

SCHEME OF AMALGAMATION

OF

FIBCORP POLYWEAVE PRIVATE LIMITED Transferor Company

WITH

SAH POLYMERS LIMITEDTransferee Company

AND

their respective Shareholders.

(UNDER SECTIONS 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013)



Certified True Copy
For SAH POLYMERS LIMITED

Company Secretary &
Compliance Officer

SCHEME OF AMALGAMATION

The Scheme is divided into the following parts:

Part	Particulars
I.	General- Preamble, Background of the Companies, Rationale and Purpose of the Scheme, Synergies of Business of the Entities Involved in the Scheme, Impact of the Scheme on Shareholders, Cost Benefits, Definitions, Interpretations, Date of Taking Effect and Share Capital of the Companies.
II.	Amalgamation of the Transferor Company into and with the Transferee Company and the matters incidental thereto
III.	General Terms and Conditions

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



PART I - GENERAL

1. PREAMBLE

This scheme of amalgamation is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 as may be applicable, and Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961, as applicable for the Amalgamation of Fibcorp Polyweave Private Limited ("Fibcorp" or "Transferor Company") into and with Sah Polymers Limited ("Sah" or "Transferee Company") and the consequent dissolution without winding up of Fibcorp.

Fibcorp and Sah are collectively referred to as "Parties" or "Companies" and individually as "Party" or "Company".

2. BACKGROUND AND DESCRIPTION OF THE COMPANIES:

2.1 Sah Polymers Limited ("THE TRANSFEEE COMPANY")

2.1.1. The Transferee Company (CIN: U24201RJ1992PLC006657) is a Public Limited Company, incorporated on April 20, 1992, under the provisions of the Companies Act, 1956 and is a Public Limited Company within the meaning of the Act.

2.1.2. The Registered Office of the Transferee Company is at E-260-261, Mewar Industrial Area, Madri, Udaipur, Rajasthan - 313003.

2.1.3. The Transferee Company is engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, woven polymer based products of different weight, sizes and colours as per customers specification. The Transferee Company offers wide range of bags of different sizes for varied applications. The Transferee Company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited and also operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division.



2.1.4. The Equity Shares of the Transferee Company are listed on the BSE Limited ("BSE") bearing ISIN: INE035801013 & Scrip Code: 543743 and on the National Stock Exchange of India Limited ("NSE") bearing Symbol: SAH (hereinafter collectively referred as the "Stock Exchanges").

2.1.5. The Transferee Company holds 33,884 (Thirty-Three Thousand Eight Hundred Eighty-Four only) Equity Shares of Rs. 100/- each constituting 51.01% (Fifty One and decimal Zero One percent) of the Equity Share capital of the Transferor Company.

2.2 **Fibcorp Polyweave Private Limited ("TRANSFEROR COMPANY")**

2.2.1 The Transferor Company (CIN: U17309RJ2017PTC058691) is a Private Limited Company, incorporated on 31st July, 2017 under the provisions of the Act.

2.2.2 The Registered Office of the Transferor Company is at E-260-261, Mewar Industrial Area, Madri, Udaipur, Rajasthan - 313003.

2.2.3 The Transferor Company is a subsidiary of Transferee Company.

2.2.4 The Transferor Company is also engaged in the business of manufacturing of Flexible Intermediate Bulk containers (FIBC), HDPE/PP fabrics and sacks etc.

3 **RATIONALE AND PURPOSE OF THE SCHEME**

Commercial rationale for amalgamation of the Transferor Company with the Transferee Company

3.1 The Transferor Company is a subsidiary of the Transferee Company and is under the management of the Transferee Company.

3.2 The Transferor Company and the Transferee Company are engaged in the business of manufacture and sale of Flexible Intermediate Bulk containers

(FIBC), HDPE/PP fabrics and sacks etc. The amalgamation will ensure focused management in the combined entity thereby resulting in efficiency of



management and maximizing value for the shareholders. Such restructuring will lead to simplification of group structure by eliminating multiple companies in similar business.

3.3 The proposed amalgamation of the Transferor Company with the Transferee Company in accordance with the terms of this Scheme would enable both the Companies to realize benefits of greater synergies between their businesses, yield beneficial results and pool financial resources as well as managerial, technical, distribution and marketing resources of each other in the interest of maximizing value to their Shareholders and the Stakeholders.

4 SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

The proposed Scheme would result in following Synergies:

4.1 Operational integration and better facility utilisation: The amalgamation in accordance with this Scheme will provide an opportunity for reduction of operational costs through transfer of intermediary products between the Companies, better order loads for the business through pooling of orders, synergies from sales and production planning across the businesses.

4.2 Efficient raw material procurement and reduced procurement costs: Synergy of operations will be achieved as a result of sustained availability of raw materials as well as reduced procurement costs for Transferor Company. The proposed amalgamation would ensure combined sourcing of raw materials such as HDPE, PP, pigments, Accessories etc. by both the Transferor Company and the Transferee Company, would result in reduction in overall procurement cost for the amalgamating Company. Besides, certain requirements of the Transferor Company such as Fabrics etc. could be directly met by the Transferee Company's production and procurement arms.

4.3 Operational Efficiencies: The amalgamation would result in synergy benefits arising out of single value chain thereby reducing costs and increasing



operational efficiencies. Centralization of inventory, from raw material to finished goods and spares, may enable better efficiency, utilization and overall reduction in working capital. The proposed amalgamation would likely result in optimized power consumption, reduced costs, sharing of best practices, cross-functional learnings, better utilisation of common facilities and greater efficiency in debt and cash management.

4.4 Rationalization of Procurement & Logistics costs: Consolidation and optimization of stockyards could significantly reduce logistics and distribution costs for both the Transferor Company and the Transferee Company.

4.5 Enhancing Value in Marketing: With an overlap in products across the Transferor Company and the Transferee Company, the combined entity would be better positioned to service customer needs. The Transferor Company could expand its existing core market using the strong distribution channel of the Transferee Company. Further, the Transferor Company could also have access to the Transferee Company's marketing capabilities. The Transferee Company would benefit from complementary product offerings of the Transferor Company, resulting in a strong presence across market segments. The proposed amalgamation will result in access to new markets and product offerings as well as increased export volumes.

4.6 Improving Customer Satisfaction and Services: The proposed amalgamation would make it easier to address needs of customers by providing them uniform product and service experience, on-time supplies, improved service levels thereby improving customer satisfaction. With common credit management, the customers are expected to benefit from the channel financing benefits from the combined entity.

4.7 Improved safety, environment and sustainability practices:



4.8 Increased coverage of plant automation can be achieved across plants of the Transferor Company, by using the Transferee Company's information technology applications and systems.

4.9 Thus, the proposed amalgamation is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Company and the Transferee Company and is beneficial to the public at large.

In view of the aforesaid, the Board of Directors of the respective Companies have considered the proposed amalgamation of the entire undertaking and business of the Transferor Company as a going concern into and with the Transferee Company to benefit the stakeholders of the respective Companies. Accordingly, the Board of Directors of the respective Companies have formulated this Scheme for the amalgamation of the Undertakings (as defined hereinafter) of the respective Transferor Company into and with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Act, and in accordance with Section 2(1B) of IT Act (on a going concern basis) and other applicable Laws.

5 IMPACT OF THE SCHEME ON SHAREHOLDERS

5.1 For the Shareholders of the Transferee Company, the Scheme will result in economies of scale and consolidation of opportunities will improve profitability and enhance overall Shareholder value. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The impact of the Scheme on the Shareholders, including the Public Shareholders, would be the same in all respects and no Shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

5.2 For the Shareholders of the Transferor Company, the Scheme will provide an opportunity to improve the economic value for the Shareholders. This is



particularly marked in the improved synergies that will arise pursuant to the Scheme. Upon the Scheme becoming effective, the shareholders of the Transferor Company will be able to participate in the growth of the Transferee Company.

6 COST BENEFITS

The implementation of the Scheme would involve incurring costs including, administrative cost, statutory dues, cost of auditors, etc. However, the long-term benefits are expected to outweigh costs towards implementation of the Scheme.

7 DEFINITIONS, INTERPRETATION, DATE OF TAKING EFFECT AND SHARE CAPITAL

7.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

7.1.1 **“Act”** or **“the Act”** means the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules, regulations, circulars, or guidelines issued thereunder and shall, if the context so requires and as may be applicable, mean the Companies Act, 1956 and any rules, regulations, circulars, or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof;

7.1.2 **“Applicable Law(s)”** or **“Law(s)”** means (a) applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange;



7.1.3 **“Appointed Date”** means April 1, 2023 or such other date as approved by the NCLT;

7.1.4 **“Board of Directors”** or **“Board”** means the board of directors of the respective Transferor Company and/or the Transferee Company, as the context may require, and includes committees of the Board (if any) constituted for the implementation of this Scheme;

7.1.5 **“BSE”** means BSE Limited;

7.1.6 **“Companies”** means collectively, the Transferor Company and the Transferee Company;

7.1.7 **“Consent”** means any notice, consent, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of, from or to any Person;

7.1.8 **“Effective Date”** means the date on which the last of conditions referred to in Clause 23.1 hereof have been fulfilled. Any reference in this Scheme to the date of "coming into effect of the/this Scheme" or "Scheme becoming effective" shall be construed accordingly;

7.1.9 **“Encumbrance”** means (i) any mortgage, charge (whether fixed or floating), pledge, lien, conditional sales contract, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any



Person; and (iv) any adverse claim as to title, possession or use; and the terms "Encumbered", "Encumber" shall be construed accordingly;

7.1.10 "**Governmental Approval**" means any Consent of any Governmental Authority;

7.1.11 "**Governmental Authority**" means any government authority, statutory authority, regulatory authority, agency, government department, board, commission, SEBI, Stock Exchanges, administrative authority, tribunal or court or any authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political sub-division thereof or any municipality, district or other subdivision thereof or in any other nation over the Transferor Companies and/ or the Transferee Company, as the context may require;

7.1.12 "**IT Act**" means the Indian Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;

7.1.13 "**NCLT**" means the relevant National Company Law Tribunal(s) having territorial jurisdiction in the state(s) in which the respective registered offices of the Companies are located or such other forum or authority as may be vested with any of the powers of the above mentioned tribunal under the Act for approving any scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act;

7.1.14 "**NCLT Order**" means all Order(s) passed by NCLT sanctioning the Scheme and includes any Order passed by NCLT or any other Governmental Authority's Order(s) for extension of time or condonation of



delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.

7.1.15 "**NSE**" means National Stock Exchange Limited;

7.1.16 "**Person**" means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body;

7.1.17 "**Record Date**" means the date to be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company, for the purpose of determining the shareholders of the Transferor Company who shall be entitled to receive fully paid-up equity shares of the Transferee Company pursuant to and as contemplated under this Scheme;

7.1.18 "**Registrar of Companies**" or "**ROC**" means the relevant Registrar of Companies having territorial jurisdiction in the state(s) in which the respective registered offices of the Companies are located;

7.1.19 "**Rupees**" or "**Rs.**" or "**INR**" means the Indian rupee which is the lawful currency of India;

7.1.20 "**Scheme of Amalgamation**" or "**this Scheme**" or "**the Scheme**" means this scheme of amalgamation in its present form as submitted to the NCLT or this Scheme with any amendment(s) or modification(s) if any, made by the shareholders of the respective Companies and accepted by the Boards of the respective Companies or such modification(s) as may be imposed by any Governmental Authority and/or directed to be made by the NCLT(s) while sanctioning the Scheme;

21 "**SEBI**" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;



7.1.22 "**SEBI Circular**" means Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th day of June, 2023 issued by SEBI applicable to Schemes of Arrangement;

7.1.23 "**Stock Exchanges**" means the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), collectively;

7.1.24 "**Shareholders**" means the person registered as holders of Shares of Companies concerned.

7.1.25 "**Transferee Company**" means Sah Polymers Limited, a Public Limited Company incorporated on April 20, 1992 under the provisions of the Companies Act, 1956 and is a Public Limited Company within the meaning of the Act;

7.1.26 "**Transferor Company**" means Fibcorp Polyweave Private Limited, a Private Limited Company incorporated on 31st July, 2017 under the provisions of the Companies Act, 2013 and is a Private Limited Company within the meaning of the Act;

7.1.27 "**Undertaking**" means all the undertaking and the entire business of the Transferor Company as a going concern as of the Appointed Date, including all its assets, properties, investments, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding, liabilities, duties, obligations and employees including, but not in any way limited to, the following:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible (including but not limited to rights, titles, interest, goodwill, etc.), real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether or not recorded in the books of accounts of the Transferor Company (including, without limitation, the freehold and leasehold



properties of the Transferor Company) , investments of all kinds (i.e., shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), furniture, fixtures, machinery, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade or stock-in-transit, tools, plants, merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed 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, whether in India or abroad;

(b) all permits, licenses, permissions, approvals, clearances, Consents, benefits, registrations, rights, entitlements, credits, certificates,



awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto;

(c) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expressions of interest, letters of intent, supply contracts, hire and purchase arrangements, lease/ license agreements, tenancy rights, agreements/ panchnamas providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;

(d) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, brands, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature;

(e) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights,



easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;

- (f) all the credits for taxes such as income tax, wealth tax, central sales tax, service tax, applicable state value added tax, goods and service tax including but not limited to the right to claim credit for indirect taxes such as CENVAT credit, VAT credit, GST credit, or any other input tax credit, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds of the Transferor Company;
- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information,

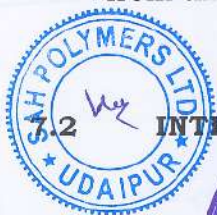


and all other books and records, whether in physical or electronic form;

- (h) all debts, secured and unsecured, liabilities including contingent liabilities, guarantees, duties, taxes and obligations of the Transferor Company of whatsoever kind, nature and description and howsoever arising, raised, incurred or utilized;
- (i) all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company, with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise as on the Effective Date; and
- (j) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company;

7.1.28 "**Transition Period**" means the period starting from the date immediately after the Appointed Date till the last of the dates on which all the conditions stipulated in Clause 23.1 of this Scheme are fulfilled.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.



INTERPRETATION



7.2.1 In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.

7.2.2 The terms referred to in this Scheme shall, unless defined otherwise in this Scheme or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/legislation.

7.2.3 All references in this Scheme to statutory provisions shall be construed as meaning and including references to:

7.2.4 any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board of Directors of the respective Companies and for the time being in force;

7.2.5 all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

7.2.6 all statutory instruments or orders made pursuant to a statutory provision; and

7.2.7 any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

7.2.8 Words denoting the singular shall include the plural and words denoting any gender shall include all genders.

7.2.9 Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

7.2.10 References to clauses, and schedules are, unless the context otherwise requires, references to clauses, and schedules to this Scheme.

7.2.11 Reference to days, months and years are to calendar days, calendar months and calendar years as per the English calendar, respectively.



7.2.12 Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.

7.2.13 The words "include" and "including" are to be construed without limitation.

7.2.14 Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

7.3 DATE OF TAKING EFFECT

7.3.1 The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. Upon the sanction of this Scheme and upon this Scheme becoming effective pursuant to Clause 23 of this Scheme, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:

7.3.2 The amalgamation of the Undertaking of the Transferor Company into and with the Transferee Company in accordance with Part II and Part III of the Scheme shall be deemed to have taken effect.

7.3.3 The Equity Shares issued by the Transferor Company to the Transferee Company shall stand cancelled in their entirety, which shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act and in the manner stipulated in Part II of the Scheme.

7.3.4 Dissolution of the Transferor Company without winding up.

7.3.5 Issue and allotment of fully paid up Equity Shares of the Transferee Company to the Equity Shareholders of the Transferor Company as of the Record Date in accordance with the Scheme.



7.4 SHARE CAPITAL

7.4.1 The share capital of the Transferee Company as on March 31, 2023, is as follows:

Particulars	Amount in INR
Authorised Capital:	
3,00,00,000 Equity Shares of INR 10 each	30,00,00,000
Issued, Subscribed and Paid up:	
2,57,96,000 Equity Shares of INR 10 each	25,79,60,000

7.4.2 The share capital of the Transferor Company as on March 31, 2023 is as follows:

Particulars	Amount in INR
Authorised Capital:	
72,000 Equity Shares of INR 100 each	72,00,000
Issued, Subscribed, and paid up:	
66,430 Equity Shares of INR 100 each	66,43,000

Note: The Transferee Company holds 51.01% Shares of the Transferor

Company.



PART II - AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE
TRANSFeree COMPANY

8 AMALGAMATION OF THE UNDERTAKING

8.1 With effect from the Appointed Date, the Undertaking shall, subject to the terms and conditions of this Scheme and, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company, as a going concern, so as to become the undertakings of the Transferee Company by virtue of and in the following manner:

8.1.1 All assets of the Transferor Company that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by operation of law shall be vested in and/or deemed to be vested in the Transferee Company from the Appointed Date. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company, absolutely and forever, from the Appointed Date.

8.1.2 In respect of such of the assets of the Transferor Company other than those referred to in Clause 8.1.1 above, including investment in shares or any other securities, actionable claims, outstanding loans and advances, earnest monies, receivables, bills, credits, if any, recoverable in cash or in kind or for value to be received all kind of banking accounts including but not limited to current and saving accounts, term deposits, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed, be and stand



transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as on the Appointed Date. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferee Company (without it being obliged to do so), if it deems appropriate, may give notice in such form as it deems fit and proper, to each such debtor or obligor or any other Person, that pursuant to the sanction of the Scheme, such investment, debt, loan, advance, claim, bank balance, deposit or other asset be aid 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 Company, to recover or realize all such debts (including the debts payable by such debtor or obligor or any other Person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other Persons to record such change.

8.1.3 With effect from the Appointed Date, all immovable properties of the Transferor Company, including land together with the heavy equipment, plant & machinery, buildings and structures standing thereon or embedded to the land and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights, security deposits and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company on the same terms and conditions, by operation of Law pursuant to the sanctioning of the Scheme. Such assets shall stand vested in the Transferee Company and



shall be deemed to be and become the property as an integral part of the Transferee Company by operation of Law. The Transferee Company shall upon the NCLT Order sanctioning the Scheme and upon the Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties including refund of any security deposits and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

8.1.4 With effect from the Appointed Date, all assets, brands, trademarks, rights, title, interests, and investments of the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.

8.1.5 With effect from the Appointed Date, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and



obligations of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. Further, 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. Necessary modification, as may be.

8.1.6 Upon this Scheme becoming effective, the secured creditors of the Transferor Company and/or other holders of Encumbrance over the properties of the Transferor Company shall be entitled to Encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of Encumbrance over the properties of the Transferee Company shall be entitled to Encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of Encumbrance over the properties of the Transferor Company



shall not be entitled to any additional Encumbrance over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any Encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and/or other holders of Encumbrance over the properties of the Transferee Company shall not be entitled to any additional Encumbrance over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any Encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company.

8.1.7 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

8.1.8 With effect from the Effective Date, the security creation, borrowing and investment limits of the Transferee Company under the Act shall be increased to the extent of the security creation, borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.



8.1.9 Any corporate approvals obtained by the Transferor Company, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

8.1.10 All Governmental Approvals and other Consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company are a party or to the benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against 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, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by the Transferor Company is concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to the Transferor Company.

8.1.11 With effect from the Appointed Date, all registrations, licenses, trademarks, brands, copyrights, domain names, applications for



copyrights, trade-names, trademarks, and any other intellectual property pertaining to the Transferor Company, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the sanction of the Scheme.

8.1.12 All taxes (including but not limited to advance tax, self-assessment tax, regular tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax etc.) paid/ payable by or refunded/ refundable to the Transferor Company with effect from the Appointed Date, 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, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits, holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. This clause to be read along with Clause 22 of this Scheme.

8.1.13 Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Order sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective. For this purpose, the



Transferee Company shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, Consents, exemptions, registrations, no-objection certificates, permits quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

8.1.14 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from the Appointed Date, all Consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Company shall stand transferred to 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 thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

8.1.15 The Transferee Company shall, at any time after coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been 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.

8.1.16 With effect from the Effective Date, all inter se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company.

8.1.17 With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services, between the respective Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the respective Transferor Company and the Transferee Company.

8.1.18 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be



authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.

8.1.19 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the Effective Date.

9 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

9.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, 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 against or in favour of the Transferee Company, as the case may be, 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.

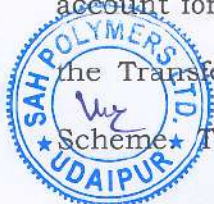
9.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

10 STAFF, EMPLOYEES & WORKMEN

10.1 Upon the coming into effect of this Scheme, all the employees on the payroll of the Transferor Company, engaged in or in relation to the Undertaking, as on the Effective Date, shall become and be deemed to have become the employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable.

10.2 The Transferee Company agree that the service of all the employees of the Transferor Company immediately prior to the Effective Date shall be taken into account for the purpose of retirement benefits to which they may be eligible in

The Transferor Company immediately prior to the coming into effect of this Scheme. The Transferee Company further agrees that for the purpose of



payment of any retrenchment compensation, gratuity, grants, stock options or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

10.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme under the Applicable Law. The Transferee Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferor Company for the Transferee Company.

10.4 Subject to the Applicable Law, the existing provident fund, gratuity fund and pension and/or superannuation fund/ trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for its employees, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of the Transferee Company without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contributions shall continue to be made to the respective existing funds, schemes.

11 LEGAL PROCEEDINGS

11.1 Upon coming into effect of this Scheme, if any suit, appeal or other legal proceeding including quasi-judicial, arbitral and other administrative proceedings, if any, of whatsoever nature by or against the Transferor Company be pending and/or arising on or before the Appointed Date, the same shall not



abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been made.

11.2 The Transferee Company undertakes to have all legal or such other proceedings specified in this Clause 11.1, initiated by or against the Transferor Company, transferred to its name and to have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceedings for and on behalf of the Transferor Company.

12 CONSIDERATION

12.1 Upon coming into effect of this Scheme, and in consideration of the amalgamation of the Undertaking in the Transferee Company, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to all the Equity Shareholders of the Transferor Company, whose names appear in the Register of members as on the Record Date, fully paid up Equity Shares, free and clear from all Encumbrances together with all rights and benefits attaching thereto in the following share exchange ratio ("Share Exchange Ratio"): **494 (Four Hundred Ninety Four) Equity Shares of INR 10/- each credited as fully paid-up of the Transferee Company for every 10 (Ten) Equity Share of INR 100/- each fully paid-up held by such Equity Shareholder in the Transferor Company.**



12.2 Mr. Mahesh Mandowara, Registered Valuer, appointed by the Transferee Company and Transferor Company, have issued Report on the Share Exchange Ratio adopted under the Scheme ("Valuation Report") and M/s Kunvarji Finstock Private Limited, SEBI Registered Category I Merchant Bankers, have provided fairness opinion on the Share Exchange Ratio in compliance with the applicable provisions of the SEBI Circular ("Fairness Opinion"). The Valuation Report and the Fairness Opinion on the Share Exchange Ratio have been duly considered by the respective Board of both, the Transferor Company and the Transferee Company.

12.3 The Equity Shares to be issued pursuant to Clause 12.1 above, shall be issued to the Shareholders of the Transferor Company in such form, physical or dematerialized as permitted under Applicable Law.

12.4 The Equity Shares to be issued by the Transferee Company pursuant to Clause 12.1 above in respect of such Equity Shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Act (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also shall be kept in abeyance by the Transferee Company.

12.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any Shareholders of the Transferor Company, the Board of Directors of the Transferor Company, shall be empowered prior to the Record Date, to effectuate such transfers in the Transferor Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares issued by the Transferee Company pursuant to Clause 12.1 above after the Scheme is effected. The Board of Directors of the Transferee Company shall be empowered

to remove such difficulties as may arise in the course of implementation of this



Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.

12.6 The equity shares issued and allotted by the Transferee Company, in terms of Clause 12.1 above, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company including as regards entitlement to dividend and other distributions and repayment of capital declared or paid on or after the Effective Date and voting and other rights. Further, the Transferee Company shall, if required, take all necessary steps for increase of Authorized Share Capital for issue of the Equity Shares pursuant to Clause 12.1 above.

12.7 At the time of issue and allotment of Equity Shares in terms of Clause 12.1 above, the Board of Directors of the Transferee Company shall consolidate all fractional entitlements. If such consolidated fractional entitlement exceed 1(one) share and it shall be allotted Equity Shares in lieu thereof to a corporate trustee or such other authorized representative(s) as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the Equity Shares issued in the Transferee Company, in trust on behalf of the Equity Shareholders entitled to fractional entitlements with the express understanding that such corporate trustee or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to the Transferee Company, the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds (after deduction of applicable taxes, if any), to the Equity Shareholders in proportion to their respective fractional entitlements.



- 12.8 Upon the Scheme becoming effective and upon the Equity Shares allotted and issued in terms of Clause 12.1 above, the Equity Shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 12.9 The Equity Shares allotted and issued in terms of Clause 12.1 above, shall be listed and/or admitted to trading on the Stock Exchanges, where the Equity shares of the Transferee Company are listed and/or admitted to trading; subject to the Transferee Company obtaining the requisite Governmental approvals pertaining to their listing.
- 12.10 It is clarified that upon the approval of this Scheme by the shareholders and/or the creditors of the respective Transferor Company and the Transferee Company under Sections 230 to 232 of the Act, the Shareholders and/or the creditors shall be deemed to have approved this Scheme under Sections 13, 14, 62, 188 and any other applicable provisions under the Act and the SEBI Circular, and that no separate approval from or any shareholders and/or the creditors nor any further action, to that extent shall be required to be sought or undertaken by the Transferor Company and the Transferee Company respectively, for the matters specified in this Scheme.

13 ACCOUNTING TREATMENT

Upon coming into effect of this Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with "Pooling of Interest Method" of accounting as laid down in IND AS 103 (Business Combinations) and relevant clarifications issued by Institute of Chartered Accountants of India (ICAI).



- 13.1 With effect from the Appointed Date, Transferee Company shall record the assets, liabilities and reserves (whether capital or revenue or arising on revaluation) of Transferor Company vested in it pursuant to this Scheme, at their respective book values thereof and in the same form as appearing in the books of Transferor Company at the close of the business of the day immediately preceding the Appointed Date, except to ensure uniformity in accounting policies as provided in Clause 13.4 below;
- 13.2 The value of the investments in the shares of Transferor Company as held by Transferee Company inter-se shall stand cancelled, without any further act or deed;
- 13.3 The inter-company loans, advances, deposits or other obligations between Transferor Company and Transferee Company, if any, will stand cancelled and there shall be no further obligation in that behalf;
- 13.4 Further, in case of any differences in accounting policy between Transferee Company and Transferor Company, the accounting policy followed by Transferee Company will prevail, and the differences shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

14 CANCELLATION OF SHARES

Upon coming into effect of this Scheme, the shares of the Transferor Company held by the Transferee Company on the Effective Date shall be extinguished or shall be deemed to be extinguished and all such shares held by the Transferee Company shall be cancelled and shall be deemed to be cancelled without any further application, act or deed. Further, the investment in the shares of the Transferor Company, appearing in the books of accounts of the Transferee Company shall, without any further act or deed, stand cancelled.



15 SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the amalgamation of the Undertaking and continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company in relation to the Undertaking as acts, deeds and things done and executed by and on behalf of the Transferee Company.

16 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

16.1 With effect from the Appointed Date and up to the Effective Date:

16.1.1 For and on account of and in trust for the Transferee Company, the Transferor Company shall, in respect of the Undertaking, be deemed to have been carrying on and shall carry on their respective business and activities and shall hold and deal with their respective properties and assets including any transfer, disposal or sale of such assets/undertaking or part thereof and properties and in a manner that it does not adversely impact the interest of any stakeholder. The Transferor Company hereby undertakes to deal with the said assets/undertaking or properties including any transfer, disposal or sale, as per Applicable Laws until the Effective Date.

16.1.2 On or after the Appointed Date but before the Effective Date, all the profits or income accruing or arising to the Transferor Company, in respect of the Undertaking or expenditure or losses arising to or incurred by the Transferor Company in respect of the Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the



profits or incomes or expenditure or losses (as the case may be) of the Transferee Company.

16.1.3 The Transferor Company shall carry on its business and activities with reasonable diligence and prudence and shall not without the prior written consent of the Transferee Company, alienate, transfer, sell, charge, mortgage, Encumber or otherwise deal with or dispose-off, the Undertaking or part thereof, except in the ordinary course of business. The Transferor Company shall not undertake any new businesses within the Undertaking except in the ordinary course of its business.

16.1.4 The Transferor Company shall not utilize the profits, for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date.

16.1.5 Where any of the liabilities and obligations attributed to the Undertaking, has been discharged by the Transferor Company, on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.

16.1.6 All loans raised and liabilities incurred by the Transferor Company, after the Appointed Date but before the Effective Date and subsisting as on the Effective Date, for operations of the Undertaking shall be discharged by the Transferee Company on or after the Effective Date.

16.1.7 The Transferee Company and/or Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the concerned Governmental Authorities, if required under Applicable Law or deemed appropriate, for such consents, approvals and sanctions which may be required to carry on the business of the Transferor Company.

16.1.8 The Transferor Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or



employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of the Transferee Company.



PART III - GENERAL TERMS AND CONDITIONS

17 COMPLIANCE WITH TAX LAWS AS APPLICABLE TO THE SCHEME

17.1 This Scheme is in compliance with the conditions relating to "amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act.

17.2 On or after the Effective Date, the Companies shall have the right to revise their respective financial statements and tax returns along with the prescribed forms, filings and annexures under the provisions of IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), Wealth Tax Act, 1957, customs duty law, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax, VAT law or other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax, tax deducted at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

17.3 As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, all tax proceedings shall not in any way be



prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

17.4 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Duty Laws, Central Sales Tax, applicable State Value Added Tax, Service Tax Laws, Excise Duty Laws, Goods and Service Tax, VAT Law or other applicable laws/regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source and MAT credit as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

17.5 Any refund under the IT Act, Wealth Tax Act, 1957, Customs Duty Laws, Central Sales Tax, applicable State Value Added Tax, Service Tax Laws, Excise Duty Laws, Goods and Service Tax, VAT Law or other applicable laws/regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company due to Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

17.6 Any tax payment (including, without limitation, Income-Tax, Minimum Alternate Tax, taxes withheld/ paid in a foreign country, Dividend Distribution Tax, Securities Transaction Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Value Added 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 business after 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. Further, any tax deducted at source by the Transferor Company/ the Transferee Company including on payables to the Transferee Company/ the Transferor Company including on account of investments (if any) held by the Transferee Company in the Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

17.7 Obligation for deduction of tax at source on any payment made by or to be made by the transferor Company under the IT Act, Wealth Tax Act, 1957, Customs Duty Laws, Central Sales Tax, applicable State Value Added Tax, Service Tax Laws, Excise Duty Laws, Goods and Service Tax, VAT Law or other applicable laws/ regulations dealing with taxes/ duties/ levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

17.8 All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B etc. of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company.

17.9 The accumulated losses and the allowance for unabsorbed depreciation of the Transferor Company shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company in accordance with Section 72A of the IT Act.

17.10 Further, the losses and unabsorbed depreciation as per books of account of the Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation



of the Transferee Company for the purpose of computation of book profit to calculate the Minimum Alternate Tax payable by the Transferee Company.

17.11 Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation Income Tax, Minimum Alternate Tax, tax deducted at source, taxes withheld/ paid in a foreign country, Wealth Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, Customs Duty Drawback, Goods and Service Tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.

18 DISSOLUTION OF TRANSFEROR COMPANY

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up without any further act or deed.

19 AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY, VALIDITY OF EXISTING RESOLUTIONS ETC.

19.1 The Memorandum of Association of the Transferee Company relating to the Authorised Share Capital shall, without any further act, instrument, or deed, be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act, as the case may be.

19.2 In order to carry on the activities currently being carried on by the Transferor Company in relation to the Undertaking, upon coming into effect of the Scheme, the applicable main objects in the Memorandum of Association of the Transferor Company shall be added to the matters which are necessary for furtherance of the objects of the Memorandum of Association of the Transferee Company, to the extent such objects are not already covered by those of the Transferee Company.



19.3 It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant Consents under Section 13 of the Act. It is clarified that there will be no need to pass a separate Shareholders' resolution as required under Section 13 of the Act for the amendment to the Memorandum of Association of the Transferee Company. Further the Memorandum of Association of the Transferee Company relating to the Object Clause shall, without any further act, instrument, or deed, be and stand altered, modified and amended pursuant to applicable provisions of the Act, as the case may be.

19.4 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Board of Directors of the respective Transferor Company, including resolutions of any committees authorized by and comprising inter alia of members of the Board of Directors of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company and which are validly subsisting, shall be considered as resolutions of the Transferee Company.

20 APPLICATION TO NCLT

The Companies, shall, with all reasonable dispatch, simultaneously, make necessary Applications/ Petitions in the jurisdiction of the NCLT, where the registered offices of the Companies are situated at the time of filing, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 and other applicable provisions of the Act.

21 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

The 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, collectively, make and/or Consent to any modifications/ amendments to the Scheme or to any conditions or limitations that NCLT or any other Governmental Authority may deem fit to



direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The 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 authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, the Board of Directors of the respective Companies shall jointly have complete power to take the most sensible interpretation so as to render the Scheme operational.

22 WITHDRAWAL OF THE SCHEME

The Companies shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the Board of Directors of the respective Companies prior to the Effective Date. In such a case, the Companies shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, the Companies shall not be entitled to withdraw the Scheme unilaterally without the prior written Consent of the other.

23 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

23.1 The Scheme is and shall be conditional upon and subject to the following:

23.1.1 The requisite Consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular and/or SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, on terms acceptable to the Companies;



23.1.2 The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Companies as may be directed by NCLT or required under Applicable Law;

23.1.3 The Scheme being sanctioned by NCLT under Section 230 to 232 of the Act, on terms as originally approved by or with such modifications as are acceptable to the Companies;

23.1.4 There having been no interim or final ruling, decree or direction by any Governmental Authority, which has not been stayed by an Appellate Authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and

23.1.5 The certified copy of the NCLT Order being filed with the Registrar of Companies by the respective Companies.

24 EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

The Scheme shall not come into effect unless the conditions mentioned in Clause 23.1 above are satisfied and in such an event, the Scheme shall become null and void. Unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other Person.

25 COSTS, CHARGES AND EXPENSES

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or the NCLT Order including this Scheme or in relation to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this scheme shall be borne and paid by the Transferee Company.



26 MISCELLANEOUS



- 26.1 Upon coming into effect of the Scheme, all and any benefits which the Transferor Company is entitled to shall, without any further act, instrument, or deed, be in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company.
- 26.2 The Transferor Company shall provide notification/ procure the requisite approval/ consent to the extent required under the Applicable Law, from any relevant governmental authorities in relation to the Scheme.
- 26.3 If any part and/ or provision of this Scheme hereof is invalid, ruled illegal by any Court or Tribunal of competent jurisdiction or unenforceable under present or future laws or is unworkable, then it is the intention of the parties to the Scheme that such provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part and/ or provision shall cause this Scheme to become materially adverse to any party, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such part and/ or provision.



Certified True Copy
For SAHPOLYMERS LIMITED
[Signature]
Company Secretary &
Compliance Officer