

**SCHEME OF AMALGAMATION**  
**under Section 233 of the Companies Act, 2013**

**BETWEEN**

**JSW JFE ELECTRICAL STEEL NASHIK PRIVATE LIMITED**  
**(formerly known as 'thyssenkrupp Electrical Steel India')**

**("Transferor Company")**

**AND**

**JSQUARE ELECTRICAL STEEL NASHIK PRIVATE LIMITED**

**("Transferee Company")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

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**A. PREAMBLE**

This Scheme of Amalgamation ("**Scheme**") is presented under Section 233 and other applicable provisions of the Act (*as defined hereinafter*) for the amalgamation of JSW JFE Electrical Steel Nashik Private Limited (formerly known as "*thyssenkrupp Electrical Steel India Private Limited*") ("**Transferor Company**") with Jsquare Electrical Steel Nashik Private Limited ("**Transferee Company**") and other matters consequential or otherwise integrally connected therewith.

**B. DESCRIPTION OF THE COMPANIES**

The Transferee Company was incorporated on September 27, 2024, as a private limited company in accordance with the provisions of the Act under the name and style of '*Jsquare Electrical Steel Nashik Private Limited*' with company identification number U24319MH2024PTC432825. The registered office of the Transferee



Company is situated at 5th Floor, JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, India, 400051. The Transferee Company was incorporated to set up iron and steel making facilities and continuous casting and hot and cold rolling mill plants and to engage in manufacturing, processing, refining, and trading of all forms of steel. The equity shares of the Transferee Company are not listed on any stock exchange. The non-convertible debentures of the Transferee Company aggregating to Rs. 2,600 crores are listed on BSE Limited.

The main objects of the Transferee Company, *inter alia*, include:

- (a) *To set up iron and steel making facilities and continuous casting and hot and cold rolling mill plants for producing ferrous and non-ferrous metals, alloy, steels, steel ingots, steel slabs billets and all kinds and all sizes of iron and steel re-rolled sections, i.e. flats, angles, rounds, rails, channels, slabs, strips, coils, sheets, plates, deformed bars, plain and cold twisted bars and shafting.*
- (b) *To carry on the business of manufacturers, processors, refiners, smelters, makers, converters, finishers, importers, exporters, agents, merchants, buyers, sellers and dealers in all kinds and forms of steels including cold rolled grain oriented electrical steel (CRGO) and cold rolled non grain oriented electrical steel (CRNGO), tools and alloy steels, stainless and all other special steels, iron and other metals and alloys, all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and other metals and alloys, and also the business and iron masters, steel and metal converters, manufacturers, miners, smelters and engineers in all their respective branches and to search for, get, work, raise, make, merchantable, manufacture, process, buy, sell and otherwise deal in iron, pig iron, hot metals, granulated slag, iron ore, fines, steel and other metals, coal, coke, brick earth, fire clay, bricks, ores, minerals and mineral*



*substances, gases, alloys, metal scrap, chemicals and chemical substances of all kinds.*

1. The Transferor Company was incorporated on July 19, 2000, as a private limited company in accordance with the provisions of the Act under the name and style of '*thyssenkrupp Electrical Steel India Private Limited*' (recently renamed to '*JSW JFE Electrical Steel Nashik Private Limited*') with company identification number U27100MH2000PTC127807. The registered office of the Transferor Company is situated at Village Wadivarhe Post Gondetaluka-Igatpuri, Nashik, Maharashtra, India, 422403. The Transferor Company manufactures and sells grain-oriented electrical steel (GOES), a specialty material used in transformers and large high-performance generators. The Transferor Company is a wholly-owned subsidiary of the Transferee Company. The equity shares of the Transferor Company are not listed on any stock exchange.

The main objects of the Transferor Company, *inter alia*, include:

- (a) *To do business as manufacturers, dealers, exporters and importers, processors, finishers, buyers, sellers, agents, merchants in all varieties of steel, special steel, carbon steel, tool alloy steel, grain and non-grain oriented electrical steel, mild steel, cold rolled steel, silicon electrical steel and any other kind and grades of steel and to carry on and execute the work of steel engineers including manufacturing and dealing in all types of steel billets, steel rods, steel ingots, steel sheets, steel wires and in all kinds of steel products whether forged, rolled or drawn and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products and to do manufacturing.*

*Production, processing, assembling, fabrication, engineering, converting, finishing, repairing, renovating, servicing, buying,*



*selling, importing, exporting, warehousing, stocking, act as agents, merchants, trading, marketing, processing, converting, repairing, renovating, servicing, buying, selling, leasing, importing, exporting, warehousing, marketing or otherwise executing work of structural steel, structural engineering or structures in any form by cutting, purifying, mixing, job work, fabrication, curate, refine, blend, transport, hold, use, acquire, dilute, modify, engineering, drawings moldings finished, semi-finished, ingots, raw, ore, rolls, channels, bars, plates, billets, rods, pigments, minerals, metals, non- metals, compounds, mixtures, alloys, and to do research and development, design, provide technical assistance and licenses, consulting and production control and quality control and improvement of production lines of electrical steel, steel and other meta land non-metal products; whether in India or abroad.*

The Transferor Company and the Transferee Company may hereinafter be collectively referred to as “Parties” and individually referred to as “Party”.

**C. RATIONALE AND OVERVIEW OF THE SCHEME**

This Scheme is pursuant to the provisions of Section 233 and other applicable provisions of the Act and provides for the amalgamation of the Transferor Company with the Transferee Company with the objective of consolidating the Undertaking of the Transferor Company with the Transferee Company in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961 and the consequent dissolution of the Transferor Company without being wound up. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith. Amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall, inter alia, result in following benefits:



- a. The Transferor Company and the Transferee Company (collectively, “**the Parties**”) are engaged in complementary businesses. Further, the Transferee Company was incorporated to carry on the business undertaken by the Transferor Company and accordingly had acquired the shares of the Transferor Company. Accordingly, to achieve the main objective of the Company, the amalgamation is proposed. The proposed amalgamation, once effective, will create synergies between their businesses, including by pooling of their financial, managerial, technical, distribution, marketing and other resources.
- b. The Transferor Company is a wholly-owned subsidiary of the Transferee Company and the entire paid-up equity share capital of the Transferor Company is held by the Transferee Company. Accordingly, pursuant to the Scheme, the Transferor Company need not exist as a separate legal entity.
- c. The Scheme shall enable the streamlining of the group structure by reducing the number of legal entities in order to optimize the legal entity structure to be more aligned with the business objectives. This will help achieve greater business synergies, facilitate faster decision-making, and ensure significant cost savings;
- d. The Scheme shall also enable better management, value consolidation and creation of shareholder value; and
- e. The proposed amalgamation will result in a simplification of the existing corporate structure and elimination of administrative duplications of multiple record keeping and other functions involved in maintaining separate companies, thus economizing and reducing administrative, managerial and other common expenditure considerably and enabling the carrying on of



businesses more economically while reducing multiple legal and regulatory compliances; And

- f. Reducing time and efforts for consolidation of financials by the Transferee Company.
- g. The Scheme is expected to allow a more focused growth strategy which would be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.

In consideration of the aforesaid business rationale and related benefits, this Scheme of Amalgamation is being proposed in accordance with the terms set out hereunder.

Further, it is hereby clarified that, the Scheme is in no way, a scheme of compromise or amalgamation or arrangement with the creditors of the Parties as all the respective creditors will be paid in full by the appropriate Party (depending on the timing of effectiveness of this Scheme) as and when their respective amounts fall due in the usual course of business.

**D. PARTS OF THE SCHEME**

The Scheme is divided into following parts:

- 1. **Part A** deals with the definitions of the capitalized terms used in this Scheme, date of taking effect and implementation of this Scheme and the share capital of the Parties;
- 2. **Part B** deals with the amalgamation of the Transferor Company with the Transferee Company and the consequent dissolution of the Transferor Company without being wound up and matters incidental thereto; and
- 3. **Part C** deals with the general terms and conditions applicable to this Scheme.

**PART A**

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



# 1 DEFINITIONS AND INTERPRETATION

## 1.1 DEFINITIONS:

In this Scheme, unless inconsistent with the subject or context thereof, in addition to the terms defined elsewhere in this Scheme, the following capitalized terms shall have the meaning set out below:

- a) **“Act”** means the Companies Act, 2013, and any rules, regulations, notifications, circulars, clarifications, orders or guidelines issued thereunder and as amended from time to time and shall include any statutory amendment(s), modification(s) or re-enactment(s) thereof;
- b) **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, circulars, rule of common law, policy, press notes, code, directives, clearances, approvals, ordinances, orders or instructions issued by any Appropriate Authority and orders, decisions, writs, injunctions, judgments, awards and decrees of, or agreements with, any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a person, as may be in force from time to time.
- c) **“Appointed Date”** means 30<sup>th</sup> January, 2025, or such other date as may be fixed or approved by the Regional Director or such other competent authority having jurisdiction to sanction the Scheme;
- d) **“Appropriate Authority”** means any applicable (i) international, supra-national, central, state, city or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including, but not limited, to RoC (*as defined hereinafter*), Regional Director and Tribunal; (ii) any commission, organization, agency, department, ministry, board, bureau or instrumentality or entity



owned or controlled by any of the foregoing authorities; (iii) any stock exchange or similar self-regulatory or quasigovernmental agency or private body exercising any regulatory or administrative functions of or relating to the government; (iv) any arbitrator, arbitral body, tribunal or court or other law, rule or regulation making entity; and (v) any state or other subdivision thereof or any municipality, district or other subdivision thereof, having or purporting to have jurisdiction over any or all of the Parties.

- e) **“Board” or “Board of Directors”**, in relation to a Party, means the board of directors of such Party, as the case may be, and shall include a committee (existing or duly constituted subsequently by the Board) or any other delegates/officers authorised thereby for the purpose of matters pertaining to the Scheme and / or to take decisions for matters prescribed under the Scheme and/or to decide or act on any other consequential or incidental matters in relation thereto;
- f) **“Central Government”** means the Regional Director at Mumbai in pursuance of the notification dated 19th December, 2016 (F. No. 2/31/CAA/2013-CL-V) issued by the Ministry of Corporate Affairs for the purpose of Section 233 of the Act or such other sections prescribed therein, as the case may be and for this Scheme shall mean Regional Director, Western Region, Mumbai.
- g) **“Effective Date”** means the last of the dates on which the last of the conditions specified in Clause 22 under Part C of this Scheme (*Conditionality of the Scheme*) are complied with; All the references in this Scheme to the words **“upon this Scheme coming into effect”** or **“upon the effectiveness of this Scheme”** or **“upon the Scheme taking effect”** or **“upon this Scheme becoming effective”** shall mean the Effective Date;





- h) **“Employees”** means all the employees of the Transferor Company as on the Effective Date;
- i) **“Employee Benefit Funds”** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for Employees;
- j) **“Equity Shares”** with respect to a company, mean the fully paid-up equity shares of such company.
- k) **“Regional Director”** or **“RD”** means the office of the Regional Director, (Western Region) Ministry of Corporate Affairs, Mumbai, having jurisdiction over the Transferor Company and the Transferee Company.
- l) **“RoC”** means the Registrar of Companies, Mumbai, Maharashtra, having jurisdiction over the Transferor Company and the Transferee Company.
- m) **“Sanction Order”** means the order(s) of the Regional Director approving the Scheme.
- n) **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“Scheme of Amalgamation”** means this scheme of amalgamation between the Transferor Company, the Transferee Company and their respective shareholders in its present form as submitted to the Regional Director including any modification(s) or amendment(s) hereto;
- o) **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits,



book profits, gains, dividend, net wealth, asset values, turnover, added value, manufacture, import, export, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, goods and services tax, securities transaction tax or any other transfer taxes or otherwise, in each case attributable directly or primarily to the Party or any other Person and all surcharge, cess, penalties, charges, costs and interest relating thereto;

p) **“Undertaking”** means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):

(i) *(as applicable)* all assets and properties, whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate, of the Transferor Company, including the manufacturing facilities of the Transferor Company and the underlying movable and immovable properties pertaining to such facilities, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), and including investments of all kinds including but not limited to securities (marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates,



work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;

- (ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise,



and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;

- (iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
- (iv) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;
- (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Company;
- (vi) all present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand



liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form);

- (vii) the Employees and the Employee Benefit Funds of the Transferor Company; and
- (viii) all legal or other proceedings of whatsoever nature arising out of, or relating to, the business of the Transferor Company.

## 1.2 INTERPRETATION:

In this Scheme, unless the context otherwise requires:

- a) All terms and words used but 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, the Income-tax Act, 1961 or other Applicable Laws, as the case may be.
- b) References to a person shall include any natural person, limited or unlimited liability company, corporation, partnership firm (whether limited or unlimited), proprietorship firm, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as an entity under Applicable Law.
- c) The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- d) Words in the singular shall include the plural and vice versa;
- e) The words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately



followed the same;

- f) Any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- g) Any reference to “writing” shall include printing, typing and other means of reproducing words in visible form and shall include email communications.
- h) References to any statute or statutory provision include a reference to that statute or statutory provision as amended, consolidated or replaced from time to time and include any subordinate legislation made under the relevant statute or statutory provision.
- i) The words “other”, or “otherwise” and “whatever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- j) References to any clause in this Scheme, unless otherwise specified, are the specified clause of this Scheme;
- k) In addition to the defined terms under Clause 1.1, certain terms are defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them; and
- l) References to one gender includes all genders.

## **2 DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 21 of the Scheme shall become operative from the Effective Date, but upon becoming operative, shall take effect from the Appointed Date.



### 3 SHARE CAPITAL OF THE PARTIES

- a) The share capital of the Transferor Company as on 31<sup>st</sup> March, 2025, is as under:

Particulars	Amount in INR
<b>Authorized Share Capital</b>	
44,00,00,000 Equity Shares of INR 10/- each	4,40,00,00,000
<b>Total</b>	<b>4,40,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
41,49,34,900 Equity Shares of INR 10/- each	4,14,93,49,000
<b>Total</b>	<b>4,14,93,49,000</b>

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company. The Equity Shares of the Transferor Company are not listed on any stock exchange and 100% of its equity share capital is held by the Transferee Company.

- b) The share capital of the Transferee Company as on 31<sup>st</sup> March, 2025, is as under:

Particulars	Amount in INR
<b>Authorized Share Capital</b>	
1,60,00,00,000 Equity Shares of INR 10/- each	16,00,00,00,000
<b>Total</b>	<b>16,00,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
1,46,01,00,000 Equity Shares of INR 10/- each	14,60,10,00,000
<b>Total</b>	<b>14,60,10,00,000</b>

Subsequent to the above date, there has been no change in the



authorized, issued, subscribed and paid-up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company. The Equity Shares of the Transferee Company are not listed on any of the stock exchanges in India and 100% of its equity share capital is held by JSW JFE Electrical Steel Private Limited

The Non-convertible Debentures of the Transferee Company aggregating to Rs. 2,600 crores are listed on BSE Limited.

## **PART B**

### **AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEEEE COMPANY**

#### **4 TRANSFER AND VESTING OF THE UNDERTAKING**

- a) Upon this Scheme becoming effective and with effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to the Sanction Order and the provisions of Section 233 and other applicable provisions of the Act, the Transferor Company shall stand amalgamated with the Transferee Company as a *going concern* and the Undertaking shall without any further act, instrument or deed undertaken by the Parties, stand transferred to, and vested in, or be deemed to have been transferred to, or vested in, the Transferee Company as a *going concern* so as to become as and from the Appointed Date, the undertaking of, and an integral part of, the Transferee Company, by virtue of operation of law and in the manner provided in this Scheme.
- b) Without prejudice to the generality of Clause 4(a) above, upon this Scheme becoming effective and with effect from the Appointed Date:
- i) All assets owned and belonging to the Transferor Company as are movable in nature or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting





any recordal (including cash and bank balances, liquid and other investments in any other person) shall, without any further act, instrument or deed undertaken by the Parties, stand transferred to, and vested in, or be deemed to have been transferred to, or vested in, Transferee Company by delivery or possession or by endorsement and delivery, and shall become the property of the Transferee Company by virtue of operation of law and in the manner provided in this Scheme in pursuance of the provisions of Section 233 of the Act and other applicable provisions of Applicable Laws, subject to the existing charges and encumbrances thereon, if any (to the extent such charges or encumbrances are outstanding on the Effective Date).

- ii) All movables other than those dealt with in Clause 4 (b)(i) above (including the sundry debts, actionable claims, receivables, bills, credits, outstanding loans, deposits and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, earnest money and deposits with any governmental, quasi-governmental, local or other authority or body or with any company or other person, benefits of any bank guarantee, performance guarantee, letters of credit, etc.), shall, without any further act, instrument or deed undertaken by the Parties, and subject to the existing charges and encumbrances thereon, if any (to the extent such charges or encumbrances are outstanding on the Effective Date), stand transferred to, and vested in, the Transferee Company without any notice or other intimation (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper), to any person, debtor or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred to, and vested in, the Transferee Company to the end and intent that the right of the



Transferor Company to recover or realize the same becomes a right of, and stands vested in, the Transferee Company, without any notice or other intimation to such persons, debtors or depositors, as the case may be. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after the Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts thereunder.

- iii) All incorporeal or intangible assets of the Transferor Company or granted to the Transferor Company shall stand vested in and transferred to the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the Sanction Order, without any further act, instrument or deed undertaken by the Parties.
- iv) All immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold or licensed, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded in the land, and all documents of title, rights, security deposits and easements, in relation thereto, shall, without any further act, instrument or deed undertaken by the Parties, stand transferred to, and vested in, the Transferee Company, by operation of law pursuant to the vesting Sanction Order and Section 233 of the Act and other applicable provisions of Applicable Law, subject to the existing charges and encumbrances thereon, if any (to the extent such charges or encumbrances are outstanding on the Effective Date). Consequent to the foregoing, all lease or license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors (including the Appropriate Authorities, if any) in connection with the use of the assets of the Transferor Company, together with security deposits, shall automatically vested in favour of the Transferee



Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed, and the Transferee Company shall be entitled to exercise all rights and privileges, including all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, and be liable to pay all Taxes, rent and charges, and fulfill all obligations, in relation to, or applicable to, such immovable properties, if any, and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company. Any vesting and transfer/ assignment of lease or license or any tenancy rights by the Transferor Company in favour of the Transferee Company pursuant to this Scheme shall continue for the balance period of time and will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. Further, the title/interests to the immovable properties of the Transferor Company, if any, shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing and registering of the true copy of the vesting Sanction Order with the appropriate registrar / sub-registrar of assurances or any other Appropriate Authority having jurisdiction over the location of the respective immovable properties (as the case may be) shall suffice as record of the Transferee Company's title to such immovable properties and shall constitute a deemed mutation and substitution thereof. The Transferee Company shall in pursuance of the vesting Sanction Order be entitled to the delivery and possession of all documents of title in respect of such immovable property, if any, in this regard. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities



pursuant to the sanction of this Scheme by and upon the Scheme becoming effective in accordance with the terms hereof. All permits, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law shall be deemed to be granted as part of this Scheme.

v) All assets, estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Transferor Company, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Transferee Company upon the Scheme becoming effective pursuant to the provisions of Section 233 of the Act and all other applicable provisions of Applicable Laws.

c) Without prejudice to the generality of Clause 4(a) above, upon this Scheme becoming effective and with effect from the Appointed Date:

i) All the liabilities including all secured and unsecured debts, liabilities including contingent liabilities, leases, sundry credits, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, shall, without further act, instrument or deed, stand transferred to, and vested in, or deemed to have been transferred to, and vested in, the Transferee Company by operation of law pursuant to the vesting Sanction Order and Section 233 of the Act and other applicable provisions of Applicable Law, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as



and from the Appointed Date, the debts, liabilities, duties and obligations of, and shall be discharged by, the Transferee Company, and further that it shall not be necessary to obtain consent of any third party or other person, who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, if any, the said reference shall be construed as a reference to the assets pertaining to that undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme. If the consent of any third party or Appropriate Authority is required to give effect to the provisions of this Clause, the said third party or Appropriate Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Regional Director, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof.

- ii) It is hereby clarified that upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, there shall be no accrual of interest or other charges in respect of inter-se loans, advances, investments, securities, receivables, payables, and other dues and all such loans, advances, investments, securities, receivables, payables, and other dues outstanding, between Transferor Company and the Transferee Company, if any, will stand cancelled and there shall be no further obligations/ outstandings (including with respect to accrual of interest) of the Transferor Company and the Transferee Company in this regard.



- d) Upon this Scheme becoming effective and with effect from the Appointed Date, all benefits, subsidies, entitlements, exemptions, reductions, remissions, privileges or any other incentives of whatsoever nature whatsoever, availed by, or granted to, the Transferor Company, or to which the Transferor Company is eligible for, or entitled to, under any incentive schemes, policies made by any Appropriate Authority or by any other person and/or under any other Applicable Laws(including Government Grants, export benefits, unabsorbed depreciation, tax concessions (not limited to income tax, tax deducted at source, tax holiday, special economic zone related benefits, tax losses, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, goods and service tax, Minimum Alternate Tax Credit entitlement ("MAT Credit") whether recognized or not, unutilized deposits or credits, benefits under the VAT/Sales Tax Law, VAT/Sales Tax set off, benefits of any unutilized MODVAT/ CENVAT/ Service Tax credits, input credit balances (including SGST, CGST and IGST credits)), along with any interest thereon, shall, without any further act, instrument or deed, vest with and be available to the Transferee Company, pursuant to the Sanction Order and Section 233 of the Act and other provisions of Applicable Law, on the same terms and conditions as if the same had been allotted and/or granted and/ or sanctioned and/ or allowed to the Transferee Company to the end and intent that the right of the Transferor Company to recover or realize the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes. Such incentives, benefits, etc. shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and policies, subject to continued compliance by the Transferee Company of



all the terms and conditions subject to which the benefits under the incentive schemes and policies were made available to the Transferor Company. Further, 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 shall stand transferred and vested with the Transferee Company.

- e) Upon this Scheme becoming effective and with effect from the Appointed Date, all agreements, and contracts (including customer contracts, service contracts, consultant contracts, contracts with vendors and suppliers, technology contracts, outsourcing agreements, offshore development contracts, assignment agreements, license agreements (including for intellectual property), deeds, bonds, policies, information technology related agreements, schemes, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers), quota rights, engagements, arrangements, authorities, allotments, security arrangements tenders, undertakings, deeds, bonds, schemes, insurance covers and claims, long term concession agreements, expression of interest, service orders, purchase orders, memoranda of understanding, non-disclosure undertakings, letter of intent and other commitments, and other instruments every kind, nature and description whatsoever relating to the Transferor Company, along with all rights,



title, interests, claims and benefits thereunder, shall stand transferred and vested with the Transferee Company without requiring any further act, instrument or deed or consent or approval for the same, and all concerned counterpersons (including Appropriate Authorities and other persons) shall appropriately effect the same in favour of the Transferee Company.

- f) Upon this Scheme coming into effect, all books, records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, databases containing market information, vouchers, registers, ledgers, documents and other books, records, any media or format including machine readable or electronic media/ format and any and all other records and documents relating to the Transferor Company shall stand transferred to, and vest with, the Transferee Company.
- g) Upon this Scheme coming into effect, all permits, grants (including government grants), permissions, right of way, approvals, authorizations, clearances, consents, licenses (including license under Manufacturing and Other Operations in Warehouse Regulations (MOOWR)), benefits (including benefit of all transferable statutory and regulatory permissions, environmental approval and consents, statutory licenses, permissions or approvals, consents) registrations, rights, entitlements, credits, certificates, awards, sanctions, privileges, memberships, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, incentives / concessions (including export and tax incentives/ concessions or any other incentives eligible from Appropriate Authorities), subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits and exemptions including the





right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available under Applicable Law, if any, liberties and advantages, approval for commissioning of the Transferor Company shall become the property of and/or stand vested in, the Transferee Company. In this regard, third parties or Appropriate Authorities, as the case may be, shall take on record the Sanction Order 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, without any further act, matter or deed by the Parties. There shall be no break in the validity and enforceability of the permits, licenses, etc. for the purpose of the Transferee Company carrying on its business or for any other purpose of whatsoever nature and the benefits of the certifications, registrations, recognitions, login credentials, etc. issued by / with any Appropriate Authority or third person shall continue to be enjoyed by the Transferee Company from the Effective Date without any further action.

- h) Upon this Scheme coming into effect, amounts claimed by the Transferor Company whether or not so recorded in the books of accounts of the Transferor Company from any Appropriate Authority, under any law, act or rule in force, as refund of any security deposits, tax, duty, cess or of any excess payment shall stand transferred to, and vest with the Transferee Company.
- i) Upon this Scheme coming into effect, right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess, security deposit or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the



Appropriate Authority, and in respect of set- off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income Tax Act, 1961, or any other or like benefits under the applicable provisions of Applicable Law, shall stand transferred and vested with the Transferee Company.

- j) Upon this Scheme coming into effect, the Transferee Company shall make all filings and registrations required to be made under applicable law for perfection of any security created in favour of any third party to ensure that the security continues to enure for the benefit of such third party.
- k) All bank/ demat accounts operated or entitled to be operated by the Transferor Company shall be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the banks' records and the Transferee Company shall be entitled to operate all bank/ demat accounts, realize all monies. It is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment, electronic fund transfers, etc., which are (a) in the name of the Transferor Company, or (b) in the name of the Transferee Company prior to the change of name of the Transferee Company, in each case after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payments which become due after the Effective Date.

- l) The past track record of the Transferor Company including without



limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Transferor Company (acquired by reason of its operations in the past), including without limitation, the profitability, experience, credentials, past record, goodwill and market share, of the Transferor Company shall for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients, be deemed to be part of the track record of the Transferee Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients.

- m) In order to ensure the smooth transition and sales of products and inventory of the Transferor Company 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) relating to the Transferor Company at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents relating to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the



Effective Date.

**5 STAFF, WORKMEN AND EMPLOYEES**

- a) Upon the Scheme becoming effective, all staff, personnel (including persons deployed on retainership/secondment/contractual basis), workmen and Employees of the Transferor Company, who are in service as on the Effective Date shall without any further act, instrument or deed undertaken by the Parties, be deemed to have become staff, personnel, workmen and Employees of the Transferee Company on and from the Appointed Date, by operation of law pursuant to the Sanction Order, without any interruption of their service, with the benefit of continuity of service, and the terms and conditions of their engagement/employment with the Transferee Company shall not be less favorable than those applicable to them with reference to their engagement/employment with the Transferor Company on the Effective Date. The Transferee Company agrees that the services of all such Employees with the Transferor Company, up to the Effective Date shall be taken into account for purposes of all benefits to which they may be eligible. Any question that may arise as to whether any staff, personnel, workmen or Employee belongs to or does not belong to the Transferor Company, shall be mutually decided by the Board of the Transferor Company and the Transferee Company or committee(s) thereof.
- b) It is expressly provided that, on the Scheme becoming effective, the provident fund, Gratuity Fund, or such other special fund, if any, or trusts (hereinafter collectively referred as '**Employee Benefit Funds**') created for the benefit of the staff, workmen and Employees of the Transferor Company shall, with the approval of the concerned authorities as may be required, become Funds of the Transferee Company, or shall be transferred to or merged with other similar funds of the Transferee



Company as per the applicable laws for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the staff, personnel, workmen and Employees will be treated as having been continuous for the purpose of the said Funds, as may be applicable depend on their eligibility under Applicable Law and policies of the Transferor Company and/or the Transferee Company.

## **6 LEGAL PROCEEDINGS**

- a) If any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature by or against the Transferor Company are pending and/or arising as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- b) On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings for and on behalf of the Transferor Company in relation to any business or matter relating to the Transferor Company.
- c) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, which are



capable of being continued by or against the Transferee Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company.

The Transferee Company undertakes to pay all amounts including interest, penalties, damages and costs which the Transferor Company may be called upon to pay or secure in respect of any liability of obligation relating to the Transferor Company from the period starting on the Appointed Date up to the Effective Date, upon submission of necessary evidence to the Transferee Company for making such payments.

**7 CONTRACTS, DEEDS, ETC.**

- a) Upon the Scheme becoming effective and with effect from the Appointed Date, subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, memoranda of understandings, memoranda of agreements, bids, letters of intent, undertakings, engagements, arrangements and other instruments (including all licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature, whether written or otherwise, insurance policies and other instruments of whatever nature to which, the Transferor Company is a party, and which are subsisting or having effect on the Effective Date shall, without any further act, instrument or deed, continue to be in full force and effect against, or in favour of, the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- b) Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any third person or authority, hire purchase agreements, lending agreements and



such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, including without limitation all rights and benefits (including without limitation benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, by operation of law pursuant to the vesting order of the Regional Director sanctioning this Scheme, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company, without any further act, instrument or deed undertaken by the Parties and shall be appropriately transferred or assigned in favour of the Transferee Company without any objections or conditions by the concerned parties/ Appropriate Authority.

- c) The Transferee Company and / or the Transferor Company shall have the right but not an obligation to enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company on/post the Effective Date and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is duly constituted attorney of the Transferor Company.



- d) All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted and honored by the bankers of the Transferee Company and credited to the account of the Transferee Company.

## 8 PERMITS

Upon this Scheme coming into effect and with effect from the Appointed Date, any and all statutory licenses or other licenses (including the licenses granted to the Transferor Company by any Appropriate Authority for the purpose of carrying on its business or in connection therewith), no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights (including login credentials for any accounts maintained with the websites of any Appropriate Authorities), held or availed of by, and all rights and benefits that have accrued to, the Transferor Company shall be transferred to and vested in the Transferee Company or deemed to have transferred to and vested in the Transferee Company, by operation of law, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by or issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant





to the Sanction Order, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall, if required, file appropriate applications/ documents with relevant authorities concerned for information and record purposes. The Transferee Company shall be permitted to continue with the existing permits of the Transferor Company till the aforementioned consent of any Person or Appropriate Authority is received / new permit is received by the Transferee Company to give effect to the provisions of this Clause. From the Effective Date and until the permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, for the purposes of the relevant permit, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and use the permits and login credentials of the Transferor Company.

**9 NO CONSIDERATION FOR AMALGAMATION**

- a) Since the Transferor Company is a wholly owned subsidiary of the Transferee Company and the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and its nominee, Mr. Manoj Prasad Singh, upon the Scheme becoming effective, there shall be no issuance and allotment of shares by the Transferee Company as consideration for the merger of the Transferor Company with the Transferee Company and the entire issued, subscribed and paid-up share capital of the Transferor Company held by the Transferee Company and the investment of the Transferee Company in such shares as appearing in the books of the Transferee Company shall, without any further deed or act by the Parties, stand cancelled and extinguished on the Effective Date



**10 ACCOUNTING TREATMENT IN THE BOOKS OF  
TRANSFeree COMPANY AND TRANSFEROR COMPANY**

**10 (A) Accounting Treatment in the books of Transferee Company**

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- a) All the assets and liabilities, if any, of the Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the consolidated financial statements of the Transferee Company;
- b) The identity of the reserves pertaining to the Transferor Company, shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying values as appearing in the consolidated financial statements of Transferee Company;
- c) Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and/or the Transferor Company, if any, appearing in the books of the Transferor Company and/or the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- d) The value of investments held by the Transferee Company in the Transferor Company, represented by its equity share capital and securities premium (if any), shall stand cancelled pursuant to the amalgamation and there shall be no further obligation in that behalf.
- e) The surplus, if any arising after taking the effect of clause (a) to (d), shall be transferred to Capital Reserve in the financial statements of the Transferee Company. The deficit, if any, arising after taking the effect of clause (a) to (d) and adjustment of previously existing credit balance in capital reserve, if



any, shall be debited to the Retained Earnings in the financial statements of the Transferee Company.

- f) In case of any differences in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements of Transferee Company reflect the financial position on consistent accounting policies.
- g) Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period. However, if the entities came under common control after that date, the prior period information shall be restated only from that date.
- h) For accounting purposes, the Scheme will be given effect on the date when all substantial conditions of the amalgamation of the Transferor Company with Transferee Company are completed
- i) Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirements of applicable the Indian Accounting Standards

#### **10 (B) Accounting Treatment in the books of Transferor Company**

The Transferor Company shall stand dissolved without being wound up, upon the Scheme becoming effective, no accounting treatment is being prescribed under this Scheme with respect to the books of the Transferor Company.

#### **11 CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

During the period between the Appointed Date and the Effective Date:

- a) The Transferor Company shall carry on and deemed to have carried on its business and activities and shall stand possessed of its entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.



- b) All the income or profits accruing or arising to the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, service tax, goods and service tax, taxes withheld / paid in foreign country, value added tax credit, CENVAT credit etc.) and all costs, charges, expenses or losses incurred including tax losses and MAT credits earned by the Transferor Company shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
- c) All liabilities incurred by the Transferor Company, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the liabilities of the Transferee Company.
- d) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.
- e) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions including Government Grants etc., which the Transferee Company may require to carry on the business of the Transferor Company.



## 12 PROFITS AND DIVIDENDS

- a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date. Dividend by the Transferor Company shall be recommended / declared by obtaining the consent of the Transferee Company.
- b) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Transferor Company or Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company or the Transferee Company, as may be applicable.

## 13 RESOLUTIONS, LIMITS AND BORROWING POWERS

- a) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date shall be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.
- b) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under sections 42, 62(1)(a), 179, 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee



Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.

- c) Further, upon this Scheme coming into effect, the power of attorneys passed executed by the Transferor Company, as are considered necessary by the Board of the Transferee Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as power of attorney executed by the Transferee Company.

#### **14 SAVING OF CONCLUDED TRANSACTIONS**

- a) The transfer of the Undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 6 above and the effectiveness of contracts, deeds, etc. under Clause 7 above, shall not affect any transaction or proceedings or contracts already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date 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 Company in respect thereto as done and executed on behalf of itself.

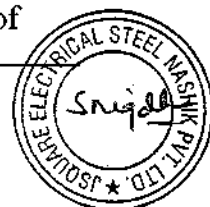
#### **15 TAXES**

- a) The provisions of this Scheme as they relate to the amalgamation of Transferor Company with Transferee Company have been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand



modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme and the power to make any such amendments shall vest with the Board of Directors or any committee of the Board of Directors to which the power is delegated.

- b) All taxes (including income tax, sales tax, service tax, goods and service tax etc.) paid or payable by the Transferor Company before the Appointed Date, shall be on account of the Transferor Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service 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 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.
- c) Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate is received in the name of the Transferor Company, it shall be deemed to have been received by and in the name of the Transferee Company which alone shall be entitled to claim credit for such tax deducted or paid.
- d) Upon this Scheme coming into effect, the Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or any other tax related compliances or filings of



forms.

- e) All the 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 section 43B, section 40, Section 40A etc. of the Income-tax Act, 1961) will be eligible for deduction to the Transferee Company, upon fulfillment of conditions, if any, required under the Income-tax Act, 1961. Any refund, under the Income-tax Act, 1961, goods and service tax laws, custom duty law or other applicable laws, regulations dealing with taxes, duties, land levies, levies due to the Transferor Company consequent to the assessment made on the Transferor Company (including any refund for which no credit is taken in the books of accounts of the Transferor Company on the Appointed Date) shall belong to and be received by the Transferee Company without any further act, instrument, deed, matter or thing being made, done or executed, become the property of the Transferee Company.
- f) The goods and service tax paid by the Transferor Company in respect of services provided for the period commencing from the Appointed Date shall be deemed to be the goods and service tax paid by the Transferee Company, and credit for such goods and service tax shall be allowed to the Transferee Company notwithstanding that challans for goods and service tax payments are in the name of the Transferor Company and not in the name of the Transferee Company.

## 16 DISSOLUTION OF THE TRANSFEROR COMPANY

Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up, without any act, instrument or deed, and the Board and Committee of the Transferor Company shall stand discharged. Pursuant to the dissolution of the Transferor Company, its shares shall stand cancelled and its name shall be struck off from the





records of the Registrar of Companies. The Transferee Company shall make all necessary filings in this regard. Any obligations/ steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company. Upon the Scheme taking effect and after dissolution of the Transferor Company, the Board of Directors of the Transferee Company is hereby authorized to take steps as may be necessary, desirable or proper to resolve any issues and complete any actions, consequent to dissolution of the Transferor Company.

### **PART C**

#### **GENERAL TERMS AND CONDITIONS**

#### **17 COMBINATION OF AUTHORISED SHARE CAPITAL**

- a) Upon effectiveness of this Scheme, and as an integral part of this Scheme, the authorised share capital of the Transferor Company shall stand transferred, merged and combined with the authorized share capital of the Transferee Company pursuant to this Scheme, and the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies, Maharashtra at Mumbai, by the authorized share capital of the Transferor Company and the memorandum of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately passed and for this purpose the stamp duties and fees paid by the Transferor



Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital, and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent. The aggregate authorized share capital of the Transferee Company shall automatically stand increased to that effect by filing the requisite forms with the RoC on such increased and combines authorized share capital. The consent / resolution of the shareholders of the Transferee Company approving the Scheme under Section 233 of the Act, whether at a meeting or otherwise, shall be deemed to be the approval for increasing in the authorized share capital, and causing consequent alteration to the memorandum of association of the Transferee Company under Section 13, 61, 64 and other applicable provisions of the Act.

- b) If required under Applicable Law, the Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Registrar of Companies and the Registrar of Companies shall take the same on record.
- c) In view of Clause 17(a) above, the authorized equity share capital of the Transferee Company shall increase from INR 16,00,00,00,000 to INR 20,40,00,00,000, on account of equity capital forming part of the authorised share capital of the Transferor Company to the extent of INR 4,40,00,00,000 being transferred from the Transferor Company to the Transferee Company as an integral part of this Scheme.
- d) Consequently, Clause 'III' of the memorandum of association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Clause 'III' of the Memorandum of Association:



*"III. The Authorised Share Capital of the Company is Rs. 20,40,00,00,000 (Rupees Two Thousand and Forty Crores only) consisting of 2,04,00,00,000 (Two Hundred and Four Crores) Equity Shares of Rs. 10 (Rupees Ten only) each, with rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with power to increase or reduce the same or divide the share capital into several classes as may be permissible by law, and to attach thereto any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being permitted by the law or in accordance with the Articles of Association of the Company for the time being in force."*

**18 AMENDMENT TO THE OBJECT CLAUSE OF THE TRANSFeree COMPANY**

- a) Upon this Scheme becoming effective, the object clause of memorandum of association of the Transferee Company shall deemed to have been altered and amended without any act or deed or instrument, to include the objects as required for the purpose of carrying on the business activities of the Transferor Company pursuant to the provisions of Sections 13 and any other applicable provisions of the Act. Accordingly, Clause III of the memorandum of association of the Transferee Company shall be altered and amended and necessary numbering of the clause inserted shall be carried out. The following objects shall be inserted at the end of the current objects' clause of the memorandum of association of the Transferee Company and shall read as under:

*"To do business as manufacturers, dealers, exporters and importers, processors, finishers, buyers, sellers, agents, merchants in all varieties of steel, special steel, carbon steel, tool alloy steel, grain and non-grain oriented electrical steel, mild steel, cold rolled steel, silicon electrical steel and any other kind and grades of steel and to carry on and execute the work of steel engineers including manufacturing and dealing in all types of steel billets, steel rods, steel ingots, steel sheets, steel wires and in all kinds of steel products whether forged, rolled or drawn and consequently to manufacture, sell and deal in all or any of the by-*



*products which will be obtained in the process of manufacturing these steel products and to do manufacturing. Production, processing, assembling, fabrication, engineering, converting, finishing, repairing, renovating, servicing, buying, selling, importing, exporting, warehousing, stocking, act as agents, merchants, trading, marketing, processing, converting, repairing, renovating, servicing, buying, selling, leasing, importing, exporting, warehousing, marketing or otherwise executing work of structural steel, structural engineering or structures in any form by cutting, purifying, mixing, job work, fabrication, curate, refine, blend, transport, hold, use, acquire, dilute, modify, engineering, drawings moldings finished, semi-finished, ingots, raw, ore, rolls, channels, bars, plates, billets, rods, pigments, minerals, metals, non-metals, compounds, mixtures, alloys, and to do research and development, design, provide technical assistance and licenses, consulting and production control and quality control and improvement of production lines of electrical steel, steel and other meta land non-metal products; whether in India or abroad."*

**19 CHANGE OF NAME OF TRANSFeree COMPANY**

- a) Upon this Scheme becoming effective, the name of the Transferee Company shall stand changed on and from the Effective Date to "*JSW JFE Electrical Steel Nashik Private Limited*" or such other name which is determined by the Board of the Transferee Company and no separate act, instrument, or deed shall be required.
- b) Consequently, the memorandum of association and the articles of association of the Transferee Company shall stand amended, altered to reflect the new name "*JSW JFE Electrical Steel Nashik Private Limited*" or such other name which is determined by the Board of the Transferee Company pursuant to Sections 13 and other applicable provisions of the Act, by operation of law.



- c) It is hereby clarified that, for the purposes of acts and events mentioned in this Clause 19, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and consequential amendments as set out in Clause 19 above and that no further resolution under Sections 13, 14 or any other applicable provisions of the Act, would be required to be separately passed by the Transferee Company. Pursuant to this scheme, the Transferee Company shall file the requisite forms with the RoC for change of the name of the Transferee Company.

## **20 APPLICATIONS TO REGIONAL DIRECTOR**

The Transferee Company and the Transferor Company shall, as may be required, make all necessary applications and /or petitions to Regional Director or any other Appropriate Authority under Section 233 and other applicable provisions of the Act.

## **21 MODIFICATION OR AMENDMENTS TO THE SCHEME:**

Subject to approval of Regional Director or any other Appropriate Authority under the applicable provisions of the Act, as may be applicable, the Transferee Company and the Transferor Company with the approval of their respective Boards of Directors (or committees thereof) may jointly consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors and which shall not be prejudicial to any rights, interest or claim that any third party or any other person may have against the Transferor Company or the Transferee Company, to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Regional



Director or any other Appropriate Authority under the applicable provisions of the Act, as may be applicable, may deem fit to approve of, to direct and or impose. The aforesaid powers of the Transferee Company and the Transferor Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Boards of Directors or any person or committee authorised in that behalf by the concerned Board of Directors subject to approval of the Regional Director or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable.

## **22 CONDITIONALITY OF THE SCHEME**

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

- a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law or regulations or otherwise may be necessary for the implementation of this Scheme.
- b) the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained; and
- c) The Scheme being approved by the respective requisite majorities in number and value of each class of members and creditors of the Transferor Company and the Transferee Company, as may be required under the Act and as may be directed by the Regional Director or any other Appropriate Authority under the applicable provisions of the Act, as may be applicable.
- d) The Scheme being sanctioned by the Regional Director or any other Appropriate Authority under the applicable provisions of the Act, as may be applicable, including Section 233 of the Companies Act, 2013 and receipt of certified copy of the Sanction Order.



- e) Certified copies of the Sanction Order being filed with the Registrar of Companies, of Maharashtra at Mumbai by the Transferor Company and the Transferee Company.
- f) The Scheme shall not come into effect unless the aforementioned conditions mentioned in the above Clause above are satisfied (or to the extent permissible under Applicable Law, waived jointly by the Boards of the Parties) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred inter se the Parties and/or their respective shareholders or creditors or employees or any other Person. It is hereby clarified that submission of the Scheme to the Regional Director or to any other Appropriate Authorities for their approval is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Laws.

## **23 EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Regional Director or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **24 WITHDRAWAL OF THIS SCHEME**

The Transferee Company and the Transferor Company, acting jointly, shall be at liberty to withdraw this Scheme, as may be mutually agreed



by the respective Boards of the Parties at any time before the Effective Date. In the event of withdrawal, no rights and liabilities whatsoever shall accrue to or be incurred by the respective Parties or their shareholders or creditors or employees or any other Person. In such case, each of the Parties shall bear its own costs and expenses or as may be otherwise mutually agreed.

## 25 SEVERABILITY

The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to, only if the Scheme is approved in its entirety and given effect to in accordance with the terms of the Scheme, except to the extent that the Parties may otherwise agree in writing. Subject to the foregoing, if any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by Regional Director or such other competent authority, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties, the benefits and obligations of the Scheme, including but not limited to such part or provision, which is invalid, ruled illegal or rejected by the Regional Director or any other Appropriate Authority, or





unenforceable under present or future Applicable Laws.

## **26 COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

## **27 NO CAUSE OF ACTION**

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Parties or their respective directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

## **28 RESIDUAL**

- a) Upon this Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, cash and deposits relating to the Transferor Company, realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferor Company to the extent necessary.
- b) Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Transferor Company in the name of the Transferor Company to the extent necessary.
- c) Upon this Scheme becoming effective, the Transferee Company shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, relating to the Transferor Company in the name of the Transferor Company to the extent necessary.

