

**SCHEME OF AMALGAMATION**

**OF**

**DAMAN ENTERTAINMENT PRIVATE LIMITED  
("TRANSFEROR COMPANY 1")**

**AND**

**DAMAN HOSPITALITY PRIVATE LIMITED  
("TRANSFEROR COMPANY 2")**

**WITH**

**DELTA CORP LIMITED  
("TRANSFeree COMPANY")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

**(A) DESCRIPTION OF COMPANIES**

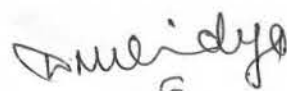
1. **Daman Entertainment Private Limited ("Transferor Company 1")** is a company incorporated under the provisions of the Companies Act, 1956. The Transferor Company 1 is inter-alia engaged in gaming and entertainment segment. The Transferor Company 1 is a wholly owned subsidiary of the Transferee Company (*as defined hereinafter*).
2. **Daman Hospitality Private Limited ("Transferor Company 2")** is a company incorporated under the provisions of the Companies Act, 1956. The Transferor Company 2 is inter-alia engaged in the business of hotels, resorts, recreation centers, banquets, halls, conference hall, convention halls, business centers, restaurant. The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.
3. **Delta Corp Limited ("Transferee Company")** is a company incorporated under the provisions of the Companies Act, 1956. The Transferee Company currently operates in Goa and Sikkim in casino gaming (electronic and live) and hospitality segment. Equity shares of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*).

**(B) OVERVIEW OF THE SCHEME**

This Scheme (*as defined hereinafter*) provides for amalgamation of the Transferor Companies (*as defined hereinafter*) with the Transferee Company with effect from the Appointed Date (*as defined hereinafter*). under the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(1B) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and various other matters consequential thereto or otherwise integrally connected therewith in the manner set out in this Scheme.

**(C) RATIONALE**

1. The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Companies pursuant to amalgamation. By consolidating the assets and liabilities of the Transferor Companies, the Transferee Company can expand its current service territory and strengthen its existing market share.
2. Pursuant to the amalgamation, easier financial support will be available for the businesses of the Transferor Companies.
3. The Scheme will result in the following benefits:



- (a) combination of resources, creating better synergies, optimal utilisation of resources and greater economies of scale and deriving operating efficiencies from adoption of existing technology-enabled processes of the Transferor Companies;
  - (b) More efficient utilization of capital for enhanced development and growth of the consolidated business under a single entity;
  - (c) Enable opportunities for employees of the parties to grow, by bringing them into a common pool; and
  - (d) Elimination of multiple entities, legal and regulatory compliances and, reduction of administrative costs.
4. The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.

**(D) PARTS OF THE SCHEME**

The Scheme (*as defined hereinafter*) is divided into the following parts:

- 1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
- 2. **PART II** deals with amalgamation of the Transferor Companies with the Transferee Company; and
- 3. **PART III** deals with the general terms and conditions applicable to this Scheme.

**PART I**

**DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

**1. DEFINITIONS**

In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

**"Act"** means the Companies Act, 2013;

**"Applicable Law"** or **"Law"** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal (*as defined hereinafter*); (b) Permits (*as defined hereinafter*); and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority (*as defined hereinafter*) having jurisdiction over the Parties as may be in force from time to time;

**"Appointed Date"** means the opening business hours of 1<sup>st</sup> April 2022;

**"Appropriate Authority"** means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; and
- (b) any governmental, quasi-governmental or private body, self regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other



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governmental or quasi-governmental authority including without limitation, Stock Exchanges, clearing corporations, and the Tribunal.

**"Board"** in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

**"Effective Date"** means last of the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by the respective Parties with the jurisdictional Registrar of Companies. Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

**"Encumbrance"** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;

**"Income Tax Act"** means the Income-tax Act, 1961;

**"INR" or "Rupee(s)"** means Indian Rupee, the lawful currency of the Republic of India;

**"Parties"** means the Transferor Companies and the Transferee Company, collectively and **"Party"** shall mean each of them, individually;

**"Permits"** means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

**"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

**"RoC"** means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

**"Scheme" or "this Scheme"** means this scheme of amalgamation, as may be modified;

**"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited collectively and Stock Exchange shall mean each of them individually;

**"Tax Laws"** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

**"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto; and

**"Transferee Company"** means Delta Corp Limited, a public company incorporated under Companies Act, 1956, under the corporate identity number L65493PN1990PLC058817 and



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having its registered office at 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001, Maharashtra;

**"Transferor Company 1"** means Daman Entertainment Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its corporate identity number U74120MH2011PTC216284 and registered office at Bayside Mall, 2nd Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai - 400034, Maharashtra;

**"Transferor Company 2"** means Daman Hospitality Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its corporate identity number U55101DD2007PTC004658 and registered office at Survey No. 8/1 and 8/1-A, Village Varkund, Vapi Daman Road Nani Daman 396210, Daman and Diu;

**Transferor Companies"** means the Transferor Company 1 and the Transferor Company 2, collectively and the term **"Transferor Company"** shall mean each of them individually;

**"Tribunal"** means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.1 In this Scheme, unless the context otherwise requires:

1.1.1 words denoting the singular shall include the plural and *vice versa*;

1.1.2 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;

1.1.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.1.4 the words "include" and "including" are to be construed without limitation.

## 2. SHARE CAPITAL

2.1 The share capital structure of Transferor Company 1 as on date of its Board approving the Scheme is as follows:

Particulars	Amount (In INR)
<b>Authorized Share Capital</b>	
50,000 equity shares of INR 10 each	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
26,923 equity shares of INR 10 each	2,69,230
<b>TOTAL</b>	<b>2,69,230</b>

On the date of approval of the Scheme by the Board, entire share capital of the Transferor Company 1 is held by the Transferee Company.

2.2 The share capital structure of Transferor Company 2 as on date of its Board approving the Scheme is as follows:

Particulars	Amount (In Rs.)
<b>Authorized Share Capital</b>	
5,84,99,995 voting class equity shares of INR 10 each	58,49,99,950
15,00,000 non-voting class A equity shares of INR 10 each	1,50,00,000
50 non-voting class B equity shares of INR 1 each	50
<b>TOTAL</b>	<b>60,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
3,84,02,016 voting class equity shares of INR 10 each	38,40,20,160
9,49,620 non-voting class A equity shares of INR 10 each	94,96,200
28 non-voting class B equity shares of INR 1 each	28
<b>TOTAL</b>	<b>39,35,16,388</b>





On the date of approval of the Scheme by the Board, entire share capital of the Transferor Company 2 is held by the Transferee Company.

- 2.3 The share capital structure of the Transferee Company as on date of its Board approving the Scheme is as follows:

Particulars	Amount (In Rs.)
<b>Authorized share capital</b>	
42,13,00,000 equity shares of INR 1 each	42,13,00,000
1,000,000 10% non-cumulative redeemable preference shares of INR 10 each	1,00,00,000
1,30,00,000 8% non-cumulative redeemable preference shares of INR 10 each	13,00,00,000
43,747 0.001% non-cumulative optionally convertible preference shares of INR 21,667 each	94,78,66,249
37,747 1% redeemable preference shares of INR 21,667 each	81,78,64,249
<b>TOTAL</b>	<b>232,70,30,498</b>
<b>Issued, subscribed and paid-up share capital</b>	
26,74,44,801 equity shares of INR 1 each	26,74,44,801
<b>TOTAL</b>	<b>26,74,44,801</b>

### 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 16 of this Scheme, shall be effective from the Appointed Date but shall become operative from the Effective Date.

## PART II

### AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

#### 4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANIES

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Companies shall stand transferred to and vested in the Transferee Company as a going concern and accordingly, all assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferor Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferee Company, subject to existing Encumbrance thereon, by virtue of operation of law, and in the manner provided in this Scheme.

- 4.2 Upon coming into effect of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Companies under this Scheme, is as follows:

- 4.2.1 In respect of such of the assets and properties of the Transferor Companies which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Companies, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect,



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become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, 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, whether or not the same is held in the name of the Transferor Companies 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, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company;
- 4.2.3 In respect of such of the assets and properties of the Transferor Companies which are immovable in nature, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Companies and/or the Transferee Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Companies in the nature of land and buildings, the Transferee Company shall register the true copy of the order of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Companies takes place and the assets and liabilities of the Transferor Companies shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Companies in the nature of land and buildings situated in states other than the Union Territory of Daman and Diu and, State of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, each or any the Transferor Companies and/ or the Transferee Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 All debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in,



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- 4.2.7 and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.8 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Company 1 and/ or Transferor Company 2, as may be applicable, and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders 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 the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;
- 4.2.9 Unless otherwise agreed between the Parties, the vesting of all the assets of the Transferor Companies, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Companies or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Companies with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.
- 4.2.10 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Companies, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Companies without any hindrance, whatsoever;
- 4.2.11 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Companies were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Companies shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed;
- 4.2.12 All contracts where the respective Transferor Companies are a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme



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becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Transferee Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

4.2.13 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Transferor Companies and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Companies and/or Transferee Company shall have any obligation or liability against the other party in relation thereto.

4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2, the Parties may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Companies, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Companies. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Companies transferred and/ or registered in its name.

## 5. EMPLOYEES

5.1 With effect from the Effective Date, all employees of the Transferor Companies shall become employees of the Transferee Company, without any interruption in service, all employees of the Transferor Companies on terms and conditions no less favourable than those on which they are engaged by the Transferor Companies. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Companies with any Persons in relation to the employees of the Transferor Companies. The Transferee Company agrees that the services of all such employees with the Transferor Companies prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

5.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per 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 the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said fund or funds.

## 6. LEGAL PROCEEDINGS

6.1 With effect from the Effective Date, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Companies pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Companies may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and



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to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

## 7. TAXES/ DUTIES/ CESS

Upon coming into effect of this Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Authority:

- 7.1 All the profits or income taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, any credit for dividend distribution tax on dividend received by the Transferor Companies), all input credit balances (including but not limited to CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Companies in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & foreign tax credits), tax losses, minimum alternate tax credit, dividend distribution tax credit, input credit balances (namely CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 7.2 If the Transferor Companies are entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 7.3 With effect from the Effective Date, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.
- 7.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company.

## 8. CONSIDERATION

- 8.1 The Transferor Companies are wholly owned subsidiaries of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Companies with the Transferee Company.
- 8.2 Upon the Scheme becoming effective, all equity shares of the Transferor Companies



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held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act, or deed.

9. **ACCOUNTING TREATMENT**

- 9.1 Upon the coming into effect of this Scheme the Transferee Company shall account for the amalgamation in its books as per "Pooling of interest method" under Appendix C of Indian Accounting Standard (Ind AS) 103, prescribed under Section 133 of the Companies Act, 2013. It would inter alia include the following:
- 9.1.1 All the assets, liabilities of the Transferor Companies shall be transferred to and vested in the books of the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values thereof and in the same form as appearing in the consolidated financial statements of the Transferee Company, being the holding company;
  - 9.1.2 The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, prior to this Scheme becoming effective;
  - 9.1.3 All Inter-company balances, including loans and advances, if any between the Transferor Companies and the Transferee Company, if any, appearing in the books of the Transferor Companies and the Transferee Company, will stand cancelled and obligation in respect thereof shall come to an end;
  - 9.1.4 The investment in equity shares of Transferor Companies held by Transferee Company shall stand cancelled and the difference, if any, arising between (i) carrying value of assets and liabilities and reserves pertaining to the Transferor Companies and (ii) carrying value of investment in equity shares of Transferor Companies in the books of the Transferee Company, shall be adjusted to/ credited to capital reserve in the books of the Transferee Company;
  - 9.1.5 The comparative financial information in respect of financial statements of the Transferee Company shall be restated for the accounting impact of business combination, as stated above, as if the business combination had occurred from the beginning of the earliest comparative period presented in the financial statements; and
  - 9.1.6 In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference shall be adjusted in retained earnings of the Transferee Company, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

10. **COMBINATION OF AUTHORISED SHARE CAPITAL**

- 10.1 Upon the coming into effect of this Scheme, the aggregate authorised share capital of the Transferor Companies as on the Effective Date will be combined with the authorised share capital of the Transferee Company and accordingly the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.
- 10.2 Consequent to the Scheme taking effect, the authorised share capital of the Transferee Company as on the Effective Date shall be increased by the authorised share capital of the Transferor Companies as under:



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Particulars	Amount
<b>Authorised share capital</b>	
102,18,00,000 equity shares of INR 1 each	102,18,00,000
1,000,000 10% non-cumulative redeemable preference shares of INR 10 each	1,00,00,000
1,30,00,000 8% non-cumulative redeemable preference shares of INR 10 each	13,00,00,000
43,747 0.001% non-cumulative optionally convertible preference shares of INR 21,667 each	94,78,66,249
37,747 1% redeemable preference shares of INR 21,667 each	81,78,64,249
<b>TOTAL</b>	<b>292,75,30,498</b>

10.3 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company.

10.4 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 10.1 and Clause 10.2 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.

10.5 It is clarified that the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the members of the Transferee Company also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

## 11. DISSOLUTION OF THE TRANSFEROR COMPANIES

11.1 Upon the effectiveness of this Scheme, the Transferor Companies shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned RoC.

## PART III GENERAL TERMS & CONDITIONS

### 12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

12.1 Upon this Scheme coming into effect, the resolutions/ power of attorneys executed by the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/ power of attorneys for the purpose of the Transferee Company.

### 13. BUSINESS UNTIL EFFECTIVE DATE

13.1 The Transferor Companies with effect from the date of approval of the Scheme by Board



*Amel Dye*



of the Parties and until the Effective Date shall carry on their business and activities with due diligence and business prudence and shall not, without the prior written consent of the Transferee Company, charge, mortgage, Encumber or otherwise deal with or alienate their assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.

**13.2 With effect from the Appointed Date and up to the Effective Date:**

13.2.1 the Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Transferee Company;

13.2.2 all profits or income arising or accruing to the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by 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; and

13.2.3 all loans raised and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the undertaking of the Transferor Companies shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company.

13.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority and all other agencies, departments and authorities concerned as are necessary under any Law for such consents, approvals and sanctions which the Transferee Company may require, to carry on the business of the Transferor Companies from Effective Date and to give effect to the Scheme.

13.4 The Transferee Company shall be entitled to credit the tax paid including credit of the tax deducted at source in relation to the Transferor Companies, for the period between the Appointed Date and the Effective Date.

13.5 For the purpose of giving effect to the amalgamation order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Appropriate Authority, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

**14. FACILITATION PROVISIONS**

It is clarified that approval of the Scheme by the respective shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by any of the Party.

**15. APPLICATIONS/ PETITIONS TO THE TRIBUNAL**

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other



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applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

**16. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 16.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 16.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

**17. CONDITIONS PRECEDENT**

- 17.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 17.1.1 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
- 17.1.2 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties;
- 17.1.3 the certified/ authenticated copies of the orders of the Tribunal under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the jurisdictional Registrar of Companies by the Transferor Companies and the Transferee Company; and
- 17.1.4 the requisite consent, approval or permission of Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.
- 17.2 Without prejudice to Clause 17.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 17.1 above, the entire Scheme shall be made effective simultaneously.
- 17.3 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Laws.
- 17.4 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons of the Parties, if any, pursuant to Clause 17.1.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

**18. WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS AND SEVERABILITY**

- 18.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 18.2 In the event of withdrawal of the Scheme under Clause 18.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.
- 18.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of



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this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

18.4 In the event the Effective Date does not occur on or before such date as may be agreed by the Parties, this Scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* by the Parties or their shareholders or creditors or employees or any other person in terms of this Scheme.

18.5 In the event of revocation/ withdrawal of the Scheme under Clause 18.1 or Clause 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties 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 Party shall bear its own costs, unless otherwise mutually agreed.

19. **COSTS AND EXPENSES**

19.1 Except as provided otherwise, all costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of such parts of the Scheme shall be borne and paid by the Transferee Company.



*James Dye*