

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

C.P.(CAA)/1067/MB.IV/2020

connected with

C.A.(CAA)/1024/MB.IV/2020

In the matter of

The Companies Act, 2013

and

In the matter of

Sections 230 to 232 of the Companies
Act, 2013 and other applicable
provisions of the Companies Act, 2013
and rules framed thereunder

and

In the matter of

Scheme of Amalgamation
by way of Merger by Absorption
Of

L & T Housing Finance Limited
(Transferor Company No.1)

And

L & T Infrastructure Finance Company Limited
(Transferor Company No.2)

With

L & T Finance Limited
(Transferee Company)
and their respective Shareholders



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L&T Housing Finance Limited
CIN: U45200MH1994PLC259630

... Petitioner Company 1
/Transferor Company 1

L&T Infrastructure Finance Company Limited
CIN: U67190MH2006PLC299025

...Petitioner Company 2/
Transferor Company 2

(under the jurisdiction of NCLT Mumbai Bench)

L&T Finance Limited
CIN: U65910WB1993FLC060810

.... Non-Applicant

Company

/Transferee Company

(under the jurisdiction of NCLT Kolkata Bench)

Order pronounced on 15.03.2021

Coram:

Mr. Rajesh Sharma
Hon'ble Member (Technical)

Mrs. Suchitra Kanuparthi
Hon'ble Member (Judicial)

Appearances (through video conferencing)

For the Petitioner Companies :Mr.Gaurav Joshi, Senior Advocate
a/wMr.Simil Purohit, Mr. Tapan
Deshpande, Ms. Arushi Poddar,
Advocates i/b. Cyril
AmarchandMangaldas.

For Regional Director : Ms. Rupa Sutar, Deputy Director



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ORDER

Per: Rajesh Sharma, Member (Technical)

1. The Bench is convened by videoconference today.
2. Learned Senior Advocate for the Petitioner Companies states that this Petition seeks sanction of this tribunal under Sections 230-232 of the Companies Act, 2013 (the Act) to the Scheme of Amalgamation by way of Merger by Absorption (the Scheme) of L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited (Petitioner Company 1 and Petitioner Company 2 are collectively referred to as the “Petitioner Companies”/ “Amalgamating Companies” / “Transferor Companies” as the context may admit) with L&T Finance Limited (hereinafter referred to as “Transferee Company”/ “Amalgamated Company”/ “LTFL” as the context may admit). The Advocate for the Petitioner Companies further states that the Petitioner Companies have their respective registered offices in the state of Maharashtra and the subject matter of the Company Scheme Petition is within the jurisdiction of this Tribunal. The Transferee Company has its registered office in the state of West Bengal and the Transferee Company has thus filed its Company Petition before the National



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Company Law Tribunal, Kolkata Bench seeking sanction to the Scheme and the same is pending final hearing.

3. Heard the Learned Senior Advocate for the Petitioner Companies and the representative of the Regional Director (Western Region, Mumbai). No objector has appeared before this Tribunal to oppose the Scheme. The Petitioner Companies have filed an Additional Affidavit dated 21st January, 2021 stating that no secured creditor and unsecured creditor of the respective Petitioner Companies have filed any objection in relation to the Scheme.
4. Learned Senior Advocate for the Petitioner Companies states that the Petitioner Company 1 is a housing finance company registered with the National Housing Bank ("NHB") and is primarily engaged in the business of housing finance. Petitioner Company 2 is registered with the Reserve Bank of India ("RBI") as a non-deposit taking, non-banking finance company-infrastructure finance company ("NBFC-IFC") and is primarily engaged in business of infrastructure financing. The Transferee Company is registered with the RBI as a non-deposit taking systemically important non-banking finance company ("NBFC-ND-SI"). The primary business of the Transferee Company is rural finance (comprising of farm equipment financing, two-wheeler financing,



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micro loans and consumer loans), housing finance (comprising loan against property and real estate financing) and infrastructure financing. Learned Senior Advocate for the Petitioner Companies further states that the Petitioner Companies and the Transferee Company are wholly owned subsidiaries of L&T Finance Holdings Limited ("LTFH"), a public company. 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").

5. The Scheme of Amalgamation, provides *inter alia* for the amalgamation of the Petitioner Companies into the Transferee Company, by way of merger by absorption and the dissolution of the Petitioner Companies without winding up and the consequent issuance of the shares of the Transferee Company to LTFH as per the share exchange ratios in accordance with the Scheme and various other matters incidental, consequential or otherwise integrally connected therewith pursuant to provisions of Sections 230 - 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961.



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6. The background, rationale and benefits of the Scheme as stated in the Scheme are 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 LTFL, which is the flagship operating lending entity within the group, for creation of a single larger unified entity and reduce the number of Non-Banking Finance Companies within the group to achieve optimal and efficient utilization 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



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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 Petitioner Companies have built over decades.
- (e) The Petitioner 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 Petitioner 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.

7. This Company Petition is filed in consonance with sections 230 to 232 of the Act along with the Order dated 24.07.2020 passed in C.A.(CAA) No.1024/MB.IV/2020 along with IA 1015/MB.IV/2020 in C.A.(CAA)



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1024/MB.IV/2020 wherein amendment to the Scheme by amending clause 22 of the Scheme was allowed by this tribunal.

8. The Learned Senior Advocate for the Petitioner Companies had submitted that pursuant to the order dated 24.07.2020, the Petitioner Company No.1 and Petitioner Company No.2 procured revised Affidavits of consent from all the 7 (Seven) equity shareholders of the Petitioner Company No.1 and Petitioner Company No.2 respectively providing their approval to the amended Scheme and the same had been annexed with the respective Petition.
9. The Learned Senior Advocate for the Petitioner Companies had also submitted that the notice of filing of the Company Application and Order dated 24.07.2020 was transmitted to all the secured creditors and unsecured creditors of the respective Petitioner Companies as on 31.05.2020.
10. The Regional Director, Western Region, Mumbai ("RD") has filed its observations by the Report dated 7th January, 2021 ("Report") before this Tribunal *inter alia* raising certain observations to the Scheme in paragraph IV therein. The observations made by the RD have been dealt with by the Petitioner Companies in their Affidavit in Reply, dated



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12th January, 2021. Further the office of the RD has filed a Supplementary Report dated 21st January, 2021 with this Tribunal, confirming that the Petitioner Companies have provided reply to observations made by RD in its Report and that on basis thereon the Tribunal may decide the matter on merit. For the sake of ready reference, the observations made by the Regional Director, replies provided by the Petitioner Companies to observations made by RD and RD's view in the Supplementary Report are mentioned hereunder:

S. No.	Observations in RD Report dated 07.01.2021 (Para IV)	Petitioners' Reply dated 12.01.2021	RD's Supplementary Report
a)	<i>In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other</i>	The Petitioner Companies have undertaken to this Tribunal to pass such accounting entries which are necessary in connection with the Scheme, to comply with other applicable Accounting Standards such as AS- 5 (IND AS-8) etc., to the extent	On basis of observations of the RD and response submitted by the Petitioner Companies thereon, the NCLT, Mumbai to



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	<i>applicable Accounting Standards such as AS-5(IND AS-8) etc.</i>	applicable.	decide the matter on merits.
b)	<i>As per Definition of the Scheme, “Appointed Date” shall mean April 1, 2020; “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</i>	In accordance with Section 232(6) of the Companies Act, 2013 (“Act”), the Scheme clearly indicates/specifies: (i.) in clause 10 (xii) that the Appointed Date shall mean April 1, 2020 i.e. a specific calendar date; (ii.) in clause 10 (xiv) that the Effective Date, means the last of the dates on which all the conditions and matters referred to in Clause 30 occur or have been	



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<p><i>in this Scheme to 'date of coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;</i></p> <p><i>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the</i></p>	<p>(iii.) fulfilled or waived in accordance with this Scheme/Applicable Law; and in Clause 12 of the Scheme it is stated that with effect from the Appointed Date, the Petitioner 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</p>	
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<p><i>appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p>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.</p> <p>The Petitioner Companies have already complied with the requirements as applicable, of the Ministry of Corporate Affairs General Circular No. F. No. 7/12/2019/CL-I dated August 21, 2019, by mentioning the Appointed Date in the Scheme as a specific</p>	
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		calendar date i.e. April 1, 2020, which is not a date which precedes the date of filing by more than a year, and the same also being in compliance with the provisions of Section 232 (6) of the Act.	
c)	<i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee</i>	The Petitioner Companies undertake to this Hon'ble Tribunal that they would comply with the provisions set out in Section 232 (3) (i) of the Act and that the fee, if any, paid by the Petitioner Companies on its authorized share capital shall be set off against any fees payable by the Amalgamated Company on its authorized share capital subsequent to the amalgamation, if applicable;	



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	<i>company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.</i>		
d)	<i>In view of the observations made by the ROC, Mumbai in it's Report dated 24.09.2020 mentioned on para No. 11 in the table above, direct the petitioner company to resolve the investor complaints before approval of the</i>	The Petitioner Company 2 has stated that, out of total complaints against Petitioner Company 2 mentioned by Registrar of Companies ("ROC") in its report, 17 complaints have already been closed. A list of the complaints along with its status as on date, as appearing on Ministry of Corporate Affairs ("MCA") site, have been submitted to this Tribunal. It is further	



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	<i>Scheme.</i>	stated that in respect of the remaining 9 complaints, Petitioner Company 2 has also resolved the said complaints as and when received by the Petitioner Company 2, however the status of these complaints is still marked as 'Under examination' on the MCA portal. Petitioner Company 2 has redressed all complaints mentioned by the ROC in its report. Further the Petitioner Company 2 has shared relevant proof of communication with the concerned Complainant either by itself or through the Registrar and Transfer Agent ("RTA") and requested ROC to update status of all such	
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		complaints as “Closed” vide letter dated 11 th January, 2021. Copy of the letter written by the Petitioner Company 2 to the ROC dated 11 th January, 2021 has been submitted to this Tribunal by the Petitioner Company 2. Petitioner Company 2 has stated that in any event post sanction to the Scheme, in terms of the Scheme, the Amalgamated Company will bear the responsibility of the investor complaints pertaining to the Petitioner Company 2;	
e)	<i>The Registered Office of the Amalgamated Company is situated in the</i>	The Petitioner Companies have stated that as the Amalgamated Company has its registered office in West	



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	<p><i>state of West Bengal i.e outside of the jurisdiction of NCLT of this Tribunal and falls within the jurisdiction of NCLT of Kolkata. Accordingly, similar approval be obtained by the Amalgamated Company from Hon'ble NCLT at Kolkata.</i></p>	<p>Bengal i.e. outside the jurisdiction of this Hon'ble Tribunal, the Amalgamated Company has filed its Petition in the National Company Law Tribunal, Kolkata Bench, under whose jurisdiction the registered office of the Amalgamated Company is situated and the same is pending hearing. Thus, the Amalgamated Company has already sought to obtain sanction and approval to the Scheme from the Hon'ble National Company Law Tribunal, Kolkata Bench;</p>	
f)	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is</i></p>	<p>The Petitioner Companies have stated that in accordance with the directions of this Hon'ble Tribunal vide</p>	



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<i>approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i>	order dated 24 th July 2020 (a) the meeting of the equity shareholders of both the Petitioner Companies were dispensed with based on the respective consents by way of affidavits received from all equity shareholders of both the Petitioner Companies; and (b) the meetings of the secured and unsecured creditors of both the Petitioner Companies were not required to be convened. Further in accordance with the directions of this Hon'ble Tribunal vide order dated 14 th December 2020, the Petitioner Companies state that consents/ no-objection of the respective secured	
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		creditors of the Petitioner Companies have been obtained wherever the terms and conditions of the agreement(s) entered into with the concerned secured creditor provides for such a condition. The Petitioner Companies have filed an Affidavit of compliance of the order dated 14 th December 2020 in this Hon'ble Tribunal;	
g)	<i>Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company</i>	The Petitioner Companies have stated that, this Hon'ble Tribunal vide its order dated 24 th July 2020 passed in Company Scheme Application CA(CAA) No. 1024/MB.IV/2020 had allowed amendment to	



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	<i>Petition, are one and same and there is no discrepancy/any change/changes are made;</i>	the Scheme by substitution of Clause 22 relating to share exchange ratio. The Petitioner Companies have confirmed to this Tribunal that the Scheme as amended in the Company Scheme Application pursuant to the said order and the Scheme annexed to the Company Scheme Petition is one and the same and that there is no discrepancy/any change/changes made therein;	
h)	<i>It is observed that debentures of the Amalgamating Company-1 are listed on the wholesale debt market segment of the NSE and</i>	The Petitioner Companies have stated that (i) the non-convertible debentures of Petitioner Company 1 are listed on the wholesale debt market of National Stock	



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<i>debentures of Amalgamating Company-2 are listed on the wholesale debt market segment of BSE and NSE. In this regard, Petitioner Company may be directed to state whether the NOC of the concerned regulatory authority have been obtained. Further, the Petitioner Company also clarify that the concerned debenture holders of Amalgamating Company-1 and Amalgamating Company-2 have given their</i>	<i>Exchange of India Limited (NSE); and (ii) the non-convertible debentures of Petitioner Company 2 are listed on the wholesale debt market of NSE and BSE Limited (BSE). NSE has provided its in-principle approval to Petitioner Company 1 and Petitioner Company 2. The said in-principle approval of NSE was submitted to the office of the Regional Director and same has been attached in the representation filed in Hon'ble Tribunal. The Petitioner Companies have submitted the NSE in-principle approval to Petitioner Company 1 and Petitioner Company 2. BSE has also provided its in-principle approval</i>	
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<i>consent for this proposed scheme.</i>	to the Petitioner Company 2 and the in-principle approval of BSE has been submitted to the office of the Regional Director and same has been attached in the representation filed in Hon'ble Tribunal. The Petitioner Companies have submitted to this Tribunal the BSE in-principle approval to Petitioner Company 2. The Petitioner Companies have state that the Tribunal vide its order dated 24 th July 2020 has dispensed with the meetings of the secured creditors and unsecured creditors of the Petitioner Companies. The Petitioner Companies state that in accordance	
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		with the terms of the relevant debenture trust deeds in respect of the said debentures and pursuant to directions of this Tribunal vide order dated 14 th December 2020, the Petitioner Companies have procured consents of respective Debenture Trustees on behalf of the debenture holders and the said consents have been submitted to this Tribunal.	
i)	<i>It is submitted that the petitioner Company in its reply submitted to the office of Regional Director, Western Region, Mumbai vide letter dated</i>	The Petitioner Companies have undertaken to this Tribunal that they would comply with RBI/NHB Guidelines, to the extent applicable;	



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<p>16.12.2020 has stated that Amalgamating Company-1 and Amalgamating Company-2 shall continue to undertake their respective businesses, of Housing Finance Company and Infrastructure Finance Company, respectively, up to the effective date of the Amalgamation Scheme. Pursuant to the proposed transaction becoming effective, the undertakings of the Applicant Companies (i.e., business, assets,</p>		
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<p>liabilities, employees, etc.) will be subsumed into Amalgamated Company. RBI has provided its no- objection to the Scheme through letter dated 19.06.2020. Further RBI has granted extension of NOC for a period of 6 months till 11.06.2021 vide its e-mail dated 11.12.2020. The Amalgamated Company shall continue to operate as an 'Investment and Credit Company' (NBFC-ICC), with its principal business of</p>		
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<p>providing loans and advances. Further, in lines with the NOC granted by RBI to the proposed amalgamation, Amalgamating Company-1 and Amalgamating Company-2 shall surrender their respective registrations with the regulators (HFC registration issued by NHB to Amalgamating Company-1; and the NBFC-IFC registration issued by RBI to Amalgamating Company-2), post the Scheme of Amalgamation becoming</p>		
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	<p>effective. This is also stated in at Paragraphs 10(xxx), 10(xxxi) and 14(iii) of the Scheme of Amalgamation. Copy of the letter (along with all enclosures) dated 16.12.2020 of the Petitioner Company is enclosed herewith and marked as <u>Annexure 'E'</u>. The Petitioner Company be directed to ensure compliance of the RBI/NHB Guidelines.</p>	
j)	<p>As per MCA data, it is observed that Amalgamating</p>	<p>The Petitioner Company 1 has filed its Balance sheet for Financial Year</p>



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<i>Company 1 & 2 have not filed it's Balance Sheet for the Financial Year 2018-2019 and 2019-2020. Amalgamating Companies may be directed to comply with provision of Section 137 of the Companies Act, 2013 and file Balance Sheet for the Year 2018-19 and 2019-20.</i>	2018-19 on 16 th March 2020. The Service Request Number (SRN: R35489574) challan and SRN approval email from the MCA have been submitted to this Tribunal. Petitioner Company 1 has filed its Balance sheet for Financial Year 2019-20 on 26 th August, 2020. The Service Request Number (SRN: R51556850) challan and SRN approval email from the MCA have been submitted to this Tribunal. Petitioner Company 2 has filed its Balance sheet for Financial Year 2018-19 on 17 th March 2020 (Standalone financial statements, SRN: R35649086) and 19 th December 2020	
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		(consolidated financial statements, SRN: R75907139). SRN challan and SRN approval email from the MCA have been submitted to this Tribunal. Petitioner Company 2 has filed its Balance sheet for Financial Year 2019-20 on 26 th August 2020 (Standalone financial statements, SRN: R51564623) and on 17 th September, 2020 (consolidated financial statements, SRN: R56398761). The Service Request Number (SRN) challan and SRN approval email from the MCA have been submitted to this Tribunal.	
k)	In Clause-25(VI) of Accounting Treatment of the Scheme, The	The Petitioner Companies have submitted that the excess of or deficit in	



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<i>Petitioner Company stated that 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</i>	<i>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 25(ii) of the Scheme, be adjusted in capital reserves in the books of Amalgamated Company. Petitioner Companies further submit that treatment of Capital reserve arising</i>	
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<p><i>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.</i></p> <p><i>In this regard, it is submitted that such surplus shall be credited to the "Capital Reserve arising out of amalgamation" and it shall not be available for distribution of the dividend."</i></p>	<p>out of amalgamation shall be done in accordance with applicable accounting standards and the provisions of the Act and rules made thereunder;</p>	
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11. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies have been verified and accepted.
12. The Official Liquidator, High Court, Bombay (OL) has filed his Report dated 19th October, 2020 stating that the affairs of the Petitioner Companies have been conducted in a proper manner.
13. From the material on record and after perusing the clarifications and submissions of the Petitioner Companies to the Report, the Supplementary Report of the RD and the Report of the OL, additional Affidavit from the Petitioner Companies confirming that no objections were received from any of the secured and unsecured creditors in relation to the Scheme, the Scheme appears to be fair and reasonable and does not violate any provisions of law and is not contrary to public policy.
14. The Petitioner Companies states that vide order 14.12.2020, the Petitioner Companies have obtained consents/no-objection of the respective secured creditors of the petitioner Companies wherever the terms and conditions of the agreement(s) entered into with the



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secured creditor provides for such a condition and affidavit of compliance have also been filed for same.

15. Since all the requisite statutory compliances have been fulfilled, CP (CAA) 1067/ MB-IV/ 2020 is made absolute in terms of prayer clause of the petition.

ORDER

- i. The Scheme is hereby sanctioned, and the Appointed Date is fixed as 1st April, 2020 as defined in Clause 10(xii) of the Scheme. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors and Employees.
- ii. This order is subject to the sanction to the Scheme by the National Company Law Tribunal, Kolkata Bench.
- iii. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically in e-Form INC-28 within 30 days from the date of receipt of order duly certified by the Joint Registrar of this tribunal.
- iv. The Petitioner Companies are directed to lodge a certified copy of this order along with a copy of the Scheme, with the concerned



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

C.P.(CAA)/1067/MB.IV/2020

connected with

C.A.(CAA)/1024/MB.IV/2020

Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.

- v. The Petitioner Companies shall comply with all the undertakings given by them.
- vi. The Petitioner Companies shall, within 15 days of receipt of this order, issue newspaper publications with respect to approval of the Scheme, in the same newspapers in which previous publications were issued.
- vii. The Petitioner Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.
- viii. All concerned Regulatory authorities to act on a copy of this order duly certified by the Joint Registrar of this tribunal along with the copy of the Scheme.
- ix. Any person interested in the above matter shall be at liberty to apply to the tribunal for any directions that may be necessary.
- x. Ordered accordingly. Thus, the Company Petition with C.P.(CAA)/1067/MB.IV/2020 in C.A.(CAA)/1024/MB.IV/2020 shall stand to be disposed of.

Sd/-
Rajesh Sharma
Member (Technical)
15.03.2021

Sd/-
Suchitra Kanuparthi
Member (Judicial)

Certified True Copy

Date of Application 15.03.2021 Page 34 of 35

Number of Pages 35

Fee Paid Rs 175

Applicant called for collection copy on 16.03.2021

Copy prepared on 16.03.2021

Copy Issued on 16.03.2021


Joint Registrar
National Company Law Tribunal Mumbai Bench



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

C.P.(CAA)/1067/MB.IV/2020

connected with

C.A.(CAA)/1024/MB.IV/2020



SCHEME OF AMALGAMATION

By way of Merger by Absorption

AMONG

L&T HOUSING FINANCE LIMITED

... AMALGAMATING COMPANY 1/
TRANSFEROR COMPANY 1L&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)
Authorized Share Capital	



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 LA/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.

