom Limited (Transferee Company’) under Sections 233 of the Companies Act, 2013 as approved by the Board of Directors of all the Companies in its present form and with any modifications as may be approved by the Regional Director, Northern Region.
- 1.18. **“Stock Exchanges”** shall mean BSE Limited (BSE) and/or National Stock Exchange (NSE)

## 2. Date of Effect and Operative Date

The Scheme setout herein in its present form or with any modification(s), if any made as per Clause 3 of Part –IV of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

## 3. CAPITAL STRUCTURE:

The Capital Structure of Transferee Company and Transferor Company as on appointed date i.e. 1st April, 2017 and immediately before implementation of the scheme are as under:

### 3.1. TRANSFEREE COMPANY

As on the Appointed Date i.e. April 1, 2017, the share capital of the Transferee Company was as under:

<b>Particulars</b>	<b>Amount ( ` )</b>
<b>Authorized Share Capital</b>	
8,59,80,000 Equity Shares of ` 10/-each	85,98,00,000.00
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
8,58,14,191 Equity Shares of ` 10/- each fully paid up	85,81,41,910.00
<b>TOTAL</b>	<b>85,81,41,910.00</b>

There is no change in the capital structure of the Transferee Company after the Appointed Date.

### 3.2. TRANSFEROR COMPANY-1

As on the Appointed Date i.e. April 1, 2017, the share capital of Transferor Company-1 was as under:

<b>Particulars</b>	<b>Amount ( ` )</b>
<b>Authorized Share Capital</b>	
3,50,00,000 Equity Shares of ` 10/-each	35,00,00,000.00
<b>Issued, Subscribed and Paid up Share Capital</b>	
3,50,00,000 Equity Shares of ` 10/-each fully paid up	35,00,00,000.00
<b>TOTAL</b>	<b>35,00,00,000.00</b>

There is no change of Capital Structure of the Transferor Company-1 after the Appointed Date.

**3.3. TRANSFEROR COMPANY-2**

As on the Appointed Date i.e. April 1, 2017, the share capital of Transferor Company-2 was as under:

<b>Particulars</b>	<b>Amount ( ` )</b>
<b>Authorized Share Capital</b>	
10,000 Equity Shares of ` 10/-each	1,00,000.00
79,90,000 1% Convertible Preference Shares of ` 10/- each	7,99,00,000.00
<b>Issued, Subscribed and Paid up Share Capital</b>	
10,000 Equity Shares of ` 10/- each fully paid up	100,000.00
<b>7,70,00,000 1% Preference Shares of ` 10/- each fully paid up</b>	<b>77,00,000.00</b>
<b>TOTAL</b>	<b>77,10,000.00</b>

**PART-II****AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING**

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of each of the Transferor Company-1 and Transferor Company-2 shall, in terms of Section 233 and applicable provisions, if any, of the Companies Act 2013, and pursuant to the orders of the Regional Director, Northern Region or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.
2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Companies shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:
  - 3.1 With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - 3.2 With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - 3.3 With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown/factories, sundry debtors, , investments, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/ VAT credits /GST credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - 3.4 With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - 3.5 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Companies or Transferee Company.
  - 3.6 With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Regional Director (Central Government) and the Scheme becoming effective in accordance with the terms hereof.

- 3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Companies to which the Transferor Company are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.
- 3.8 With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies to which Transferor Companies is the party or to the benefit of which Transferor Companies may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.
- 3.9 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Companies or granted to Transferor Companies shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Companies Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to Transferee Company pursuant to this scheme.
- 3.10 With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Companies shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Companies, without any further instrument, deed or act or any further payment of fee, charge or securities.

#### 4. TRANSFER OF LIABILITIES

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Companies, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.
- 4.2 Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- 4.3 The transfer and vesting of the entire business and undertaking of Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Companies, as the case may be.  
Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee 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, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.  
Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.
- 4.4 Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which Transferor Company are parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.
- 4.5 Loans or other obligations, if any, due either between Transferee Company and Transferor Companies or amongst Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

#### 5. LEGAL PROCEEDINGS

- 5.1 With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Companies.  
Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor



Companies pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Companies or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Companies; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies.

- 5.2 If any suit, appeal or other proceedings of whatever nature by or against Transferor Companies be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if this Scheme had not been made.

## 6. EMPLOYEE MATTERS

On occurrence of the Effective Date, all persons that were employed by Transferor Companies immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Companies immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Companies with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Companies, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Companies for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Companies and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of Transferee Company.

## 7. TAXATION AND OTHER MATTERS

- 7.1 With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Companies, and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- 7.2 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Companies or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and service Tax or any other tax, as may be required consequent to the implementation of the Scheme.
- 7.3 Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- 7.4 It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.
- 7.5 From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in their existing names.
- 7.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Companies shall stand transferred by the order of the Regional Director to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the

statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Regional Director (Central Government).

## 8. Conduct of Business

- 8.1 With effect from the Appointed Date and till the Scheme come into effect:
- 8.1.1. Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Companies and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
- 8.1.2. Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Companies shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.
- 8.1.3. Transferor Companies shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.
- 8.1.4. Transferor Companies shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.
- 8.1.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.
- 8.2 Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Companies.
- 8.3 For the purpose of giving effect to the vesting order passed under Sections 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromise, Arrangement and Amalgamation), Rules, 2016 in respect of this Scheme by the Regional Director (Central Government), Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies businesses and undertakings in accordance with the provisions of Section 233 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

## PART-III CONSIDERATION & ACCOUNTING TREATMENT

### 1. CONSIDERATION

- i. Upon the Scheme coming into effect, all equity shares and / or preference shares of the Transferor Company-1 and Transferor Company -2 held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company -1 and Transferor Company -2.
- ii. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company-1 and Transferor Company-2 in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

### 2. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF THE TRANSFEE COMPANY

- i. Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Company shall be deemed to be added to the Authorized Share Capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The Face Value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.
- ii. Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:  
*The equity share capital of the company is ₹ 1,209,900,000.00 (Rupees One Hundred Twenty Crores, Ninety nine Lacs) divided into 120,990,000 (Twelve Crores and Nine Lacs and ninety thousand) Equity shares of ₹ 10/- (Rupees Ten) each.*



*The preference share capital of the company is ₹ 7,99,00,000.00 (Rupees Seven Crores Ninety Nine Lacs) divided into 7,990,000 (Seventy Nine lacs, Ninety Thousands) Preference shares of ₹ 10/- (Rupees Ten) each.*

- iii. On approval of the Scheme by the members of Transferee Company pursuant to Section 233 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company

### 3. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY

With effect from the Appointed Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferee Company and notwithstanding anything contained in Section 13 and 61 of Companies Act, 2013, the post-merger Authorized Share capital of the Transferee Company as added preference share capital of Transferor Company-2 i.e. ₹ 79,90,000/- (Rupees Seven Crores Ninety Nine Lacs) divided into 79,90,000 (Seventy Nine Lacs, Ninety Thousands) 1% Convertible Preference Shares of ₹ 10/- (Rupees Ten) each will be reclassified to ₹ 79,90,000/- (Rupees Seven Crores Ninety Nine Lacs) divided into 79,90,000 (Seventy Nine Lacs, Ninety Thousands) equity share of face value of ₹ 10/- (Rupees Ten) each. The Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date.

Upon coming into effect of the Scheme and reclassification of shares of Transferee Company, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

*The share capital of the company is ₹ 12,89,80,00,00.00 (Rupees One Twenty Eight Crores, Ninety Eight Lacs) divided into 12,89,80,000/- (Twelve Crores, Eighty Nine Lacs and Eighty Thousands) Equity shares of ₹ 10/- (Rupees Ten) each.*

### 4. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Companies with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs or the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, (if applicable), as may be amended from time to time such that:

- 1.1 The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company -vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies on the Appointed Date.
- 1.2 If at the time of amalgamation, the Transferor Companies and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies'.
- 1.3 Investment, if any, in the equity share capital of the Transferor Companies or vice versa, as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 1.4 The loans and advance or payables or receivables of any kind, held *inter-se*, if any between the Transferor Companies and the Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to Effective Date.

### 5. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Companies as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Companies accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

### 6. DISSOLUTION OF TRANSFEROR COMPANY

On occurrence of the Effective Date, Transferor Company -1 and Transferor Company -2 shall, without any further act or deed, shall stand dissolved without winding up.

## PART-IV OTHER PROVISIONS

### 1. Application To Regional Director:

- 1.1 Transferor Companies and Transferee Company shall, with all reasonable dispatch, make application to the Regional Director (Central Government) of relevant jurisdiction,, under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the Scheme with such modifications as may be approved by the Regional Director.

- 1.2 On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Companies and Transferee Company shall, with all reasonable dispatch, apply to the Regional Director (Central Government), for sanctioning the Scheme under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, and for such other orders, as the said Regional Director (Central Government) may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding-up.
2. **Listing Agreement and SEBI Compliances**
  - 2.1 Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.
  - 2.2 SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15<sup>th</sup> February, 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection / observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.
3. **Conditionality of Scheme:**

The Scheme is conditional upon and subject to:

  - 3.1 The observations/objections of Registrar of Companies and Official Liquidator in terms of Section 233.
  - 3.2 The Scheme being agreed to by the requisite majority of members and creditors of the Transferor Companies and Transferee Company;
  - 3.3 The Scheme being approved by the Regional Director (Central Government) at Delhi / Regional Director (Central Government) of Relevant Jurisdiction;
  - 3.4 The Confirmation Order of the Regional Director (Central Government) sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company;
  - 3.5 All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.
4. **Modification or Amendment of the Scheme and Revocation of the Scheme**
  - 4.1 The Transferee Company, Transferor Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Regional Director/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Companies, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
  - 4.2 Transferor Companies and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Regional Director or any other authority is not on terms acceptable to them.
  - 4.3 In the event of any of the said sanctions / approvals / conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Regional Director and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Companies and the Transferee Company 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 in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the companies.
5. **Costs**

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.