



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Ref: SECTL/2018 – 28

May 15, 2018

BSE Limited

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National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
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Dear Sirs,

Sub: Intimation under Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements), 2015- Scheme of Amalgamation
Scrip Code: BSE – 532974; NSE – BIRLA MONEY

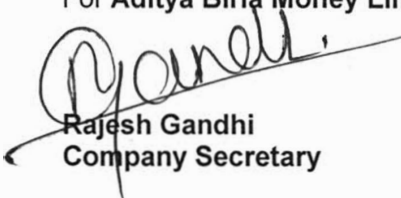
Please refer to our earlier communication dated January 24, 2018 intimating approval by the Board of Directors of Aditya Birla Money Limited ("Company" or "Transferee Company") and Aditya Birla Commodities Broking Limited ("ABCBL" or "Transferor Company") of the Scheme of Amalgamation ("Scheme") for merger of ABCBL, a wholly owned subsidiary company into the Company.

We would like to inform you that subsequent to the above and pursuant to the rules, regulations and guidelines of the Securities and Exchange Board of India, stock and commodities exchanges as applicable to the Company in its capacity of a stock broker and to ABCBL in its capacity of a commodities broker, the Company has obtained no-objection / prior approval from the National Stock Exchange of India Limited and BSE Limited and ABCBL has obtained no-objection / prior approval from the National Commodity & Derivatives Exchange Limited and Multi Commodity Exchange of India Limited. In pursuance of the captioned regulations, a copy of the Scheme is attached herewith for your reference.

The Company and the Transferor Company are in the process of filing applications for approval of the Scheme before the National Company Law Tribunal, Ahmedabad Bench under Sections 230 – 232 of the Companies Act, 2013.

This is for your information and record.

Yours faithfully,
For **Aditya Birla Money Limited**


Rajesh Gandhi
Company Secretary



Encl.: as above

Aditya Birla Money Ltd.

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Registered Office:

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CIN: L65993GJ1995PLC064810

SCHEME OF AMALGAMATION

of

ADITYA BIRLA COMMODITIES BROKING LIMITED*Transferor Company*

with

ADITYA BIRLA MONEY LIMITED*Transferee Company*

UNDER SECTION 23(1) OF THE COMPANIES ACT, 1956

Derivative Exchange Limited ("NCDEX"). The Transferor Company is a member of the aforesaid exchanges.

- C. The Transferee Company was incorporated on 4th day of July 1995 as Apollo Sindhoori Capital Investments Limited, a public company, with the Registrar of Companies, Tamil Nadu, under the provisions of the Companies Act, 1956, with Corporate Identification No. L65993GJ1995PLC064810. Its name was changed to Aditya Birla Money Limited on 3rd day of August 2009. Its registered office was shifted from the State of Tamil Nadu to the State of Gujarat on 6th day of April 2011. The registered office of the Transferee Company is situated at Indian Rayon Compound, Veraval, Gujarat – 362 266, India. The equity shares of the Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
- D. The Transferee Company is engaged in the business of securities broking and is registered as a stock broker with SEBI. The Transferee Company is a member of BSE and NSE and offers equity and derivatives trading through BSE and NSE. The Transferee Company holds license as portfolio manager from SEBI and offers portfolio management services. The Transferee Company is also registered as a depository participant with SEBI for National Securities Depository Limited and Central Depository Services (India) Limited ("CDSL"). The Transferee Company holds a license from SEBI as a research analyst and investment adviser. The Transferee Company also holds Association of Mutual Funds in India ("AMFI") Registration Number issued by AMFI. The Transferee Company is also registered with CDSL as an e-repository for holding insurance policies in electronic form.

Rationale for the Scheme

The circumstances that have necessitated or justified the Scheme are, inter alia, as under:

- i) Earlier, stock brokers were not allowed to carry out commodity broking business in the same entity where stock broking businesses were being carried on and there was a requirement to set-up a separate entity/company for conducting business of commodities broking.
- ii) In the Union Budget for 2015-16, the Hon'ble Union Finance Minister had proposed merger of Forward Markets Commission (FMC) with SEBI to strengthen regulation of commodity forward markets and reduce wild speculation. To enable the same, the Finance Act, 2015 provided for



amending the Securities Contracts (Regulation) Act, 1956 (SCRA) and the Forward Contracts (Regulation) Act, 1952 (FCRA).

- iii) Accordingly, the Government of India had repealed the Forward Contracts (Regulation) Act, 1952 (FCRA) with effect from 29th day of September 2015 and merged the Forward Market Commission with SEBI.
- iv) Post-merger of FMC with SEBI, various statutes, rules and regulations, like the SCRA, the Securities Contracts (Regulation) Rules, 1957, SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 have been amended whereby (a) restriction on stock brokers for dealing in commodity derivatives; and (b) requirement of setting up a separate company for conducting business in commodity derivatives have been done away with.
- v) The Scheme would thus enable integration of both the security and commodity broking in a single entity thereby facilitating ease of doing business.
- vi) The Scheme would consolidate the investments within the Transferee Company to simplify the complexity of the corporate structure; and
- vii) Eliminate the duplication in administrative cost and multiple record-keeping, achieve operational efficiency and synergy and thus resulting in cost savings.

Parts of the Scheme

This Scheme is divided into the following parts:

- (a) **Part I**, which deals with the definitions, date of taking effect and share capital;
- (b) **Part II**, which deals with amalgamation of the Transferor Company with the Transferee Company in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013; and
- (c) **Part III**, which deals with the general terms and conditions applicable to the Scheme.

Part I

Definition, date of taking effect and share capital

1. Definitions



In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them.

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified.
- 1.2 **“Appointed Date”** means 1st day of April 2018.
- 1.3 **“Board” or “Board of Directors”** in relation to each of the Companies, as the case may be, means the board of directors of such companies and, unless it be repugnant to the context, includes a duly authorised committee of directors.
- 1.4 **“Commodity Exchanges”** means Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited.
- 1.5 **“Companies”** means together the Transferor Company and the Transferee Company.
- 1.6 **“Effective Date”** means the last of the dates on which all the conditions, matters and filings referred to in clause 14 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date.
- 1.7 **“NCLT”** means the Hon’ble National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction in relation to the Companies.
- 1.8 **“Scheme” or “the Scheme” or “this Scheme”** means this scheme of amalgamation in its present form including any modification or amendment hereto, made in accordance with the terms hereof.
- 1.9 **“SEBI”** means the Securities and Exchange Board of India.
- 1.10 **“Stock Exchanges”** means the BSE Limited and the National Stock Exchange of India Limited.
- 1.11 **“Transferee Company”** means Aditya Birla Money Limited, a public company, limited by shares, incorporated under the provisions of the



Compound. Veraval. Gujrat-362 266 India

immovable, tangible or intangible, real or personal, in possession or reversion, including all equipments, structures, offices, all lands (whether leasehold or freehold), if any, current assets (including sundry debtors, loans and advances, actionable claims, accrued interest), receivables (whether accounted for or not) including receivables from National Spot Exchange Limited or any other entity/body/authority directly and/or on behalf of customers, computers, vehicles, furniture, fixtures, office equipments, appliances, accessories, power lines, utility lines, any facilities, cash, cash equivalents and bank accounts (including bank balances), demat accounts, custodial accounts, fixed deposits accounts, refunds, benefit of any deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, commodity exchanges, spot exchanges, customers and other persons, financial assets, investments (including shares, scripts, stocks, and other securities, if any, along with dividends declared thereon), insurances, funds, provisions and benefit of any guarantees, fixed deposit receipts and deposits with exchanges;

(b) all permits, licenses, registrations, permissions including municipal permissions, job offers, approvals, credentials, consents, benefits, memberships, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objections certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of the Transferor Company), tax deferrals, credits (including income tax credits such as credit for advance tax, taxes deducted at source, MAT credit receivable, accumulated, carried forward business losses and unabsorbed



depreciations under the Income Tax Act, 1961, tax refunds, GST payments made, pending GST credits, Service Tax refunds etc.), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;

- (c) all agreements, contracts, arrangements, understandings, engagements, deeds and instruments and all rights, title, interest, claims and benefits there under of the Transferor Company;
- (d) all clients of the Transferor Company including ~~active/inactive clients~~

ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by or have dominion over by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;

(ii) ~~an~~ ^{intellectual} ~~intellectual~~ property rights, trademarks, patents, copy rights, if any.

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by NCLT, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. Share Capital

- 3.1 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31st day of December 2017 was as follows:

Share Capital	Amount (in Rs.)
<u>Authorized</u>	
70,00,000 equity shares of Rs. 10/- each	7,00,00,000
TOTAL	7,00,00,000
<u>Issued, subscribed and paid-up</u>	
55,00,000 equity shares of Rs.10/- each fully paid up	5,50,00,000
TOTAL	5,50,00,000

- 3.2 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31st day of December 2017 was as follows:

Share Capital	Amount (in Rs.)
<u>Authorized</u>	
15,00,00,000 Equity Shares of Re.1/- each	15,00,00,000
10,00,000 -8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Rs.100/- each	10,00,00,000
TOTAL	25,00,00,000



Share Capital	Amount (in Rs.)
Issued, subscribed and paid-up	
5,59,58,202 Equity Shares of Re.1/- each fully paid	5,59,58,202
10,00,000 (Previous Year 10,00,000) 8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Rs.100/- each fully paid	10,00,00,000
TOTAL	15,59,58,202

Part II

Amalgamation of the Transferor Company with the Transferee Company

4. Transfer and vesting of the Undertaking of the Transferor Company

- 4.1 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, and subject to the provisions of this Scheme, in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to applicable provisions, if any, of the Act.

Further, the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any of the term(s) or provision(s) of the Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.



- 4.2 Without prejudice to clause 4.1 above, in respect of such of the assets and properties of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of being transferred by manual delivery or by paying over or by endorsement and/or delivery, the same shall stand so transferred by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and properties of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.
- 4.3 All other movable properties in respect of such of the assets and properties of the Transferor Company (other than those referred to in clause 4.2 above), including investment in shares and any other securities, sundry debtors, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- 4.4 All immovable properties of the Transferor Company including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, if any, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all the rights and privileges attached to the aforesaid immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation to or as applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof.

Notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected, in the record of the appropriate authority, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease



and/or license, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

4.5 Without prejudice to the generality of clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets, estate, rights, title, interest, etc. which are acquired by or vested in the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, estate, rights, title, interests, etc., of the Transferee Company, and shall under the provisions of Sections 230 to 232 and other applicable provisions of the Act, be and stand transferred to, and vested in, or be deemed to have been transferred to, and vested in the Transferee Company upon the coming into effect of this Scheme, without any further act, instrument, deed, matter or thing be made, done or executed.

4.6 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations (including client obligations), whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and the Transferee Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. Where any of the liabilities and obligations attributed to the Transferor Company on the Appointed Date has been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.

All loans, advances, inter-company balances and other obligations due from the Transferor Company to the Transferee Company or *vice versa* shall stand cancelled and shall have no effect.

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



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

- 4.8 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 4.9 All registrations, goodwill, licences, trademarks, copyrights, domain names, patents, trade-names, logo and brands, if any, pertaining to the Transferor Company shall stand transferred to and vested in the Transferee Company.
- 4.10 All approvals, consents, exemptions, registrations, no objection certificates, permits, membership, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or holder thereto. It is hereby clarified that if the consent, approval of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 4.11 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, any tax credits, securities transaction tax, taxes withheld/paid, service tax, Goods and Service Tax etc.) payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc., as the case may be,



of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc., as would have been available to the Transferor Company, shall upon the Scheme becoming effective, be available to the Transferee Company.

- 12' Upon the Scheme becoming effective, the Transferee Company shall, subject to applicable laws, be entitled to claim refunds or credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including income tax, minimum alternate tax, accumulated/carried forward business losses and unabsorbed depreciations under the Income Tax Act, 1961, service tax or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 13 Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferee Company on inter se transactions, if any, during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together

- 4.15 Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether taken in the name of compliances or otherwise, including without limitation, approvals under Sections 62, 180(1)(a), 180(1)(d), 185, 186 and 188, etc., of the Act, if any, read with the rules and regulations made there under, shall stand transferred to and vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.
- 4.16 All cheques and other negotiable instruments, payment orders, bankers cheques, demand drafts, delivery instruction slips, pay-in/pay-out instructions etc. received or presented for encashment/execution, which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers and Depository Participants of the Transferee Company and credited /debited to/from the bank/demat account of the Transferee Company, if presented by or on behalf of the Transferee Company. Similarly, the Banker/Depository Participants of the Transferee Company shall honor all cheques/delivery or pay-in or pay-out instructions issued by or on behalf of the Transferor Company after the Effective Date.
- 4.17 The Transferee Company, 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 appropriate deeds, confirmations, writings or notices with, or in favour of, any other party to any contract or arrangement to which the Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above for and on behalf of the Transferor Company.
- 4.18 Save as otherwise provided by any regulatory authority, all the clients, authorized persons, sub-brokers and franchisee (by whatever name called) of the Transferor Company shall become clients, authorized persons, sub-brokers or franchisees of the Transferee Company without executing any fresh document or deed of registration, engagement or appointment.

5. Legal Proceedings

- 5.1 Any pending suits, appeals, cause of actions or other legal, taxation, quasi-judicial, arbitral, administrative or other proceedings of whatsoever nature (hereinafter referred to as the "Proceedings"), client complaints, if any,



relating to the Transferor Company, whether by or against the Transferor Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the Proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.

- 5.2 The Transferee Company undertakes to have all the Proceedings referred to in clause 5.1 above initiated by or against the Transferor Company, transferred into its name and to have such Proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be.

6. Contracts, deeds, etc.

- 6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect by or against or in favour, as the case may be, of the Transferee Company and may be enforced by or against the Transferee Company, as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 6.2 Notwithstanding the fact that the vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions and execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company, and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

7. Saving of Concluded Transactions



7.1 The transfer and vesting of the Undertaking of the Transferor Company as per the provisions of this Scheme and the continuance of the Proceedings by or against the Transferee Company thereof shall not affect any transactions or Proceedings already concluded by the Transferor Company on or before the Effective Date, to that end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

8. Employees

8.1 Upon the coming into effect of this Scheme, all the employees of the Transferor Company as on the Effective Date, shall become employees of the Transferee Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption or break in service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, employees' state insurance, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to the relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of applicable laws or otherwise, if any. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

8.2 With regard to any provident fund, gratuity fund, superannuation fund or other special funds created or existing for the benefit of such employees of the Transferor Company, if any, it is the aim and intent of the scheme that all the rights, duties, powers and obligations of the Transferor Company, in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company 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. Any existing provident fund, gratuity fund and superannuation fund trust, if any, created by the Transferor Company for its employees shall be continued for the benefit of such employees on the



same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It

is further agreed that the Transferee Company shall be responsible for the payment of the relevant taxes and duties in connection with the transfer of the relevant funds.

The Transferee Company shall be responsible for the payment of the relevant taxes and duties in connection with the transfer of the relevant funds. It is further agreed that the Transferee Company shall be responsible for the payment of the relevant taxes and duties in connection with the transfer of the relevant funds.

as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;

- (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- (d) all taxes, duties and levies (including, without limitation, income tax, goods and service tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Undertaking of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax, levy or duty payment (including, without limitation, income tax, goods and service tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Undertaking of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

9.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any governmental or regulatory authorities (including but not limited to SEBI, Stock Exchanges and Commodity Exchanges), if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

10. Cancellation of Shares

Upon the Scheme becoming effective, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, all the equity shares issued by the Transferor Company and held by the Transferee Company and/or its nominees shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Transferee Company shall be made to any person whatsoever. Further, all the equity shares issued by the Transferor Company shall stand cancelled and no shares in the Transferee Company shall be issued as the Transferor Company is being amalgamated with the Transferee Company pursuant to the Scheme.



11. Accounting treatment in the books of the Transferee Company

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for amalgamation in its books as under:

- (a) Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.
- (b) All assets and liabilities, including reserves, of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at the book value as recorded in the books of account of Transferor Company.
- (c) The investment in the Transferor Company, appearing in the books of accounts of the Transferee Company, shall stand cancelled.
- (d) The inter-company balances shall stand cancelled.
- (e) The balance of the profit and loss account of the Transferor Company shall be aggregated with the corresponding balance of the Transferee Company or transferred to general reserves, if any.
- (f) The difference between the net assets (assets less liabilities) and reserves other than balance of the profit and loss account of the Transferor Company transferred to the Transferee Company after making adjustment as mentioned in clause 11(c) and 11(d) above shall be adjusted in the reserves.
- (g) Tax treatment for the Transferor Company and the Transferee Company will be carried out as per the provision of the Income-tax Act, 1961.
- (h) Treatment of MAT credit in the books of the Transferor Company will be carried out as per the provision of Section 115JAA and other applicable provisions of the Income-tax Act, 1961.

Part III



General terms and conditions that would be applicable to the scheme

12. Applications to NCLT

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

13. Modifications or Amendments to the Scheme

- 13.1 The Transferor Company and the Transferee Company by their respective Board of Directors or any Director/Executive/Employee/Committee authorised in that behalf (hereinafter referred to as the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the NCLT or any authorities, which the Board of Directors of the Transferor Company and the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.
- 13.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Transferor Company and the Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if



necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt, it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company and the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

14. Scheme conditional upon approvals/sanctions

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

- 14.1 the Transferee Company filing the Scheme with the Stock Exchanges for the purpose of disclosure as required in terms of paragraph 7 of the circular no. CFD/DIL3/CIR/2017/12 dated 10th day of March 2017 read with circular no. CFD/DIL3/CIR/2018/2 dated 3rd day of January 2018 issued by SEBI;
- 14.2 the approval by the respective requisite majority of the equity shareholders (where applicable) and/or creditors (where applicable) of the Transferor Company and the Transferee Company in accordance with Sections 230 to 232 of the Act;
- 14.3 the Scheme being sanctioned by the NCLT in terms of Sections 230 to 232 of the Act and other relevant provisions of the Act and the requisite orders of the NCLT referred to in clause 12 hereof being obtained;
- 14.4 a certified copy of the order(s) of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company; and
- 14.5 such other approvals and sanctions including sanction of any governmental authority as may be required by law in respect of the Scheme being obtained.

15. Effect of non-receipt of approvals

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Transferor Company and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and



each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

16. Costs, charges and expenses

All costs, duties, levies, charges and expenses payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

17. Dissolution

Upon the Scheme becoming effective, the Transferor Company shall, without any further act or deed, stand dissolved without being wound up pursuant to the provisions of Sections 230 to 232 of the Act.

