

PRESS RELEASE

**FOR INFORMATION OF DEBENTURE HOLDERS OF THE DEBENTURES ISSUED BY
L & T INFRASTRUCTURE FINANCE COMPANY LTD.**

Catalyst Trusteeship Ltd. (**Catalyst**) is the debenture trustee in respect of non-convertible debentures issued by L & T Infrastructure Finance Company Ltd. (**LTIFCL**) from time to time under different series. LTIFCL has informed Catalyst vide its letter / notice dated 10.08.2020 that it has filed application with Hon. National Company Law Tribunal, Mumbai Bench (**NCLT**) for approval of Scheme of Amalgamation by way of merger / absorption among L & T Housing Finance Ltd., L & T Infrastructure and L & T Finance Ltd. Hon. NCLT has passed an Order dated 24.07.2020 directing LTIFCL to give notice of passing the order to all its creditors of the company as on 31.05.2020.

In this connection LTIFCL has issued a letter / notice dated 10.08.2020 informing that the representations if any, in connection with the said Scheme, may be made by the creditors to the NCLT within thirty days from the said notice, with a copy to LTIFCL or its Advocates, failing which it will be presumed that they have no objection to the proposed Scheme. LTIFCL has further informed that as per the directions given by Hon. NCLT, it has published a notice in Free Press Journal (Mumbai Edition) in English and Marathi translation thereof in Loksatta (Mumbai Edition), both dated 05.08.2020.

The copy of the letter / notice dated 10.08.2020 of LTIFCL alongwith the copy of the Scheme and the order of Hon. NCLT dated 24.07.2020 attached to it, is placed below for perusal of debenture holders of LTIFCL and action if any, from their end.



BY COURIER/ REGD. POST

In the matter of Scheme of Amalgamation by way of Merger by Absorption among L&T Housing Finance Limited, L&T Infrastructure Finance Company Limited and L&T Finance Limited and their respective shareholders and creditors ("Scheme")

To,
M/s Catalyst Trusteeship Limited
GDA House, S. No. 94/95,
Plot No. 85, Opp. Kothrud Bus Depot,
Bhusari Colony (Right),
Paud Road, Pune – 411 038.

Attn: Ms. Madhura Ghokhle

Re.: National Company Law Tribunal, Mumbai Bench Company Scheme Application No. 1024 of 2020 [C.A.A. 1024/MB/C-IV/ 2020]

L&T Housing Finance Limited
[CIN: U45200MH1994PLC259630]

L&T Infrastructure Finance Company Limited
[CIN: U67190MH2006PLC299025]

.... Applicant Companies

1. The Company Scheme Application has been filed by the Applicant Companies above named before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") seeking directions from the NCLT for holding/dispensing with the meetings of the equity shareholders, secured creditors and unsecured creditors of the respective Applicant Companies, to seek their approval to the Scheme. By an order dated 24th July, 2020 passed by NCLT in the said Company Scheme Application ("Order"), L&T Infrastructure Finance Company Limited (the Applicant Company 2) was directed to give notice of filing of the said Company Scheme Application along with passing of the Order to all secured creditors of Applicant Company 2 i.e. L&T Infrastructure Finance Company Limited as on 31st May, 2020.
2. Pursuant to the directions given by NCLT, *vide* the said Order, notice is hereby given that the Applicant Companies have filed the above Company Scheme Application before NCLT, on 7th June, 2020. *Vide* the said Order, NCLT has *inter alia* directed that the convening and holding of the meetings of the equity shareholders of the respective Applicant Companies to seek their approval to the Scheme, is not required and holding of the meetings of secured creditors and unsecured creditors of the respective Applicant Companies to seek their approval to the Scheme, is dispensed with.
3. You are hereby informed that your representations, if any, in connection with the Scheme maybe made to the NCLT within 30 (Thirty) days from the date of receipt of this Notice, with a copy thereof to L&T Infrastructure Finance Company Limited at Brindavan, Plot No 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra or M/s. Cyril Amarchand Mangaldas, Advocates for L&T Infrastructure Finance Company Limited at 5th Floor, Peninsula Chambers, Peninsula Corporate Park, G.K. Kadam Marg, Lower Parel,

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Mumbai 400 013, failing which it will be presumed that you have no objection to the proposed Scheme.

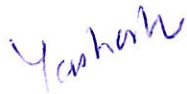
4. Please find enclosed herewith Annexure 1 as the copy of the Scheme and Annexure 2 as the copy of the order of the NCLT dated 24th July, 2020.

Dated this 10th day of August, 2020.

Place: Mumbai

Thanking you,
Yours faithfully,

For **L&T Infrastructure Finance Company Limited**



Yashesh Bhatt
Authorised Signatory

Encl.:

Annexure 1: Copy of the Scheme of Amalgamation by way of Merger by Absorption among L&T Housing Finance Limited, L&T Infrastructure Finance Company Limited and L&T Finance Limited and their respective shareholders and creditors.

Annexure 2: Copy of the order dated 24th July, 2020, passed by the NCLT.

SCHEME OF AMALGAMATION

By way of Merger by Absorption

AMONG

L&T HOUSING FINANCE LIMITED

**... AMALGAMATING COMPANY 1/
TRANSFEROR COMPANY 1**

**L&T INFRASTRUCTURE FINANCE COMPANY
LIMITED**

**... AMALGAMATING COMPANY 2/
TRANSFEROR COMPANY 2**

AND

L&T FINANCE LIMITED

**... AMALGAMATED COMPANY/
TRANSFeree COMPANY**

Under Sections 230 - 232 of the Companies Act, 2013

PART I

GENERAL

A. Description of Parties

1. L&T Housing Finance Limited (CIN: U45200MH1994PLC259630) is a public company, incorporated on August 31, 1994 under the Companies Act, 1956, and having its registered office at Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai- 400098, (Maharashtra) (hereinafter referred to as “**Amalgamating Company 1**” or “**Transferor Company 1**” or “**LTHF**”). LTHF is a housing finance company registered with the National Housing Bank (“**NHB**”) with a certificate of registration dated December 14, 2012 bearing registration number 12.0103.12. LTHF is primarily engaged in the business of housing finance. The secured and unsecured redeemable non-convertible debentures of LTHF are listed on the wholesale debt market segment of the National Stock Exchange of India Limited (“**NSE**”).
2. L&T Infrastructure Finance Company Limited (CIN: U67190MH2006PLC299025) is a public company, incorporated on April 18, 2006 under the Companies Act, 1956, and having its registered office at Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098, (Maharashtra) (hereinafter referred to as “**Amalgamating Company 2**” or “**Transferor Company 2**” or “**LTIFC**”). LTIFC is registered with the Reserve Bank of India (“**RBI**”) as a non-deposit taking, non-banking financial company-infrastructure finance company (“**NBFC-IFC**”) in terms of its certificate of registration bearing registration no. N-13.02232 dated April 10, 2018, which was issued consequent to the change of its registered office from the state of Tamil Nadu to the state of Maharashtra. LTIFC received a certificate of registration from the RBI to act as a non – banking financial company on January 10, 2007 and was subsequently classified as NBFC-IFC vide certificate of registration dated July 7, 2010. LTIFC is a Public Financial Institution notified under Section 4A of the Companies Act, 1956. LTIFC is primarily engaged in business of infrastructure financing. The non-convertible debentures of LTIFC are listed on the wholesale debt market segment of BSE Limited (“**BSE**”) and the NSE.

(Amalgamating Company 1 and Amalgamating Company 2 are hereinafter collectively referred to as “**Amalgamating Companies**” or “**Transferor Companies**”).
3. L&T Finance Limited (CIN: U65910WB1993FLC060810) is a public company, incorporated on November 24, 1993 under the Companies Act, 1956, and having its registered office at Technopolis, 7th Floor, A Wing, Plot No. 4, Block-BP, Sec-V, Salt Lake, Kolkata – 700091 (West Bengal) (hereinafter referred to as “**Amalgamated Company**” or “**Transferee Company**” or “**LTFL**”). LTFL is registered with the RBI as a non-deposit taking systemically important non-banking financial company (“**NBFC-ND-SI**”). LTFL is engaged in rural finance business (comprising of farm equipment financing, two-wheeler financing, micro loans and consumer loans), housing finance business (comprising loan against property and real estate financing) and infrastructure financing. The non-convertible debentures of LTFL are listed on the wholesale debt market segment of the NSE and BSE.

(Amalgamated Company together with the Amalgamating Companies are hereinafter collectively referred to as the “**Companies**”).

4. LTHF, LTIFC and LTFL are wholly owned subsidiaries of L&T Finance Holdings Limited (CIN: L67120MH2008PLC181833) (“**LTFH**”), a public company incorporated on May 1, 2008 under the Companies Act, 1956, having its registered office at Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai- 400098, (Maharashtra). The equity shares of LTFH are listed on the BSE and the NSE. LTFH is the holding company for the financial services business of L&T group and is registered with the RBI as a systemically important core investment company (“**CIC-ND-SI**”).

B. Description of the Scheme

5. This Scheme (*as defined hereunder*) provides, *inter alia*, for:
 - (i) the amalgamation of the Amalgamating Companies into the Amalgamated Company, by way of merger by absorption and the dissolution of the Amalgamating Companies without winding up and the consequent issuance of the Amalgamated Company Shares (*as defined hereunder*) as per the Share Exchange Ratios (*as defined hereunder*) to LTFH, in accordance with this Scheme (hereinafter referred to as “**Amalgamations**”); and
 - (ii) various other matters incidental, consequential or otherwise integrally connected therewith

pursuant to provisions of Sections 230 - 232 and other relevant provisions, of the Act (*as defined hereunder*) in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (*as defined hereunder*).

6. The Amalgamation of the Amalgamating Companies into the Amalgamated Company shall be in full compliance with the provisions of Section 2(1B) of the IT Act such that:
 - (i) all the properties of the Amalgamating Companies, immediately before the Amalgamation, shall become properties of the Amalgamated Company, by virtue of the Amalgamation;
 - (ii) all the liabilities of the Amalgamating Companies, immediately before the Amalgamation, shall become the liabilities of the Amalgamated Company, by virtue of the Amalgamation; and
 - (iii) shareholders holding not less than three-fourths in value of the shares in the Amalgamating Companies, will become shareholders of the Amalgamated Company by virtue of the Amalgamation.

If any term or provision of the Scheme is found or interpreted to be inconsistent with the said provisions at a later date, including resulting from an amendment of law or for any other reason whatsoever, 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 other parts of the Scheme.

C. Rationale for the Scheme

7. LTFH, being a core investment company, currently holds multiple lending entities (with different portfolios) and other financial services businesses / entities. While each of the lending entities caters to distinct segments, it is proposed to consolidate the businesses of the lending entities in LTFL, which is the flagship operating lending entity within the group, for creation of a single larger unified entity and reduce the number of NBFCs within the group to achieve optimal and efficient utilization of capital; enhance operational and management efficiencies and have a simplified organizational structure.
8. Thus, the Amalgamations pursuant to this Scheme would, *inter alia*, have the following benefits:
 - (i) Consolidation of business would achieve simplification of holding structure of entities forming part of the group, improve operational and management efficiencies, streamline business operations and decision-making process and enable greater economies of scale.
 - (ii) Would lead to creation of a single unified entity with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively.
 - (iii) Reduce the number of NBFCs within the group, as well as achieving a reduction in administrative costs, overheads and multiplicity of legal and regulatory compliances.
 - (iv) Enable access to business relationships and other intangible benefits that the Amalgamating Companies have built over decades.
 - (v) The Companies have significant complementarities and the consolidation of the businesses carried on by them is strategic in nature and will generate significant business synergies thereby enhancing stakeholders' value.
 - (vi) The Companies have a proven track record in the respective businesses of credit and consolidation which will lead to pooling of knowledge and expertise.
9. This Scheme is divided into the following parts:
 - (i) **Part I**, which deals with the introduction and definitions, and sets out the share capital of the Companies;
 - (ii) **Part II**, which deals with the Amalgamation;
 - (iii) **Part III**, which deals with the consolidation of authorized capital, accounting treatment and dissolution without winding up pursuant to the Amalgamation; and
 - (iv) **Part IV**, which deals with the general terms and conditions applicable to the Scheme.

D. Definitions

10. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:
- (i) **“Act”** shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time;
 - (ii) **“Amalgamation”** shall have the meaning ascribed to it in Clause 5(i) above;
 - (iii) **“Amalgamated Company”** shall have the meaning ascribed to it in Clause 3 above;
 - (iv) **“Amalgamated Company Shares”** means fully paid up equity shares of the Amalgamated Company, each having a face value of INR 10/- and one vote per equity share;
 - (v) **“Amalgamating Companies”** shall have the meaning ascribed to it in Clause 2 above and **“Amalgamating Company”** shall mean either Amalgamating Company 1 or Amalgamating Company 2, as the case may be;
 - (vi) **“Amalgamating Companies Shares”** collectively refers to Amalgamating Company 1 Shares and Amalgamating Company 2 Shares;
 - (vii) **“Amalgamating Company 1”** shall have the meaning ascribed to it in Clause 1 above;
 - (viii) **“Amalgamating Company 2”** shall have the meaning ascribed to it in Clause 2 above;
 - (ix) **“Amalgamating Company 1 Shares”** means fully paid up equity shares of the Amalgamating Company 1, each having a face value of INR 10/- and 1 vote per equity share;
 - (x) **“Amalgamating Company 2 Shares”** means fully paid up equity shares of the Amalgamating Company 2, each having a face value of INR 10/- and 1 vote per equity share;
 - (xi) **“Applicable Law”** shall mean any applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law;
 - (xii) **“Appointed Date”** shall mean April 1, 2020;
 - (xiii) **“Board”** in relation to any company, means the board of directors of such company and shall, where applicable, include a duly authorized committee of the Board/ officials authorised by the Board;
 - (xiv) **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 30 occur or have been fulfilled or waived in

accordance with this Scheme/Applicable Law. References in this Scheme to ‘date of coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall mean the Effective Date;

- (xv) **“Encumbrance”** or **“Encumber”** means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;
- (xvi) **“Governmental Authority”** means: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, the RBI, the NHB, the NCLT, Securities and Exchange Board of India, Stock Exchanges and any tax authority;
- (xvii) **“IT Act”** shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- (xviii) **“LTFH”** shall have the meaning ascribed to it in Clause 4 above;
- (xix) **“NCLT”** shall mean the National Company Law Tribunal at Mumbai, Maharashtra or the National Company Law Tribunal at Kolkata, West Bengal as the context may require;
- (xx) **“Non- Transferred HFC Registration”** shall mean the certificate of registration dated December 14, 2012 bearing registration number 12.0103.12 received from RBI.
- (xxi) **“ Non- Transferred NBFC- IFC Registration”** shall mean certificate of registration bearing registration no. N-13.02232 dated April 10, 2018 received from RBI.
- (xxii) **“RBI”** shall mean the Reserve Bank of India;
- (xxiii) **“Scheme”** means this scheme of amalgamation by way of merger by absorption under Sections 230 - 232 of the Act, including any modification or amendment hereto, made in accordance with the terms hereof;
- (xxiv) **“Share Exchange Ratios”** collectively refers to Share Exchange Ratio 1 and Share Exchange Ratio 2;
- (xxv) **“Share Exchange Ratio 1”** shall have the meaning ascribed to it in Clause 22(i)(a);

- (xxvi) **“Share Exchange Ratio 2”** shall have the meaning ascribed to it in Clause 22(i)(b);
- (xxvii) **“Stock Exchanges”** means the BSE Limited and the National Stock Exchange of India Limited, collectively;
- (xxviii) **“Tax”** or **“Taxes”** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, refund, credits, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, tax deducted at source, tax collected at source, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto).
- (xxix) **“Undertakings”** collectively refers to Undertaking 1 and Undertaking 2;
- (xxx) **“Undertaking 1”** means all the undertakings and entire business of the Amalgamating Company 1, as a going concern, and shall include (without limitation):
- (a) all assets and properties, including rights and interests of every description, (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situated) of the Amalgamating Company 1, wherever situated including, without limitation, all lands (whether leasehold or freehold or leave and licenced or right of way and all documents of title, rights, easements in relation thereto including panchnamas, declarations, receipts) including the land parcels owned by the Amalgamating Company 1, structures, capital work-in-progress, capital advance, preliminary expenses, pre-operative expenses, estates, furniture, fixtures, office equipment, computers, appliances, water connections, utilities, all stocks, leasehold improvements, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, credits), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, security receipts, units of mutual funds), earnest money all cash and bank balances (including cash and bank balances deposited with any banks or entities), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company 1, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending/financial contracts, security documents with respect to

lending/financial contracts, approvals attached to the security documents, rights and benefits under any agreement, rights, claims, title and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature whosoever 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 Amalgamating Company 1 or in connection with or relating to the Amalgamating Company 1 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 Amalgamating Company 1, whether in India or abroad;

- (b) all assets, as are movable in nature whether present or future or contingent, tangible or intangible, in possession or reversion, including inventory, actionable claims, current assets, earnest monies and sundry debtors, financial assets, margin money deposits, securitization receivables, capital advances, security deposits, rental deposits, telephone deposits, investments in shares (including investments in subsidiaries, associates, joint ventures, whether in India or abroad), scrips, mutual funds, bonds, security receipts, debentures, pass through certificates, and other securities (whether in dematerialized form or physical form), including actionable claims, earnest monies, prepaid expenses, staff advances, rebates, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, goods and services tax credits or set-offs, advance tax, self-assessment tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds, contingent rights or benefits, receivables, including dividend declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates ;
- (c) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Company 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in

favour of or held for the benefit of or enjoyed by Amalgamating Company 1;

- (d) rights to any claim not preferred or made by Amalgamating Company 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Amalgamating Company 1 and any interest thereon, with regard to any Applicable Law, act or rule or scheme made by the Appropriate Authority, and in respect of set-off, carry forward of unabsorbed losses and unabsorbed tax depreciation, deferred revenue expenditures, deductions, exemptions, rebates, allowances, amortization benefits, incentives, benefits, credits, etc. under the IT Act, sales tax, value added tax, service tax, custom duties and goods and services tax or any other or like benefits under the said acts or under and in accordance with the Applicable Law;
- (e) all permits (except the Non- Transferred HFC Registration), quotas, rights, entitlements, development rights (whether vested or potential and whether under agreements or otherwise), approvals, consents, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business therewith), permissions (including not limited to permissions granted in relation to launch futures and options contracts), allotments, approvals, consents, concessions, clearances, credits, exemptions, subsidies, registrations, no objection certificate, permits, quotas, entitlements, authorization, application made for obtaining all or any of the aforesaid, awards, pre-qualifications, bid acceptances, tender, certificates, service mark, logos, domain names, sales tax credit, service tax input credit, GST input credit, income tax credit, sanctions as required under Applicable Law, including tenancy rights, incentives, concessions, grants, subsidies, privileges, income Tax benefits, deferrals and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 1;
- (f) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expressions of interest, letters of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with suppliers/manufacturers of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes (including but not limited to the ESOP schemes, as applicable), insurance covers and claims, clearances and other instruments of whatsoever nature and

description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;

- (g) 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 Amalgamating Company 1;
- (h) any of its present, and contingent future liabilities of the Amalgamating Company 1 including all debts, loans (whether denominated in rupees or a foreign currency and whether secured or unsecured), all guarantees, assurances, commitments, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, due or become due, whenever or however rising (including, without limitation whether arising out of contract or tort based on negligence or strict liability) (including any postdated cheque or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form);
- (i) all deposits and balances with government, quasi – government, local and other authorities and bodies, customers, and other persons, earnest monies and/or security deposits paid or received by the Amalgamating Company 1, directly or indirectly;
- (j) all book, records, files, papers, engineering and process information, application, software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawing manuals, data, databases including databases for procurement, commercial or management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, list of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form;
- (k) all insurance policies;
- (l) all legal, taxation and other proceedings of whatsoever nature viz. both existing and future proceedings including all pending direct tax and indirect tax litigations; and
- (m) the employees of the Amalgamating Company 1 on the payroll of Amalgamating Company 1 as on the Effective Date.

For the avoidance of any doubt, it is clarified that the Non-Transferred HFC Registration, shall be surrendered and shall not be transferred to or vested in the Amalgamated Company pursuant to the Scheme, in accordance with applicable regulatory requirements of the RBI.

(xxxi) “**Undertaking 2**” means all the undertakings and entire business of the Amalgamating Company 2, as a going concern, and shall include (without limitation):

- (a) all assets and properties, including rights and interests of every description, (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Amalgamating Company 2, wherever situated including, without limitation, all lands (whether leasehold or freehold or leave and licenced or right of way and all documents of title, rights, easements in relation thereto including panchnamas, declarations, receipts) including the land parcels owned by the Amalgamating Company 2, land parcels acquired by Amalgamating Company in settlement of claims, structures, capital work-in-progress, capital advance, preliminary expenses, pre-operative expenses, estates, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, water connections, utilities, all stocks, leasehold improvements, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, credits), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, units of mutual funds), earnest money all cash and bank balances (including cash and bank balances deposited with any banks or entities), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company 2, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending/financial contracts, security documents with respect to lending/financial contracts, approvals attached to the security documents, rights and benefits under any agreement, rights, claims, title and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature whosoever 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 Amalgamating Company 2 or in connection with or relating to the Amalgamating Company 2 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 Amalgamating Company 2, whether in India or abroad;

- (b) all assets, as are movable in nature whether present or future or contingent, tangible or intangible, in possession or reversion, including inventory, actionable claims, current assets, earnest monies and sundry debtors, financial assets, margin money deposits, securitization receivables, capital advances, security deposits, rental deposits, telephone deposits, investments in shares (including investments in subsidiaries, associates, joint ventures, whether in India or abroad), scrips, mutual funds, bonds, security receipts, debentures, pass through certificates, security receipts and other securities (whether in dematerialized form or physical form), including actionable claims, earnest monies, prepaid expenses, staff advances, rebates, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, goods and services tax credits or set-offs, advance tax, self-assessment tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds, contingent rights or benefits, receivables, including dividend declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates;
- (c) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Company 2 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Amalgamating Company 2;
- (d) rights to any claim not preferred or made by Amalgamating Company 2 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Amalgamating Company 2 and any interest thereon, with regard to any Applicable Law, act or rule or scheme made by the Appropriate Authority, and in respect of set-off, carry forward of unabsorbed losses and unabsorbed tax depreciation, deferred revenue expenditures, deductions, exemptions, rebates, allowances, amortization benefits, incentives, benefits, credits, etc. under the IT Act, sales tax, value added tax, service tax, custom duties and goods and services tax or any other or like benefits under the said acts or under and in accordance with the Applicable Law;

- (e) all permits (except the Non- Transferred NBFC – IFC Registration), quotas, rights, entitlements, development rights (whether vested or potential and whether under agreements or otherwise), approvals, consents, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business therewith), permissions (including not limited to permissions granted in relation to launch futures and options contracts), allotments, approvals, consents, concessions, clearances, credits, exemptions, subsidies, registrations, no objection certificate, permits, quotas, entitlements, authorization, application made for obtaining all or any of the aforesaid, awards, pre- qualifications, bid acceptances, tender, certificates, service makes, logos, domain names, sales tax credit, income tax credit, sanctions as required under Applicable Law, including tenancy rights, incentives, concessions, grants, subsidies, privileges, income tax benefits, deferrals and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 2;
- (f) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expressions of interest, letters of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with suppliers/manufacturers of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes (including but not limited to the ESOP schemes, as applicable), insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;
- (g) 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 Amalgamating Company 2;
- (h) any or any of its present, and contingent future liabilities of the Amalgamating Company 2 including all debts, loans (whether denominated in rupees or a foreign currency and whether secured or unsecured), all guarantees, assurances, commitments, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured,

asserted or unasserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, due or become due, whenever or however rising (including, without limitation whether arising out of contract or tort based on negligence or strict liability) (including any postdated cheque or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form);

- (i) all deposits and balances with government, quasi – government, local and other authorities and bodies, customers, and other persons, earnest monies and/or security deposits paid or received by the Amalgamating Company 2, directly or indirectly;
- (j) all book, records, files, papers, engineering and process information, application, software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawing manuals, data, databases including databases for procurement, commercial or management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, list of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form;
- (k) all insurance policies;
- (l) all legal, taxation and other proceedings of whatsoever nature viz. both existing and future proceedings including all pending direct and indirect tax litigations; and
- (m) the employees of the Amalgamating Company 2 on the pay roll of the Amalgamating Company 2 as on the Effective Date.

For the avoidance of any doubt, it is clarified that the Non-Transferred NBFC-IFC Registration, shall be surrendered and shall not be transferred to or vested in the Amalgamated Company pursuant to the Scheme, in accordance with applicable regulatory requirements of the RBI.

11. Share Capital

- (i) The share capital structure of the Amalgamating Company 1 as on March 20, 2020 is as follows:

Particulars	Amount (in INR)
<u>Authorized Share Capital</u>	

Particulars	Amount (in INR)
22,20,00,000 equity shares of Rs.10/- each	2,22,00,00,000
2,00,000 preference shares of Rs. 100/- each	2,00,00,000
<u>Issued, Subscribed and Paid up Share Capital</u>	
16,53,65,110 equity shares of Rs.10/- each	1,65,36,51,100

- (ii) The share capital structure of the Amalgamating Company 2 as on March 20, 2020 is as follows:

Particulars	Amount (in INR)
<u>Authorized Share Capital</u>	
2,00,00,00,000 equity shares of Rs.10/- each	20,00,00,00,000
<u>Issued, Subscribed and Paid up Share Capital</u>	
1,50,53,00,609 equity shares of Rs.10/- each	15,05,30,06,090

- (iii) The share capital structure of the Amalgamated Company as on March 20, 2020 is as follows:

Particulars	Amount (in INR)
<u>Authorized Share Capital</u>	
2,65,43,09,610 equity shares of Rs.10/- each	26,54,30,96,100
10,00,000 redeemable cumulative preference shares of Rs. 100/- each	10,00,00,000
<u>Issued, Subscribed and Paid up Share Capital</u>	
1,59,91,38,199 equity shares of Rs.10/- each	15,99,13,81,990

PART II

AMALGAMATION OF THE AMALGAMATING COMPANIES INTO THE AMALGAMATED COMPANY

12. Transfer & Vesting

With effect from the Appointed Date, the Amalgamating Companies shall stand amalgamated into the Amalgamated Company and their respective Undertakings shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Amalgamated Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Amalgamated Company by virtue of and in the manner provided in the Scheme.

13. Transfer of Assets

- (i) Without prejudice to the generality of Clause 12 above, with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertakings, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Companies shall, subject to the provisions of this Clause 13 in relation to the mode of vesting and pursuant to provisions of Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest authorities of the Amalgamated Company.
- (ii) In respect of such of the assets of the Amalgamating Companies as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Companies, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.
- (iii) In respect of such of the assets belonging to the Amalgamating Companies other than those referred to in sub-clause (ii) above, including sundry debtors, receivables, bills, credits (including Tax credits pertaining to direct and indirect tax), loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Amalgamated Company and/or deemed to have been transferred to and vested in the Amalgamated Company, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of

Sections 230 to 232 of the Act. All cheque or negotiable instruments, payment orders etc., received in the name of the Amalgamating Companies after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company. All cheque or negotiable instruments, payment orders, etc., issued by any of the Amalgamating Companies prior to the Effective Date, shall be, after the Effective Date, dealt with by the bankers of the Amalgamated Company and debited from the account of the Amalgamated Company. Similarly, the banker to the Amalgamating Companies shall honour cheque and all requests issued by the Amalgamated Company for payment or otherwise after the Effective Date.

- (iv) All assets, rights, title, interest, investments and properties of the Amalgamating Companies as on the Appointed Date, whether or not included in the books of the Amalgamating Companies, and all assets, rights, title, interest, investments and properties, which are acquired by the Amalgamating Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Amalgamated Company, and shall under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (v) All the licenses, permits, entitlements, approvals, permissions, registrations, incentives, Tax deferrals, exemptions and benefits (including sales Tax and service Tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Amalgamating Companies and all rights and benefits that have accrued or which may accrue to the Amalgamating Companies, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of applicable law, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Amalgamated Company so as to become licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (vi) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses / minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Government Authority or by any other person, or availed of by each of the Amalgamating Companies are concerned, the same shall, under the provisions of

Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, in so far as they relate to their respective Undertakings, vest with and be available to the Amalgamated Company on the same terms and conditions as were available with the Amalgamating Companies and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamated Company.

14. Contracts, Deeds, Licenses etc.

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all commitment, sanctions, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which any of the Amalgamating Companies is a party or to the benefit of which the Amalgamating Companies may be eligible or for the obligations of which the Amalgamating Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Companies, the Amalgamated Company had been a party or beneficiary or obligee thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which any of the Amalgamating Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Amalgamating Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Companies to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Companies shall (except for the Non- Transferred HFC Registration and the Non- Transferred NBFC- IFC Registration) stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Governmental Authority as may be necessary in this behalf.

- (iv) Without prejudice to the provisions of Clauses 12 to 14, with effect from the Appointed Date, all transactions between the Companies, if any, that have not been completed, shall stand cancelled.

15. Transfer of Liabilities

- (i) With effect from the Appointed Date, all debts, liabilities, loans raised and used, duties and obligations of the Amalgamating Companies, whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Amalgamated Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date the debts, liabilities, loans, obligations and duties of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Companies, and the Amalgamated Company shall meet, discharge and satisfy the same and further 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 or liabilities have arisen in order to give effect to the provisions of this Clause 15.
- (ii) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Companies and the Amalgamated Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.
- (iii) Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme, all borrowings, including non – convertible debentures (“NCDs”), external commercial borrowings, bonds or other debt securities and other instruments of like nature (whether convertible into equity shares or not) (“**Debt Securities**”) shall, pursuant to the provisions of Sections 230 – 232 and other relevant provisions of the Act, without any further act, instrument or deed, become the Debt Securities of the Amalgamated Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of such Debt Securities, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by the stock exchanges, and other terms and conditions agreed with the stock exchanges, the non-convertible debentures which stand transferred to and vested in the Amalgamated Company, shall continue to be listed and/or admitted to trading on the relevant stock exchange, where the NCDs are currently listed, subject to applicable regulations and prior approval requirements. The Board of the Companies shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing.

- (iv) Any reference in any security documents or arrangements (to which the relevant Amalgamating Company is a party) to the Amalgamating Company and its assets and properties, shall be construed as a reference to the Amalgamated Company and the assets and properties of the Amalgamating Company transferred to the Amalgamated Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Amalgamated Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (v) All debentures, bonds, notes or other similar securities of the Amalgamating Companies whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of the Amalgamated Company and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercisable by or against the Amalgamated Company as if it were the Amalgamating Company. The debentures of the Amalgamating Companies which are listed on BSE and NSE shall, upon transfer to and vesting in the Amalgamated Company in terms of this Scheme, subject to applicable regulations and prior approval requirements, if any, continue to be listed and/or admitted to trading on the relevant stock exchange(s). The Board of the Amalgamated Company s
- (vi) shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing.
- (vii) Upon the coming into effect of this Scheme, the Amalgamated Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (viii) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Amalgamated Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- (ix) The provisions of this Clause 15 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.
- (x) Without prejudice to the provisions of the foregoing clauses the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- (xi) It is hereby clarified that, unless expressly provided for in this Scheme, 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 and liabilities, have arisen, in order to give effect to the provisions of this Clause 15.

- (xii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 15 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

16. Encumbrances

- (i) The transfer and vesting of the assets comprised in the Amalgamating Companies to and in the Amalgamated Company under Clause 12 and Clause 13 of this Scheme shall be subject to the Encumbrances, if any, affecting the same.
- (ii) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Companies which secure or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Amalgamated Company. Provided that if any of the assets of the Amalgamating Companies have not been Encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Amalgamated Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (iii) The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Companies transferred to and vested in the Amalgamated Company by virtue of the Scheme.

17. Legal, taxation and other proceedings

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Amalgamating Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Amalgamated Company.
- (ii) The Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against the Amalgamating Companies referred to in Clause 17(i) above 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 Amalgamated Company, as a successor of the Amalgamating Companies.

18. **Employees**

- (i) Upon the coming into effect of this Scheme, all the employees of Amalgamating Company 1 and Amalgamating Company 2 (collectively referred to as “**Amalgamating Companies Employees**”) shall become the employees of the Amalgamated Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Amalgamating Companies and without any interruption of service as a result of the Amalgamation. For the purpose of payment of any compensation, employee stock options, gratuity and other terminal benefits, the uninterrupted past services of such Amalgamating Companies Employees with the Amalgamating Companies shall also be taken into account and paid (as and when payable) by the Amalgamated Company.
- (ii) It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund, employee stock options, or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Amalgamating Companies are concerned, such proportion of the investments made in the funds and liabilities which are attributable/referable to the transferred employees engaged by Amalgamating Companies (collectively referred to as the “**Funds**”) shall be transferred to the similar funds created and/or nominated by the Amalgamated Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Amalgamated Company, maintained as separate funds by the Amalgamated Company. Pending the transfer as aforesaid, the funds of the Amalgamating Companies Employees may be continued to be deposited in the existing relevant funds of the Amalgamating Companies. Without prejudice to the aforesaid, the Board of the Amalgamated Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Companies; or (b) merge the pre-existing funds of the Amalgamating Companies with other similar funds of the Amalgamated Company.
- (iii) In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees, the Amalgamated Company shall stand substituted for each of the Amalgamating Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such transferred employees.
- (iv) In relation to those Amalgamating Companies Employees who are not covered under the provident fund trust of the Amalgamating Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamating Companies are making contributions to the government provident

fund, the Amalgamated Company shall stand substituted for the respective Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the respective Amalgamating Company in relation to such provident fund trust shall become those of the Amalgamated Company.

- (v) Notwithstanding the aforesaid, the Board of the Amalgamated Company, if it deems fit and subject to Applicable Law, shall be entitled to:
 - (a) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or
 - (b) merge the pre-existing funds of the Amalgamating Companies with other similar funds of the Amalgamated Company.

19. Treatment of Taxes

The Amalgamated Company shall be entitled to, amongst others, file/ or revise its income tax returns, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value- added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Amalgamating Companies) including receipt of refund, credit, etc., if any, pertaining to the Amalgamating Companies as may be required consequent to implementation of this Scheme.

20. Conduct

During the period between the approval of the Scheme by the Board of the Companies and the Effective Date, with effect from the Appointed Date and up to and including the Effective Date:

- (i) The Amalgamating Companies shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the Undertakings for and on account of, and in trust for, the Amalgamated Company;
- (ii) all profits and income accruing or arising to the Amalgamating Companies, and losses and expenditure arising or incurred by it for such period shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;
- (iii) any of the rights, powers, authorities or privileges exercised by the Amalgamating Companies shall be deemed to have been exercised by the Amalgamating Companies, for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating

Companies shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company;

- (iv) all Taxes, where applicable, (including but not limited to advance income Tax, Tax deducted at source, Taxes withheld/paid in a foreign country, indirect Taxes, VAT, custom duty, service Tax, goods and service Tax, income-Tax refunds, service Tax refunds, goods and service Tax refunds), stamp duty, registration charges, paid or payable by the Amalgamating Companies, including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under any law, before the Appointed Date, shall be on account of the Amalgamating Companies, and, insofar as it relates to the Tax payment (including, without limitation, income Tax, sales Tax, service Tax, goods and service Tax refunds, VAT, etc.), whether by way of deduction at source, advance Tax or otherwise howsoever, by the Amalgamating Company in respect of the profits or activities or operation of Amalgamating Company, with effect from the Appointed Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims as the case may be (whether or not recorded in the books of Amalgamating Companies), of the Amalgamated Company, and any advance income Tax, Tax deducted at source, income-Tax refunds, service Tax refunds, goods and service Tax refunds, deferred Tax assets, etc., as would have been available to the Amalgamating Companies on or before the Effective Date, shall be available to the Amalgamated Company upon the Scheme coming into effect.

21. **Saving of concluded transactions**

The transfer and vesting of the Undertakings as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Companies on or before the Appointed Date, and the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Companies.

22. **Issuance of Amalgamated Company Shares for Amalgamation¹**

- (i) Upon the effectiveness of the Scheme and in consideration of the Amalgamation including the transfer and vesting of the Undertakings in the Amalgamated Company pursuant to this Scheme, the Amalgamated Company shall, on the Effective Date, complete allotment of the Amalgamated Company Shares in favour of the shareholder of the respective Amalgamating Companies such that:
 - (a) 201 (two hundred and one) Amalgamated Company Shares shall be issued as fully paid-up, for every 100 (one hundred) Amalgamating Company 1 Shares, held by LTFH individually in the Amalgamating Company 1 (the “**Share Exchange Ratio 1**”);
 - (b) 50 (fifty) Amalgamated Company Shares shall be issued as fully paid-up, for every 100 (one hundred) Amalgamating Company 2 Shares, held by LTFH individually in the Amalgamating Company 2 (the “**Share Exchange Ratio 2**”);

¹ “Substituted for the existing clause 22 as per permission accorded by the NCLT, Special Bench, Mumbai, vide para 7 of its order dated 24.07.2020 in IA/No.1015/MB.IV/2020 in CA(CAA)No 1024/MB.IV/2020.”

- (ii) Fractional entitlements of shares, if any, will be rounded off to the nearest whole number. The equity shares of the Amalgamating Companies are held individually by LTFH and jointly with its nominees. It is clarified, the Amalgamated Company shall issue Amalgamated Company Shares only to LTFH for the shares held individually by it and no shares will be issued to the nominees who are holding the shares jointly with LTFH and the shares so held jointly in the Amalgamating Companies will be cancelled from the Effective Date without requirement of obtaining any further approval.
- (iii) The issue and allotment of the Amalgamated Company Shares by the Amalgamated Company to LTFH as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.
- (iv) Where Amalgamated Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of equity shareholders of the Amalgamating Companies, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
- (v) The Amalgamated Company Shares to be issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank pari passu in all respects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company.
- (vi) In the event that the any of the Amalgamating Companies or the Amalgamated Company restructures their equity share capital by way of share split/consolidation/issue of bonus shares or other similar action during the pendency of the Scheme, the relevant Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- (vii) The Amalgamated Company Shares to be issued by the Amalgamated Company in respect of the Amalgamating Companies Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

PART III

CHANGES TO THE SHARE CAPITAL OF THE COMPANIES

23. Consolidation of the authorised share capital of the Amalgamating Companies with the authorised capital of the Amalgamated Company

As an integral part of the Scheme, and upon this Scheme becoming effective, the authorised share capital of the Amalgamated Company shall automatically stand increased, without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to the Registrar of Companies, by an amount equal to the authorised share capital of respective Amalgamating Companies, such that upon the effectiveness of the Scheme, the authorised share capital of the Amalgamated Company shall be INR 4886,30,96,100 comprising of 487,43,09,610 equity shares of INR 10/- each and 12,00,000 preference shares of Rs. 100/ each/- without any further act, deed, resolution or writing.

24. Amendment of the memorandum of association of the Amalgamated Company

- (i) Pursuant to the consolidation and increase of authorised capital pursuant to Clause 23 above, the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, such that Clause V of the memorandum of association of the Amalgamated Company shall be replaced by the following:

“The Authorised Share Capital of the Company is INR 4886,30,96,100 comprising of, 487,43,09,610 equity shares of Rs.10/- (Rupees Ten) each and, 12,00,000 preference shares of Rs. 100/ each/.”

- (ii) It is clarified that the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and the increase of authorised capital of the Amalgamated Company pursuant to Clauses 23 and 21, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed.
- (iii) In accordance with Section 232 (3)(i) of the Act and Applicable Law, the stamp duties and/ or fees (including registration fee) paid on the authorised share capital of the Amalgamating Companies shall be utilized and applied to the increased authorised share capital of the Amalgamated Company pursuant to Clause 23 above and no stamp duties and/or fees would be payable for the increase in the authorised share capital of the Amalgamated Company to the extent of the authorised share capital of the Amalgamating Companies.
- (iv) Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with the Scheme. It is clarified that no special resolution under Sections 62 and 42 of the Act shall be

required to be passed by the Amalgamated Company separately in a general meeting for issue of Amalgamated Company Shares to the members of the Amalgamating Companies under this Scheme and for the members of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the Amalgamated Company Shares to the members of the Amalgamating Companies in terms of the Scheme.

25. **Accounting Treatment**

Accounting treatment in the books of Amalgamated Companies:

On the Scheme taking effect, the Amalgamated Company shall account for amalgamation of the Amalgamating Companies with the Amalgamated Company in its books of account as under:

- (i) Amalgamation of the Amalgamating Companies with the Amalgamated Company shall be accounted for in accordance with accounting prescribed under “pooling of interest” method in Appendix C of Indian Accounting Standard (IND AS) 103 as specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.
- (ii) All assets, reserves and liabilities recorded in the books of the Amalgamating Companies as on the Appointed Date and transferred to and vested in the Amalgamated Company pursuant to the Scheme shall be recorded by the Amalgamated Company at their respective book values and in the same form.
- (iii) The identity of the reserves of Amalgamating Companies, if any, shall be preserved and they shall appear in the financial statements of Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamating Companies.
- (iv) The Amalgamated Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant this Scheme.
- (v) The inter-corporate investments / deposits / loans and advances between the Amalgamated Company and the Amalgamating Companies will stand cancelled and there shall be no further obligation in that behalf.
- (vi) The excess of or deficit, in the value of the assets over the value of liabilities of the Amalgamating Companies vested in the Amalgamated Company pursuant to this scheme as recorded in the books of account of the Amalgamated Company shall after adjusting the aggregate face value of the shares issued by the Amalgamated Company to the members of the Amalgamating Companies pursuant to this scheme and the amounts recorded in terms of para ii above, be adjusted in capital reserves in the books of Amalgamated Company.
- (vii) In case of any differences in accounting policy between the Amalgamated Company and the Amalgamating Companies, accounting policies followed by the

Amalgamated Company shall prevail and impact of the same shall be quantified and appropriately adjusted in accordance with the accounting policies followed by the Amalgamated Company to ensure the financial statements reflect the financial position on the basis of consistent accounting policy.

26. **Dissolution**

Upon the coming into effect of the Scheme, the Amalgamating Companies shall stand dissolved without winding up.

PART IV

GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II and Part III of the Scheme.

27. The Companies shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 and 232 of the Act. The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

28. **Modifications or Amendments to the Scheme**

The Companies (through their respective Boards) may, in their full and absolute discretion, jointly and as mutually agreed :

- (i) assent from time to time to any alteration(s) or modification(s) to this Scheme as may be deemed necessary or which the NCLT and/or any other Governmental Authority may deem fit to approve or impose and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (ii) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under this Scheme, or in regard to, and of the meaning or interpretation of this Scheme or implementation thereof, or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under applicable law);
- (iii) jointly modify or vary this Scheme, any application / petition filed before the NCLT prior to the Effective Date in any manner at any time;
- (iv) determine jointly whether any asset, liability, legal or other proceedings pertains to the Amalgamating Companies or not, on the basis of any evidence that they may deem relevant for this purpose; and
- (v) make any modification to the Scheme by the Amalgamating Company and/or the Amalgamated Company, after receipt of sanction by the National Company Law Tribunal only with the prior approval of the National Company Law Tribunal; and
- (vi) agree that if, at any time, either of the NCLT or any Governmental Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of any of the Companies, be binding on each of the Companies, as the case may be, except where the prior written consent of the affected party as the case may be, has been obtained for such modification or amendment.

29. **Withdrawal of the Scheme**

The Companies acting through their respective Board of Directors shall each be at liberty to withdraw this Scheme in case any condition or alteration imposed by the NCLT or any Governmental Authority or otherwise is unacceptable to them.

30. The coming into effect of this Scheme is conditional upon and subject to:

- (i) this Scheme being approved by the respective requisite majorities of the members and creditors (where applicable) of the Companies, as required under the Act, subject to any dispensation that may be granted by the NCLT;
- (ii) sanctions and order under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT at Mumbai, Maharashtra and NCLT at Kolkata, West Bengal;
- (iii) the certified copies of the order of the NCLT approving this Scheme having been filed with the Registrar of Companies in Maharashtra and Kolkata; and
- (iv) the Board of the Amalgamated Company passing a resolution confirming the effectiveness of the Scheme.

31. In the event of this Scheme failing to take effect by December 31, 2022 or such later date as may be agreed by the respective Boards of Directors of the Companies, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred *inter se* between the parties or their shareholders or creditors or employees or any other person. In such case, each of the Amalgamating Companies and Amalgamated Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

32. Upon the coming into effect of this Scheme, the resolutions passed by the respective Board of Directors and/ or the shareholders of each of the Amalgamating Companies and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have monetary limits or other limits approved under the provisions of the Act, or any other applicable statutory provisions, the said limits as are considered necessary by the Board of Directors of the Amalgamated Company shall be added to the limits, if any, under resolutions passed by the Board of Directors and/or the Shareholders of the Amalgamated Company and the aggregate of the said two limits shall constitute the revised limit for the Amalgamated Company, for the relevant purpose and/or under the relevant provisions of the Act.

33. **Severability**

- (i) 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 in accordance with the terms of the Scheme, unless specifically agreed otherwise by the respective Boards of each Company.

- (ii) Subject to Clause 32(i) above, 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 Amalgamating Companies and the Amalgamated Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. In the event the deletion of such part of the Scheme shall cause this Scheme to become materially adverse to the Companies, the Companies acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the NCLT or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

34. Post Scheme Conduct of Operations

- (i) Even after the Scheme becomes effective, the Amalgamated Company shall be entitled to operate all bank accounts of the Amalgamating Companies and realize all monies and complete and enforce all pending contracts and transactions in respect of the Amalgamating Companies in the name of the Amalgamated Company in so far as may be necessary until the transfer of rights and obligations of the Amalgamating Companies to the Amalgamated Company under this Scheme is formally accepted by the Amalgamating Companies and the Amalgamated Company concerned. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Amalgamating Companies have been replaced with that of the Amalgamated Company, the Amalgamated Company shall be entitled to operate the bank accounts of the Amalgamating Companies in the name of the relevant Amalgamating Company in so far as may be necessary.
- (ii) Pursuant to the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate Tax purposes and Tax benefits), service Tax law, goods & service Tax and other Tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate Tax, Goods & Service Tax), and to claim Tax benefits under the applicable Tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- (iii) The Amalgamated Company, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to either surrender or transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Amalgamating Companies. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme, and upon this Scheme

becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

- (iv) Without prejudice to the other provisions of the Scheme, in order to ensure implementation of the provisions of the Scheme and continued vesting of the benefits in favour of the Amalgamated Company, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, unilaterally take all such actions, including execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Amalgamating Companies have been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Companies.
- (v) It is hereby clarified that any actions required to be taken by the Amalgamating Companies under the Scheme, pursuant to the Amalgamations and dissolution of the Amalgamating Companies shall be discharged by the Amalgamated Company as its successor.

35. Costs

All costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges, etc.) of /payable by the Companies in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Amalgamating Companies with the Amalgamated Company in pursuance of the Scheme shall be borne and paid by the Amalgamated Company.

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, MUMBAI

IA 1015/MB.IV/2020 in
CA (CAA) 1024/MB.IV/2020
and
CA (CAA)1024/MB.IV/2020

In the matter of
The Companies Act, 2013

and

In the matter of
Sections 230-232 and other relevant provisions
of the Companies Act, 2013

and

In the matter of
Scheme of Amalgamation
of

L&T Housing Finance Limited
(Transferor Company-1)

and

L&T Infrastructure Finance Company Limited
(Transferor Company-2)

with

L&T Finance Limited
(Transferee Company)

L&T Housing Finance Limited	Applicant No.1/
CIN: U45200MH1994PLC259630 ...	Transferor Company-1

L&T Infrastructure Finance Company Limited	Applicant No.2/
CIN:U67190MH2006PLC299025 ...	Transferor Company-2

(Both Transferor Companies under the jurisdiction of NCLT Mumbai Bench)

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, MUMBAI

IA 1015/MB.IV/2020 inCA (CAA) 1024/MB.IV/2020
and CA (CAA) 1024/MB.IV/2020

L&T Finance Limited
CIN: U65910WB1993FLC060810 ...

Non-Applicant/
Transferee Company

(under the jurisdiction of NCLT Kolkata Bench)

Order pronounced on 24.07.2020

Coram:

Shri Rajasekhar V.K. : Member (Judicial)

Shri V. Nallasenapathy : Member (Technical)

Appearances (through videoconferencing):

For the Applicants : Mr. Tapan Deshpande, i/b Cyril
Amarchand Mangaldas, Advocates

COMMON ORDER

*(IA No.1015/MB.IV/2020 in CA (CAA) 1024/MB.IV/2020
and CA (CAA) 1024/MB.IV/2020)*

Per: Rajasekhar V.K., Member (Judicial)

1. The Court is convened by videoconferencing today. This Common Order disposes of IA No.1015/MB.IV/2020 in CA (CAA) No.1024/ MB.IV/2020 as well as CA (CAA) No.1024/MB.IV/2020.

IA 1015/MB.IV/2020 inCA (CAA) 1024/MB.IV/2020

2. This Interlocutory Application (IA) has been filed by the Applicant Companies seeking sanction of this Tribunal for amending the Scheme by substitution of Clause 22 as follows:

<i>For</i>	<i>Substitute</i>
<p>22. Issuance of Amalgamated Company Shares for Amalgamation</p> <p>(i) Upon the effectiveness of the Scheme and in consideration of the Amalgamation including the transfer and vesting of the Undertakings in the Amalgamated Company pursuant to this Scheme, the Amalgamated Company shall, on the Effective Date, complete allotment of the Amalgamated Company Shares in favour of the shareholder of the respective Amalgamating Companies such that:</p> <p>(a) 185 (one hundred and eightyfive) Amalgamated Company Shares shall be issued as fully paid-up, for every 100 (one hundred) Amalgamating Company 1 Shares, held by LTFH individually in the Amalgamating Company 1 (the “Share Exchange Ratio 1”);</p> <p>(b) 49 (forty nine) Amalgamated Company Shares shall be issued as fully paid-up, for every 100 (one hundred) Amalgamating Company 2 Shares, held by LTFH individually in the Amalgamating Company 2 (the “Share Exchange Ratio 2”);</p>	<p>22. Issuance of Amalgamated Company Shares for Amalgamation</p> <p>(i) Upon the effectiveness of the Scheme and in consideration of the Amalgamation including the transfer and vesting of the Undertakings in the Amalgamated Company pursuant to this Scheme, the Amalgamated Company shall, on the Effective Date, complete allotment of the Amalgamated Company Shares in favour of the shareholder of the respective Amalgamating Companies such that:</p> <p>(a) 201 (two hundred and one) Amalgamated Company Shares shall be issued as fully paid-up, for every 100 (one hundred) Amalgamating Company 1 Shares, held by LTFH individually in the Amalgamating Company 1 (the “Share Exchange Ratio 1”);</p> <p>(b) 50 (fifty) Amalgamated Company Shares shall be issued as fully paid-up, for every 100 (one hundred) Amalgamating Company 2 Shares, held by LTFH individually in the Amalgamating Company 2 (the “Share Exchange Ratio 2”);</p>

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, MUMBAI

IA 1015/MB.IV/2020 inCA (CAA) 1024/MB.IV/2020
and CA (CAA) 1024/MB.IV/2020

<i>For</i>	<i>Substitute</i>
<p>(ii) Fractional entitlements of shares, if any, will be rounded off to the nearest whole number. The equity shares of the Amalgamating Companies are held individually by LTFH and jointly with its nominees. It is clarified, the Amalgamated Company shall issue Amalgamated Company Shares only to LTFH for the shares held individually by it and no shares will be issued to the nominees who are holding the shares jointly with LTFH and the shares so held jointly in the Amalgamating Companies will be cancelled from the Effective Date without requirement of obtaining any further approval.</p> <p>(iii) The issue and allotment of the Amalgamated Company Shares by the Amalgamated Company to LTFH as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.</p> <p>(iv) Where Amalgamated Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of equity shareholders of the Amalgamating Companies, the</p>	<p>(ii) Fractional entitlements of shares, if any, will be rounded off to the nearest whole number. The equity shares of the Amalgamating Companies are held individually by LTFH and jointly with its nominees. It is clarified, the Amalgamated Company shall issue Amalgamated Company Shares only to LTFH for the shares held individually by it and no shares will be issued to the nominees who are holding the shares jointly with LTFH and the shares so held jointly in the Amalgamating Companies will be cancelled from the Effective Date without requirement of obtaining any further approval.</p> <p>(iii) The issue and allotment of the Amalgamated Company Shares by the Amalgamated Company to LTFH as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.</p> <p>(iv) Where Amalgamated Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of equity shareholders of the</p>

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, MUMBAI

IA 1015/MB.IV/2020 inCA (CAA) 1024/MB.IV/2020
and CA (CAA) 1024/MB.IV/2020

<i>For</i>	<i>Substitute</i>
<p>concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.</p> <p>(v) The Amalgamated Company Shares to be issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank <i>pari passu</i> in all respects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company.</p> <p>(vi) In the event that the any of the Amalgamating Companies or the Amalgamated Company restructures their equity share capital by way of share split/consolidation/issue of bonus shares or other similar action during the pendency of the Scheme, the relevant Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.</p> <p>(vii) The Amalgamated Company Shares to be issued by the Amalgamated Company in respect of the Amalgamating Companies Shares, the allotment or transfer of which is held in</p>	<p>Amalgamating Companies, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.</p> <p>(v) The Amalgamated Company Shares to be issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank <i>pari passu</i> in all respects and shall have the same rights attached to the then existing equity shares of the Amalgamated Company.</p> <p>(vi) In the event that the any of the Amalgamating Companies or the Amalgamated Company restructures their equity share capital by way of share split/consolidation/issue of bonus shares or other similar action during the pendency of the Scheme, the relevant Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.</p> <p>(vii) The Amalgamated Company Shares to be issued by the Amalgamated Company in respect of the Amalgamating Companies Shares, the</p>

<i>For</i>	<i>Substitute</i>
abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.	allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

3. Learned Counsel for the Applicants submits that the Board of Directors of the respective companies have approved the amended Scheme at their meetings held on 15.07.2020. The Scheme has not yet been served on any statutory or Governmental authority.
4. The reasons compelling the proposed amendment have been explained by the Applicant Companies in para 5 of the IA. Learned Counsel appearing for the Applicants reiterated the same during the course of oral hearings. It has been stated therein that due to the present pandemic situation, there was a need to reconsider and rationalise the valuations on the basis of which the consideration for the Scheme was originally determined. The Applicant Companies believe that the Covid-19 Pandemic is likely to disrupt Non-Banking Financial Companies (NBFCs), which is facing serious challenges due to reduced earnings. The earnings of the NBFC sector in India will likely be reduced in the range of 11-65% by 2021-22. This has led to overall downfall in the valuations of listed NBFCs.
5. The Share Exchange Ratio in clause 22 of the Scheme was arrived at in the valuation report dated 20.03.2020 on the basis of the financial

statements as at 31.12.2019. Since the market value of comparable companies has declined considerably in the period post-approval of the Scheme, it became necessary to reconsider the valuations of the companies in the Covid-19 pandemic milieu. The same valuer was appointed, who submitted a fresh Valuation Report dated 15.07.2020. On the same day, *i.e.*, 15.07.2020, the boards of the respective companies met and considered the revised valuations and approved the same. Extracts of the board resolutions passed in this behalf have been placed on record as Exhibits 'A', 'B' and 'C' at pages 10, 11 & 12 respectively of the IA. Exhibit 'E' thereof at p.45 *ibid* is a Schedule containing the revised clause 22 in place of the existing one, which is extracted in para 2 above.

6. Considering the submissions made, this Bench is of the opinion that the proposed amendment should be allowed.
7. In view of the above, the following orders are passed: -
 - (a) Prayer (a) and (b) of the IA are allowed.
 - (b) The Applicant Companies are directed to substitute the existing clause 22 of the Scheme with the revised clause 22 as indicated in para 2 *supra*;
 - (c) Prayer (c) being the alternative prayer to (b), becomes infructuous;
 - (d) The said substitution be marked by way of a footnote to the Scheme on the relevant page itself, as follows: -

“Substituted for the existing clause 22 as per permission accorded by the NCLT, Special Bench, Mumbai, vide para 7 of its order dated 24.07.2020 in IA No.1015/MB.IV/2020 in CA (CAA) No.1024/MB.IV/2020”

(e) Revised Affidavits from the Shareholders of each of the Applicant Companies, consenting to the amendment by substitution of the existing clause 22 of the Scheme, shall be filed along with the Company Petition, failing which the Company Petition shall not be considered.

8. IA No.1015/MB.IV/2020 in CA (CAA) No.1024/MB.IV/2020 shall stand disposed of accordingly.

CA (CAA) 1024/MB.IV/2020

9. Now we come to the main Company Application bearing CA (CAA) No.1024/MB.IV/2020.
10. We have perused the Company Application, along with the Affidavits, both dated 6th June 2020 and Further Affidavit in Support dated 22nd July 2020 (*Further Affidavit*), of Ms. Apurva Rathod, the Authorised Signatory of the Applicant Companies in support of the Company Application and heard the learned Counsel for the Applicant Companies.
11. The present Scheme provides for merger by Absorption of L&T Housing Finance Limited (*Transferor Company-1*) and L&T Infrastructure Finance Company Limited (*Transferor Company-2*) by L&T Finance Limited (*Transferee Company*) and for matters consequential thereto. The Transferor Companies and the

Transferee Company are wholly-owned subsidiaries of L&T Finance Holdings Limited (LTFH).

12. The rationale and benefits of the Scheme are, *inter alia* as follows:

A. Background and Rationale:

LTFH, being a core investment company, currently holds multiple lending entities (with different portfolios) and other financial services businesses/entities. While each of the lending entities caters to distinct segments, it is proposed to consolidate the businesses of the lending entities within Transferee Company, which is the flagship operating lending entity within the group, for creation of a single larger unified entity and reduce the number of NBFCs within the group to achieve optimal and efficient utilisation of any income/ capital generated/ surplus cash flow from such businesses by the merged entity; and enhance operational and management efficiencies.

B. Benefits:

- (a) Consolidation of business would achieve simplification of holding structure of entities forming part of the group, improve operational and management efficiencies, streamline business operations and decision-making process and enable greater economies of scale.
- (b) Would lead to creation of a single unified entity with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively.
- (c) Reduce the number of NBFCs within the group, as well as achieving a reduction in administrative costs, overheads and multiplicity of legal and regulatory compliances.

- (d) Enable access to business relationships and other intangible benefits that the Applicant Companies have built over decades.
 - (e) The Applicant Companies and Transferee Company have significant complementarities and the consolidation of the businesses carried on by them is strategic in nature and will generate significant business synergies thereby enhancing stakeholders' value.
 - (f) The Applicant Companies and Transferee Company have a proven track record in the respective businesses of credit and consolidation which will lead to pooling of knowledge and expertise.
13. The Applicant Company-1 has seven equity shareholders, who hold the entire share capital, as per list of equity shareholders and their respective shareholdings annexed to the Company Application as Exhibit "N". All the said seven equity shareholders have given their respective affidavits of consent and approval to the Scheme and the same are annexed to the Company Application as Exhibits "O-1" to "O-7".
14. The Applicant Company-2 has seven equity shareholders, who hold the entire share capital, as per list of equity shareholders and their respective shareholdings annexed to the Company Application as Exhibit "P". All the said seven equity shareholders have given their respective Affidavits of consent and approval to the Scheme and the same are annexed to the Company Application as Exhibit "Q-1" to "Q-7".
15. The Applicant Company-1 has seventeen Secured Creditors as on 31st May, 2020 having in the aggregate an outstanding amount of

₹13180,86,67,890/- (Rupees thirteen thousand one hundred eighty crore eighty-six lakhsixty-seven thousand eight hundred and ninety only). The certified true copy of the certificate dated 19th June, 2020 from an independent auditor certifying the same is annexed to the Further Affidavit dated 22 July, 2020 as Exhibit “D”.

16. The Applicant Company-1has 321Unsecured Creditorsas on 31st May, 2020 having in the aggregate an outstanding amount of ₹1462,88,22,686/- (Rupeesone thousand four hundred and sixty-two croreeighty-eight lakh twenty-two thousand six hundred and eighty-six only). The certified true copy of the certificate dated 19th June, 2020 from an independent auditor certifying the same is annexed to the Further Affidavit dated 22nd July, 2020 as Exhibit “E”.
17. TheApplicant Company-2has EighteenSecured Creditorsas on31st May, 2020 having in the aggregate an outstanding amount of ₹19107,55,53,504 (Rupees nineteen thousand one hundred seven crore fifty-five lakhfifty-three thousand five hundred and four only).The certified true copy of the certificate dated 19th June, 2020 from an independent auditor certifying the same is annexed to the Further Affidavit dated 22nd July, 2020 as Exhibit “G”.
18. TheApplicant Company-2has145 unsecured creditors of the Applicant Company-2 as on 31st May, 2020 having in the aggregate an outstanding amount of ₹61,58,07,18,466/- (Rupees six thousand one hundred fifty-eight crore seven lakh eighteen thousand four hundred and sixty-six only).The certified true copy of the certificate dated 19th June, 2020 from an independent auditor certifying the

same is annexed to the Further Affidavit dated 22nd July, 2020 as Exhibit “H”.

19. The Applicant Companies have submitted to this Tribunal that convening and holding of the meetings of the equity shareholders, secured creditors and unsecured creditor of the Applicant Companies to seek their approval to the Scheme are not required, in view of – (a) the Affidavits of Consent from all the equity shareholders, which are annexed to the Company Application and in view of the averments made in paragraphs 22 and 23 of the Company Application; and (b) in view of the averments made in paragraphs 24 to 30 of the Company Application and paragraphs 5 to 12 of the Further Affidavit, stating therein that the present Scheme is a scheme of amalgamation by merger by absorption among the Applicant Companies and the Transferee Company and is in no manner prejudicial to the interests of the secured creditors and the unsecured creditors of the Applicant Companies and that, under the Scheme, neither any compromise is proposed with any of the secured creditors and/or the unsecured creditors of the Applicant Companies nor any liability of the respective secured creditors or unsecured creditors of Applicant Companies are proposed to be reduced or extinguished and that the Scheme does not contemplate any variation in the rights of the respective secured creditors and unsecured creditors of the Applicant Companies in any manner whatsoever. In view of the foregoing and in view of the provisions of section 230 of the Companies Act, 2013, the following directions are issued:

20. The convening and holding the meetings of the equity shareholders of the Applicant Companies to seek their approval to the Scheme, are not required in view of the averments made in paragraphs 22 and 23 of the Company Application and these separate Affidavits of Consent and approval to the Scheme given by all the equity shareholders of the Applicant Companies, which are annexed to the Company Application as Exhibits “O-1” to “O-7” and Exhibits “Q-1” to “Q-7” thereto.
21. The convening and holding meetings of the respective secured creditors and unsecured creditors of the Applicant Companies to seek their approval to the Scheme are not required, in view of the averments made in paragraphs 24 to 30 of the Company Application and paragraphs 5 to 12 of the Further Affidavit. However, the Applicant Companies are directed to issue notice of filing of the present Company Application and passing of this order upon their respective secured creditors and unsecured creditors, details of which are as under:
- (a) To all the secured creditors of the respective Applicant Companies, as on 31st May, 2020;
 - (b) Applicant Company-1 to all its unsecured creditors having their outstanding above ₹15,00,000/- (Rupees fifteen lakh only) as on 31st May, 2020 – covering 99.92% of the Unsecured Creditors; and
 - (c) Applicant Company-2 to all its unsecured creditors having their outstanding above ₹15,00,000/- (Rupees fifteen lakh only), as on 31st May, 2020 – covering 99.97% of the Unsecured Creditors;

with a direction that they may submit their representations to this Tribunal, if any.

22. The Applicant Companies to serve notice of filing of the present Company Application (along with copy of the Company Application) and a copy of this order, upon—

(1) the Central Government through the Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai;

(2) Registrar of Companies, Maharashtra, Mumbai;

(3) Income Tax Authority within whose jurisdiction the assessments of the respective Applicant Companies are made, clearing indicating the PAN of the company concerned, as follows: -

i. PAN: AAACW1328G; ACIT, Corp Circle 4(1), Room No.430, Fourth Floor, Chennai Main Building, MG Road (Nungambakkam High Road), Nungambakkam, Chennai 400034 in the case of Applicant Company-1;

ii. PAN: AABCL2283L; DCIT, Circle 14(2)(1), Room no 475, Fourth Floor, Aaykar Bhavan, MK Road, Mumbai 400 020, in the case of Applicant Company-2;

(4) Securities and Exchange Board of India, Mumbai; and

(5) Reserve Bank of India, Mumbai;

and stating therein that they may submit their representations in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the Applicant Companies. If no response is received by the Tribunal from within thirty days of the date of receipt of the said notice, it will be presumed that such authorities have no objection to the Scheme.

23. The Applicant Companies to also serve notice along with copy of the Company Application and a copy of this order, upon the Official Liquidator, High Court, Bombay, stating therein that it may submit its representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the Applicant Companies. If no response is received by the Tribunal from the Official Liquidator, within 30 (thirty) days from the date of receipt of the said notice, it will be presumed that the Official Liquidator has no objection to the proposed Scheme. M/s BN Kedia & Co, Chartered Accountants having their office at No.507, Swapna Siddhi, Akurli Road, Near Railway Station, Kandivli (East), Mumbai 400 101, are appointed to assist the Official Liquidator to scrutinise the books of accounts of the Applicant Companies. The Transferor Companies shall pay an aggregate fee of ₹2,00,000/- (Rupees two lakh only) as remuneration to the Chartered Accountants for this purpose, within a period of two weeks from the date of receipt of certified copy of this order.
24. Additionally, the Applicant Company-1 to serve notice along with copy of the Company Application and a copy of this order, upon the National Housing Bank, New Delhi, stating therein that it may submit its representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the Applicant Company-1 and if no response is received by the Tribunal from the National Housing Bank within 30 (thirty) days of the date of receipt of the said notice, it will be presumed that they have no objection to the Scheme.

25. The Applicant Companies to serve notice along with copy of the Company Application and a copy of this order, upon the National Stock Exchange of India Limited (NSE), stating therein that it may submit its representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the Applicant Companies and if no response is received by the Tribunal from the NSE, within 30 days of the date of receipt of the said notice, it will be presumed that the NSE has no objection to the Scheme.
26. The Applicant Company-2 to serve notice along with copy of the Company Application and a copy of this order, upon BSE Limited, stating therein that it may submit its representation in relation to the Scheme, if any, to this Tribunal within 30 (thirty) days from the date of receipt of the notice, with a copy thereof to the Applicant Company-2 and if no response is received by the Tribunal from BSE Limited within 30 days of the date of receipt of the said notice, it will be presumed that they have no objection to the Scheme.
27. In view of the averments made in paragraph 33 of the Company Scheme Application, the notice of filing of the present Company Application and passing of this order, is not required to be given to the Competition Commission of India by the Applicant Companies.
28. The Applicant Companies are directed to issue notice along with a copy of the amended Scheme to other applicable regulators including sectoral regulators, if any.

29. The Applicant Companies are directed to publish the notice of filing of the Company Application in *Free Press Journal*(Mumbai edition) in English and Marathi translation thereof in *Loksatta* (Mumbai edition), stating therein that the present Company Application has been filed in this Tribunal, and that any person concerned with the Applicant Companies, may file its representations, if any, to the Scheme in this Tribunal within thirty days from the date of publication of the said notice in the newspapers with a copy thereof to the concerned Applicant Company.
30. The Applicant Companies are further directed to publish the notice of filing of the Company Application on their respective websites, if any.
31. The Applicant Companies shall file compliance report with the registry in regard to the directions given in this Order in lieu of customary affidavit of service, due to lockdown situation prevailing now proving service of notices to the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

V. Nallasenapathy
Member (Technical)

Sd/-

Rajasekhar V.K.
Member (Judicial)