

SCHEME OF AMALGAMATION

OF

**DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED
(TRANSFEROR COMPANY 1)**

AND

**HCL LEARNING LIMITED
(TRANSFEROR COMPANY 2)**

WITH

**HCL INFOSYSTEMS LIMITED
(TRANSFEREE COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



PREAMBLE

1. DESCRIPTION OF THE TRANSFEROR COMPANIES AND THE TRANSFEREE COMPANY

- 1.1 Digilife Distribution and Marketing Services Limited (**hereinafter referred to as “DDMS” or “Amalgamating Company 1” or “Transferor Company 1”**) was incorporated on the 19th day of March 2008 as a company limited by shares. The Corporate Identification Number of the Transferor Company 1 is U72900DL2008PLC175605.

The Registered Office of the Transferor Company 1 is situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having permanent account number ('PAN') as AACCH0076J. Email id of its authorized representative is sushiljain@hcl.com.

Transferor Company 1 is primarily engaged in the business of value-added distribution of technology, mobility and consumer electronic products.

- 1.2 HCL Learning Limited (**hereinafter referred to as “HCL Learning” or “Amalgamating Company 2” or “Transferor Company 2”**) was incorporated on the 28th day of September 2012 as a company limited by shares. The Corporate Identification Number of the Transferor Company 2 is U80900DL2012PLC242907.

The Registered Office of the Transferor Company 2 is situated at 806, Siddharth 96, Nehru Place, New Delhi - 110019 and having PAN as AADCH0304E. Email id of its authorized representative is sushiljain@hcl.com.

Transferor Company 2 is primarily engaged in selling of digitised educational content & learning solutions.

- 1.3 HCL Infosystems Limited (**hereinafter referred to as “HIL” or “Amalgamated Company” or “Transferee Company”**), was incorporated on the 17th day of April 1986 as a company limited by shares. The Corporate Identification Number of the company is L72200DL1986PLC023955. The equity shares of HIL are listed on National Stock Exchange of India Limited (hereinafter called 'NSE') and BSE Limited (hereinafter called 'BSE')

The Registered Office of the Transferee Company is situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AAACH2420C. Email id of its authorized representative is sushiljain@hcl.com.

Transferee Company is primarily engaged in value-added distribution of technology, mobility and consumer electronic products.



2. PURPOSE AND RATIONALE FOR THE SCHEME OF AMALGAMATION

This scheme of amalgamation (“Scheme” or “the Scheme” or “this Scheme”) provides for the amalgamation of Transferor Company 1 and Transferor Company 2 (Collectively referred to as “Transferor Companies”) into and with Transferee Company in the manner set out in the Scheme, in accordance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules or regulations framed thereunder.

The Transferor Companies are wholly owned subsidiaries of the Transferee Company. The Scheme seeks to undertake the amalgamation and consolidation of DDMS and HCL Learning with HIL.

The proposed amalgamation of Transferor Companies with the Transferee Company is driven by the following objectives and is likely to result, inter alia, in the following advantages:

- (a) Consolidation of businesses into one corporate entity which would result in operational synergies for the group.
- (b) Simplification of the corporate structure and reduction of legal entities; and
- (c) Overall reduction in administrative, managerial and other expenditure and optimum utilization of various resources.

The Scheme would, thus, have beneficial results for Transferor Companies and Transferee Company, their shareholders, and all concerned and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Accordingly, to achieve the above objectives, the Board of Directors of Transferor Companies and Transferee Company have considered and proposed to make requisite application(s) and/or petition(s) before the National Company Law Tribunal, New Delhi under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (as may be in force) for the sanction of this Scheme to amalgamate the Transferor Companies into and with Transferee Company.



3. PARTS OF THE SCHEME OF AMALGAMATION

The Scheme is divided into the following parts:

Part I, which deals with the definitions and interpretations of the terms used in the Scheme; the Effective Date of the Scheme; and the Share Capital of the Transferor Companies and the Transferee Company.

Part II, deals with the amalgamation of the Transferor Companies with HIL, by absorption, in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

Part III, which deals with the consideration and matters relating to accounting.

Part IV, which deals with the general terms and conditions that would be applicable to the Scheme.

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



PART – I

4. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following words and expressions shall have the following meaning:

- 4.1 **"Accounting Standards"** means the accounting standards as formulated by the Central Government as recommended by the Institute of Chartered Accountants of India.
- 4.2 **"Act" or "The Act"** means the Companies Act, 2013, to the extent applicable, including the rules and regulations made thereunder and will include any statutory modifications, re-enactments and / or amendments thereof for the time being in force.
- 4.3 **"Applicable Laws"** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter.
- 4.4 **"Appointed Date"** means the 1st day of April, 2020 or such other date as may be fixed by the Hon'ble National Company Law Tribunal ("NCLT") of judicature at Delhi, or such other competent authority, as may be applicable.
- 4.5 **"Board of Directors" or "Board"** means the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be and includes any committee thereof or persons authorised by the Board or committee thereof.
- 4.6 **"BSE"** shall mean BSE Limited.
- 4.7 **"Effective Date"** means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the Transferee Company and the Transferor Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- 4.8 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both the Transferor Companies and the Transferee Company.
- 4.9 **"NSE"** means the National Stock Exchange of India Limited.
- 4.10 **"Scheme of Amalgamation" or "Scheme"** means this scheme of amalgamation involving the amalgamation of the Transferor Companies with the Transferee Company as approved, with or without any amendments/modifications.



- 4.11 “SEBI” means Securities and Exchange Board of India.
- 4.12 “Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited.
- 4.13 “Transferee Company” or “Amalgamated Company” or “HIL” means HCL Infosystems Limited having its Corporate Identification Number L72200DL1986PLC023955, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AAACH2420C and Email id of its authorized representative is sushiljain@hcl.com .
- 4.14 “Transferor Company 1” or “Amalgamating Company 1” or “DDMS” means Digilife Distribution and Marketing Services Limited having its Corporate Identification Number U72900DL2008PLC175605, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AACCH0076J and Email id of its authorized representative is sushiljain@hcl.com.
- 4.15 “Transferor Company 2” or “Amalgamating Company 2” or “HCL Learning” means HCL Learning Limited having its Corporate Identification Number U80900DL2012PLC242907, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AADCH0304E and Email id of its authorized representative is sushiljain@hcl.com.
- 4.16 “Transferor Companies” or “Amalgamating Companies” means DDMS and HCL Learning collectively, which are proposed to be amalgamated into HIL.

EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, 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 modification or re-enactment thereof from time to time.

5. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall come into legal operation from the Appointed Date, but the same shall become effective on and from the Effective Date.



6. SHARE CAPITAL

6.1 The share capital of the Transferor Company 1 as on March 31, 2020 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
60,000,000 Equity Shares of Rs.10/- each	600,000,000
Total	600,000,000
Issued, Subscribed and Paid-up Share Capital	
56,050,000 Equity Shares of Rs.10/- each	560,500,000
Total	560,500,000

Subsequent to March 31, 2020 and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 1, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 1.

6.2 The share capital of the Transferor Company 2 as on March 31, 2020 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
100,000 Equity Shares of Rs.10/- each	1,000,000
Total	1,000,000
Issued, Subscribed and Paid-up Share Capital	
75,274 Equity Shares of Rs.10/- each	752,740
Total	752,740

Subsequent to March 31, 2020 and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 2, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 2.

6.3 The share capital of the Transferee Company as on March 31, 2020 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
5,52,500,000 Equity Shares of Rs.2/- each	1,105,000,000
500,000 Preference Shares of Rs.100/- each	50,000,000
Total	1,155,000,000
Issued and Subscribed Share Capital	
329,210,928 Equity Shares of Rs.2/- each	658,421,856
Total	658,421,856
Paid-up Share Capital	
329,209,928 Equity Shares of Rs.2/- each	658,419,856
Total	658,419,856

Subsequent to March 31, 2020 and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed or paid up capital of the Transferee Company.



The entire paid up share capital of the Transferor Companies is held by the Transferee Company and its nominees.

PART – II

AMALGAMATION OF DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED AND HCL LEARNING LIMITED WITH AND INTO HCL INFOSYSTEMS LIMITED

7. TRANSFER AND VESTING OF THE TRANSFEROR COMPANIES

7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date (after giving effect to the clause 7 of this Scheme), the Amalgamated Companies shall, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and sanction of this Scheme by the Tribunal and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Transferor Companies along with all the rights, title, interest or obligations of the Transferor Companies therein become that of the Transferee Company.

7.2 Without prejudice to sub-clause 7.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows

(a) All the movable assets including investments, cash in hand, bank balances and deposits any, of the Transferor Companies capable of being transferred by delivery, shall be handed over by physical delivery to the Transferee Company along with such other documents as may be necessary towards the end and intent that the property therein passes to the Transferee Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.

(b) All debts, loans and advances recoverable in cash or in kind or for value to be received, if any, with Government, Customs, Port, local and other authorities and bodies, customers and other persons, outstanding and receivables of the Transferor Companies other than the movable assets specified in sub-clause (a) above, shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in the Transferee Company), and the debtors shall be obliged to make payments to the Transferee Company on and after the Effective Date.

(c) All immovable properties including land together with the buildings and structures standing thereon or under construction (whether free hold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, office space and guest houses and residential premises occupied by the staff and employees of the Transferor Companies), and all documents of title, rights and easements in relation

thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties of the Transferor Companies, if any, shall be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company and shall belong to the Amalgamated Companies in the same and like manner as was entitled to the Transferor Companies. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Companies shall be deemed to be the title of the Transferee Company.

- (d) All the licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, brought forward losses and unabsorbed depreciation both under books and Income Tax Act, other tax exemptions and/or deferments, amount of tax deposited under protest, bonds with the custom authorities), concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, concessions, rights, claims, leases, tenancy rights, special status and other benefits or privileges) of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (e) All assets and properties including licenses, registrations, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.
- (f) All debts, liabilities, contingent liabilities, duties, indemnifications given pursuant to any agreement entered into by the Transferor Companies and obligations of every kind, nature and description of the Transferor Companies shall also, without any further act, instrument or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person



who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties, indemnifications and obligations have arisen, in order to give effect to the provisions of this subclause.

- (g) The transfer and vesting of the Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies. Provided however that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company.

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

- 7.3 All assets, of whatsoever nature, acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company, upon the Scheme becoming effective without any further act, instrument or deed.

- 7.4 Where any of the liabilities and obligations of the Transferor Companies as on the Appointed Date, deemed to have been transferred to the Amalgamated Companies have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Transferor Companies for the operation of the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to the Transferee Company and shall become its liabilities and obligations from such date.

8. BUSINESS AND PROPERTY IN TRUST

Upon the coming into effect of the Scheme and from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Companies shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for the Transferee Company and shall account for the same to the Transferee Company.



- (b) Any income or profit accruing or arising to the Transferor Companies, as the case may be, and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of the Transferee Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Transferor Companies that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

9. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

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

- (a) The Transferor Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.
- (b) The Transferor Companies shall not alter or substantially expand the business except with the written concurrence of the Transferee Company.
- (c) The Transferor Companies shall not, without the written concurrence of the Transferee Company, transfer, alienate, charge, mortgage or encumber any of its assets or properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Companies.
- (d) The Transferor Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, save and except, in each case, in the following circumstances:
 - i. If the same is in the ordinary course of business as carried on by the Transferor Companies as on the date of filing this Scheme with Tribunal; or
 - ii. If the written consent of the Transferee Company, as the case may be, has been obtained.
- (e) The Transferor Companies shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Companies.



- 9.2 On the Effective Date but with effect from the Appointed Date, the Transferee Company shall be authorized to carry on the businesses carried on by the Transferor Companies.
- 9.3 The Transferee Company may be allowed to alter its capital structure, either by fresh issue of shares or convertible securities on a rights basis or otherwise or by any reclassification, subdivision, consolidation, re-organisation or in any other manner with the consent of Board of Directors of the Transferee Company.

10. COMPLIANCE WITH TAX LAWS

This provisions of this Scheme as they relate to the amalgamation of Transferor Companies into and with Transferee Company, have been drawn up to comply with the conditions relating to "Amalgamation" as defined under the income-tax laws, specifically section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments as may become necessary shall vest with the Board of the Transferee Company, which power shall be exercised reasonably in the best interests of the companies and their stakeholders, and which power can be exercised at any time, whether before or after the Effective Date.

11. LEGAL PROCEEDINGS

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

12. CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Transferor Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary,

also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Companies and the Transferee Company, as on the Effective Date shall stand cancelled and cease to operate in the Transferee Company.

13. STAFF AND EMPLOYEES

13.1 On the Scheme coming into effect, all staff and employees of the Transferor Companies in service on such date shall be deemed to have become staff and employees of the Transferee Company without any break, discontinuance or interruption in their service and on the basis of continuity of service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Companies on the Effective Date.

13.2 Upon the Scheme coming into effect, the existing balances of Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, created by the Transferor Companies for its employees shall be transferred to the Transferee Company. The Transferor Companies shall take all steps necessary for the transfer of balances, where applicable, of the Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, to the Transferee Company. All obligations of the Transferor Companies with regard to the said fund or funds as defined in the relevant rules shall be taken over by the Transferee Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the Transferor Companies under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

14. TREATMENT OF TAXES

14.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Central Excise Act 1944, Service Tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of the Transferor Companies 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 to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, service tax and any tax credit entitlements as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company. Any refund under the Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies 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.



- 14.2 All taxes (including income tax, sales tax, customs duty, service tax, VAT, etc) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, custom duty, income tax, service tax, excise, value added tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, by the Transferor Companies 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.
- 14.3 The Transferee Company is expressly permitted to file/ revise its income tax, wealth tax, service tax, VAT, sales tax, excise, CENVAT and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. However, upon the Scheme becoming effective subsequently, the Transferee Company shall have the right to revise and consolidate its financial statements and returns along with prescribed forms, filings and applications/ annexures under the Income Tax Act, 1961, indirect taxes and other tax laws. The Transferee Company is expressly permitted to amend TDS/ TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by the Transferor Companies shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of the Transferor Companies.
- 14.4 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the 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 Companies.

Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

Furthermore, on or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Companies under the Tax Laws, and to claim refunds and/ or credits for the taxes paid, etc. and for matters incidental thereto, shall be available to and vest with the Transferee Company.

- 14.5 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Companies on or after Appointed Date shall be deemed to be made by the Transferee Company.



PART - III

15. CONSIDERATION

- 15.1 Since the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, upon the Scheme becoming effective, all the equity shares held by the Transferee Company and its nominees in the Transferor Companies shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies upon the Scheme being effective.
- 15.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Transferee Company in the Transferor Companies shall be deemed to be cancelled without any further act or deed for cancellation thereof by Transferee Company.

16. ACCOUNTING TREATMENT

With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company 1 and Transferor Company 2 ("Transferor Companies") in its books of account in accordance with the Indian Accounting Standard 103 'Business Combinations' ('Ind AS 103') specified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and in accordance with generally accepted accounting principles such that:

- 16.1 Transferee Company shall record all assets, liabilities and reserves of the Transferor Companies vested in Transferee Company pursuant to this Scheme, at the carrying values as appearing in the books of Transferor Companies, as per Para 9 of Appendix C of Ind AS 103.
- 16.2 The amount of investment, if any, in the Transferor Companies, appearing in the books of the Transferee Company shall stand cancelled.
- 16.3 The inter-company balances, if any, appearing in the books of account of Transferor Companies and Transferee Company shall stand cancelled and there shall be no further obligation/outstanding in this respect.
- 16.4 The difference, if any, between the carrying value of assets and liabilities including the reserves and surplus of Transferor Companies recorded as per Clause 16.1 above and after effecting adjustments mentioned in Clause 16.2 and Clause 16.3 above shall be adjusted as per Appendix C of Ind AS 103.



17. COMBINATION OF AUTHORISED SHARE CAPITAL

- 17.1 Upon the Scheme becoming effective, the authorized share capital of Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of Transferee Company by the authorized share capital of Transferor Companies as on the Effective Date and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 13, 14 and 61 and other applicable provisions of the Companies Act, 2013, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized share capital of Transferor Companies shall be utilized and applied to the increased authorized share capital of Transferee Company and no payment of any extra stamp duty and / or fee shall be payable by Transferee Company for increase in the authorized share capital to that extent.
- 17.2 The filing fees and stamp duty already paid by the Transferor Companies on its authorized share capital shall be utilized and applied to increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital. Further, the Transferee Company shall pay the requisite fee, if any, that arises due to the difference in maximum statutory fee as per the Act payable on such combined authorized share capital.
- 17.3 It is hereby clarified that the Transferee Company through its Board, if required, would be entitled to make appropriate reclassification/ combination of its Authorized Share Capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the Authorized Share Capital of the Transferor Companies with the Transferee Company.
- 17.4 Pursuant to this Scheme, Transferee Company shall file the requisite forms / documents with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorized share capital.



PART - IV

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 7 and the continuance of proceedings by or against the Transferee Company under Clause 11 shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the date when the Transferor Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

19. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme coming into effect, the Transferor Companies shall, without any further act or deed, stand dissolved without winding up.

20. APPLICATIONS TO THE TRIBUNAL/ OTHER AUTHORITY

20.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications to the Tribunal, seeking orders for dispensing with or convening, holding and conducting of the meetings of the shareholders and/ or creditors of the Transferor Companies and the Transferee Company as may be directed by the Tribunal.

20.2 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, apply to the Tribunal for sanctioning the Scheme under the applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

21. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the requisite majority in number and value of such classes of persons including the respective shareholders and secured and unsecured creditors of each of the Transferor Companies and the Transferee Company except to the extent exempted by the Tribunal;
- (b) the Scheme being approved by the Tribunal;
- (c) such other sanctions and approvals including sanctions of any statutory or regulatory authority, as may be required in respect of the Scheme, being obtained;
- (d) filing of the certified copies of the Order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies, Delhi and Haryana



22. EFFECT OF NON-APPROVALS

- 22.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred *inter-se* by the Transferor Companies and the Transferee Company and each of the Transferor Companies and the Transferee Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 22.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and the Scheme with the remaining component(s) shall be implemented.

23. MODIFICATION OR AMENDMENT TO THE SCHEME

The Board of the Transferor Companies and the Transferee Company may assent to any modification(s) or amendment(s) in this Scheme which the Tribunal and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of the Transferor Companies and the Transferee Company and after the dissolution of the Transferor Companies, the Board of Directors of the Transferee Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. The Board of the Transferor Companies and the Transferee Company may assent to withdrawal of the scheme at any stage even after sanctioning of the scheme.

24. REVOCATION AND SEVERABILITY

- 24.1 In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid within such period as may be mutually agreed upon by the respective Board of the Transferor Companies and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.
- 24.2 In the event of any of the conditions that may be imposed by the Tribunal or other authorities and which the Transferor Companies and the Transferee Company may find unacceptable for any reason, then the Transferor Companies and the Transferee Company are at liberty to withdraw the Scheme.
- 24.3 The Board of the Transferor Companies and the Transferee Company shall be entitled to withdraw, revoke, cancel and declare the Scheme of no effect if they are of view that the coming



into effect of the Scheme could have adverse implications on the Transferor Companies and the Transferee Company.

- 24.4 In the event of revocation under Clause 24.1, Clause 24.2 and Clause 24.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Companies and the Transferee Company and their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each of the Transferor Companies and the Transferee Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

25. COMPLIANCE WITH SEBI REGULATIONS

- 25.1 As the scheme solely provides for amalgamation of wholly owned subsidiaries with its holding company as regards to the listed company, no formal approval, no objection certificate or vetting is required from Stock Exchanges or SEBI for the Scheme, in terms of provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, SEBI Circular No. CFD/ DIL3/ CIR/ 2017/ 21 dated 10th March, 2017, SEBI Circular No. CFD/ DIL3/ CIR/ 2018/ 2 dated 3rd January 2018 and other applicable provisions, if any.
- 25.2 In terms of SEBI Regulations, this Scheme is only required to be filed with Stock Exchanges for the purpose of disclosure and dissemination on their website.

26. COSTS, CHARGES AND EXPENSES

Except in the circumstances mentioned in Clause 22 and Clause 24 above, all costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

