

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH, MUMBAI**  
**FORM NO. CAA 2[Pursuant to Section 230(3) and Rule 6]**  
**COMPANY SCHEME APPLICATION NO. 198 OF 2021**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

And

In the matter of Scheme of Amalgamation of L&T Hydrocarbon Engineering Limited, the Transferor Company;

With

Larsen & Toubro Limited, the Transferee Company

L&T Hydrocarbon Engineering Limited, )  
a company incorporated under the provisions )  
of the Companies Act 1956 having )  
CIN: U11200MH2009PLC191426 and its )  
registered office at L&T House, N.M. Marg, )  
Ballard Estate, Mumbai - 400001. ) ...First Applicant Company

Larsen & Toubro Limited, a company )  
incorporated under the provisions of the )  
Companies Act 1913 having )  
CIN: L99999MH1946PLC004768 and its )  
registered office at L&T House, N.M. Marg, )  
Ballard Estate, Mumbai - 400001. ) ...Second Applicant Company

**NOTICE TO THE UNSECURED CREDITORS/ SECURED DEBENTURE HOLDERS/ UNSECURED  
DEBENTURE HOLDERS OF LARSEN & TOUBRO LIMITED**

To,

Unsecured Creditors/ Secured Debenture Holders/ Unsecured Debenture Holders of Larsen & Toubro Limited ("the Company").

Notice is hereby given that by an order dated 22<sup>nd</sup> September 2021, the Mumbai Bench of the National Company Law Tribunal ("Tribunal") has directed the Second Applicant Company to issue notice to its unsecured creditors/ secured debenture holders/ unsecured debenture holders as on June 30, 2021 under section 230 to 232 of the

Companies Act, 2013 with a direction to submit their representations, if any, in connection with the proposed amalgamation of L&T Hydrocarbon Engineering Limited ("**Transferor Company**" or "**First Applicant Company**") with Larsen & Toubro Limited ("**Transferee Company**" or "**Second Applicant Company**") which, provides for the amalgamation of the Transferor Company with the Transferee Company (hereinafter referred to as the "**Scheme**").

A copy of the Scheme of Amalgamation is enclosed.

Copies of the Scheme of Amalgamation alongwith other relevant annexures can also be obtained free of charge from the Registered Office of the Second Applicant Company.

You as a unsecured creditor/ secured debenture holder/ unsecured debenture holder of the Second Applicant Company may submit your representation, if any, in connection with the proposed Scheme of Amalgamation to, the National Company Law Tribunal, Mumbai Bench, 4<sup>th</sup> Floor, MTNL Exchange Building, near G.D. Somani Memorial School, Cuffe Parade, Mumbai - 400005. Copy of the representation shall simultaneously be sent to the Second Applicant Company at L&T House, N.M. Marg, Ballard Estate, Mumbai - 400001 or at the office of its Advocates M/s Manilal Kher Ambalal & Co., at MKA Chambers, British Hotel Lane, Off. Bombay Samachar Marg, Fort, Mumbai - 400001.

For **LARSEN & TOUBRO LIMITED**

Sd/-

**Sivaram Nair A.**  
**Company Secretary**  
**(FCS-3939)**

Dated this 25<sup>th</sup> day of October 2021

**Registered Office:**

L&T House,  
N.M. Marg,  
Ballard Estate,  
Mumbai - 400001.

**SCHEME OF AMALGAMATION**  
**(UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013)**

**OF**

**L&T HYDROCARBON ENGINEERING LIMITED**

**WITH**

**LARSEN & TOUBRO LIMITED**

**UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER.**

**PREAMBLE**

1. This Scheme of Amalgamation ("**Scheme**") provides for the Amalgamation between **L&T Hydrocarbon Engineering Limited**, the Transferor Company and **Larsen & Toubro Limited**, the Transferee Company and the dissolution of the Transferor Company without winding up. The Scheme is made pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act, 2013 ("**the Act**").
2. The Scheme is in the interest of the Transferor and Transferee Companies, their respective shareholders and creditors.

**PARTS OF THE SCHEME**

The Scheme is divided into the following five parts:

- i. Part A – deals with the Introduction, Rationale/Purpose and Definitions & Interpretations.
- ii. Part B – deals with the Capital Structure of the Transferor Company and Transferee Company.
- iii. Part C – deals with Amalgamation of the Transferor Company with the Transferee Company.
- iv. Part D – deals with the Accounting Treatment for the Amalgamation in the books of Transferee Company.
- v. Part E – deals with the General Terms and Conditions that would be applicable to the entire Scheme.

In addition to the above, the Scheme also provides for various other matters consequential or otherwise integral to it.

**PART A - INTRODUCTION, RATIONALE/PURPOSE AND DEFINITIONS & INTERPRETATIONS.**

**3. INTRODUCTION**

- 3.1 **L&T HYDROCARBON ENGINEERING LIMITED** ("**Transferor Company**" / "**LTHE**") was originally incorporated on 2nd April 2009 under the name and style of "L&T Technologies Limited" as a public limited company incorporated under the provisions of the Companies Act, 1956. However, its name was later changed to "L&T Hydrocarbon Engineering Limited" w.e.f. from 21st May 2013 having CIN U11200MH2009PLC191426 and having its Registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai - 400001, Maharashtra. Subsequently, in the year 2013, under a Scheme of Demerger, the Hydrocarbon business of the Transferee Company was demerged to the Transferor Company primarily to facilitate business growth through focused attention on the Hydrocarbon business, create increased opportunities for leadership development and foster significant participation in international markets. LTHE, the Transferor Company is a wholly owned subsidiary of Larsen & Toubro Limited, the Transferee Company. LTHE is inter-alia engaged in the business

of providing “design to build” engineering, procurement and construction solutions on turnkey basis in oil & gas, petroleum refining, chemicals & petrochemicals, fertilizer sectors and cross-country pipelines. In addition to its services of providing delivery of complete end to end solutions including front end design through engineering, procurement, fabrication, project management, construction and installation up to commissioning services, it also provides basic & detailed engineering design, documentation, environmental impact assessment or any other study.

- 3.2 **LARSEN & TOUBRO LIMITED (“Transferee Company”/“L&T”)** is a listed public limited company incorporated under the provisions of the Companies Act, 1913 on 7th February, 1946 having its Registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai - 400001, Maharashtra. One of the Objects for which L&T is incorporated is to, inter alia, carry on business as civil, mechanical, electrical, chemical and agricultural engineers, as manufacturers, and as importers and exporters, commission agents (and merchants and as agents for ship and ship-owners and as agents) for foreign manufacturers and merchants. The Transferee Company is also engaged in carrying on the engineering and contracting business and capable of undertaking construction of whole or part of plants or industrial complexes on a turnkey or any other basis including but not limited to oil & gas, chemicals & petrochemicals and fertilizer sectors and to erect refineries, mills, machineries, laboratories, workshops and other buildings, works and appliances, construction of rigs and offshore platforms.
- 3.3 The Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company with the Transferee Company in accordance with the Act and in compliance with Section 2 (1B) of the Income Tax Act, 1961.

#### **4. RATIONALE/PURPOSE OF THE SCHEME OF AMALGAMATION:**

The reasons and circumstances leading to and justifying the proposed Scheme of Amalgamation, which make it beneficial for all concerned, including the members of both the Companies, are as follows:

- a) The Transferee Company and the Transferor Company are collectively engaged in the Engineering, Projects & Construction (“EPC”) Contracting business covering various sectors such as infrastructure, hydrocarbons, thermal power, heavy engineering, defence, etc. Both the Companies as part of the group business strategy, are proposing to integrate the current Hydrocarbon business (Transferor Company) and the EPC Power business of the Transferee Company, thereby resulting in the creation of a focused “energy” portfolio;
- b) The business of the Transferor Company can also leverage the superior pre-qualification and financial capability of the Transferee Company;
- c) The Transferee Company by virtue of its superior financial strength, strong financial fundamentals and a robust balance sheet, has the ability and banking facilities to cater to the requirement of large value Bid & Advance Payment Guarantees which are required for high value orders. Hence, the proposed amalgamation of the Transferor Company with the Transferee Company can enhance the ability to Bid for large value orders;
- d) One of the other reasons necessitating the amalgamation is that the Transferor Company is a wholly owned subsidiary of the Transferee Company. Resultantly, the management of the Transferor and Transferee Companies have evaluated the plan and strategy for both the Companies and feel that amalgamating the two entities will be effective in obtaining synergy in the operations of both the Companies;
- e) The amalgamation will improve organizational capability arising from the pooling of human capital that has diverse skills, talent and vast experience;
- f) The management has decided to consolidate the various business lines of the Transferor Company and the Transferee Company to enable cost competitiveness;

- g) The Scheme is commercially and economically viable and feasible and is in fact fair and reasonable;
- h) The proposed amalgamation will result in administrative and operations rationalization, organizational efficiencies, reduction in overheads, personnel costs, costs of ERP, compliance cost and other administrative expenses. It will prevent cost duplication and will result in synergies in operations. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.

## 5. DEFINITIONS & INTERPRETATIONS:

In this Scheme (as defined hereunder), unless inconsistent with the meaning or context thereof, the following expressions shall have the meanings respectively assigned against them:

- 5.1 **"Act"** means the Companies Act, 2013 and shall include any statutory modification(s), re-enactment(s) or amendment thereof from time to time;
- 5.2 **"Amalgamation"** means the amalgamation of Transferor Company with the Transferee Company in terms of the Scheme in its present form or with any modification(s) as approved for sanction by the National Company Law Tribunal at Mumbai, Maharashtra or the National Company Law Appellate Tribunal at New Delhi or as such other Appropriate Authority may approve;
- 5.3 **"Applicable Law"** means any statute, notification, bylaws, rules, regulations, guidelines, rules of common law, policy, code, directives, ordinances, orders or instructions having force of law enacted or issued by any appropriate authority including any statutory modification or re-enactment thereof for the time being in force;
- 5.4 **"Appointed Date"** for the purposes of the Scheme means 1st April 2021 or such other date(s) as the National Company Law Tribunal at Mumbai, Maharashtra or the National Company Law Appellate Tribunal at New Delhi or such other Appropriate Authority may approve;
- 5.5 **"Appropriate Authority"** means any governmental, statutory, departmental or public body or authority, including the relevant Registrar of Companies and/or the Regional Director;
- 5.6 **"Board of Directors of the Transferee Company"** shall mean the Board of Directors of L&T, and shall, unless it is repugnant to the context, includes any committee(s) constituted/to be constituted by the Board of Directors of L&T or any other person authorised/to be authorised by the Board of Directors of L&T or any committee thereof to exercise its powers including the powers in terms of this Scheme;
- 5.7 **"Board of Directors of the Transferor Company"** shall mean the Board of Directors of LTHE, and shall, unless it is repugnant to the context, includes committee(s) constituted/to be constituted by the Board of Directors of LTHE or any other person authorised/to be authorised by the Board of Directors of LTHE or any committee thereof to exercise its powers including the powers in terms of this Scheme;
- 5.8 **"Effective Date"** shall mean the latter of the dates on which certified copy of the order(s) sanctioning the Scheme passed by the National Company Law Tribunal at Mumbai, Maharashtra is filed with the Registrar of Companies, Mumbai, Maharashtra. References in the Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- 5.9 **"Employees"** means all the permanent employees of the Transferor Company who are on the payroll of the Transferor Company as on the Effective Date;
- 5.10 **"Scheme"** means the Scheme of Amalgamation in its present form as submitted to the National Company Law Tribunal at Mumbai, Maharashtra or this Scheme with such modification(s)/amendment(s), if any, as may be directed by any Appropriate Authority and accepted by the respective Board of Directors of the Transferor Company and/or Transferee Company and /or directed to be made by the National Company Law Tribunal at Mumbai, Maharashtra;

- 5.11 **"Transferee Company"** shall mean "Larsen & Toubro Limited", a company incorporated under the Companies Act, 1913 and having its Registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai - 400001, Maharashtra;
- 5.12 **"Transferor Company"** shall mean "L&T Hydrocarbon Engineering Limited", a company incorporated under the Companies Act 1956 on 2nd April 2009 under the name and style of "L&T Technologies Limited", subsequently changed to "L&T Hydrocarbon Engineering Limited" w.e.f. from 21st May 2013, and having its Registered office at L&T House, N.M. Marg, Ballard Estate, Mumbai - 400001, Maharashtra;
- 5.13 **"Tribunal"** means National Company Law Tribunal, Mumbai as constituted by the Central Government under the Companies Act 2013 as amended from time to time;
- 5.14 **"Undertaking"** means the entire business and all the undertaking of the Transferor Company and shall include:
- a) All the tangible and intangible assets, properties, business and commercial rights or any other assets of the Transferor Company, whether appearing in the financial statements or not, as on the Appointed Date (hereinafter referred to as **"the Assets"**);
  - b) All the debts, liabilities, duties and obligations of the Transferor Company, whether appearing in the financial statements or not, as on the Appointed Date (hereinafter referred to as **"the Liabilities"**);
  - c) Without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Company shall include (without being limited to all the Transferor Company's reserves and the authorised/ paid-up share capital), movable or immovable, tangible or intangible properties, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, office equipment, vehicles, appliances, accessories, power lines, deposits, all stocks, assets, investments of all kinds including investments in subsidiaries and other affiliates (including shares, scrips, stocks, bonds, debenture stock, mutual funds), Cash & Bank balances, bank deposits, loans, advances, contingent rights or benefits, receivables (including tax refunds, tax credits), benefit of any deposits, financial assets, leases, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses, municipal permissions, tenancies in relation to the office and/ or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, and balances, loans, title, interests, other benefits (including tax benefits) and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, knowhow, copyrights, and other intellectual property rights of any nature whatsoever (including application for registration of the same and right to use such intellectual rights) authorisations, permits, approvals, rights to use and avail of telephones, telex, facsimile, email, internet, leased line connections and installations, utilities, water, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
  - d) All records, files, papers, engineering and process information, computer programmes, software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form;

- e) All present and future liabilities including contingent liabilities and shall further include any obligations under any licenses and/or permits;
- f) All agreements (including agreements for lease or license of the properties), rights, contracts (including customer contracts of every nature and revenue and receipts associated therewith), entitlements, pre-qualifications, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief under the Income Tax Act, 1961);
- g) Security deposits, advances, earnest monies, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers; and
- h) Right to use the work experience, qualifications, capabilities, legacies and track record with national & international hydrocarbon companies, Government / Non – Government agencies / bodies, contracts with clients and with vendors, (including technical parameters, past performance, track record, financials, etc.) of the Transferor Company, whether or not pertaining to the Transferor Company, acquired by reason of the completion of various projects and works, certificates of completion of projects or works issued by the clients and the right to use all these for qualifying for any tender or project that may be issued at any time.

#### **PART B - SHARE CAPITAL STRUCTURE OF THE TRANSFEROR AND TRANSFEREE COMPANIES.**

#### **6. The Authorised and the Issued, Subscribed and Paid-Up Share Capital of the Transferor Company and Transferee Company as per their respective latest available Audited Balance Sheets as on 31st March 2021 are as under:**

- 6.1 The Share Capital of L&T Hydrocarbon Engineering Limited, the Transferor Company as of 31st March 2021 is as under:

<b>Transferor Company</b>	<b>As at 31st March, 2021</b>	
	<b>No. of shares</b>	<b>Amount in Rs.</b>
<b>SHARE CAPITAL</b>		
<b>AUTHORISED – EQUITY</b>		
Equity Shares of Rs. 10/- each	201,20,00,000	2012,00,00,000
<b>Total:</b>	<b>201,20,00,000</b>	<b>2012,00,00,000</b>
<b>AUTHORISED – PREFERENCE</b>		
Preference Shares of Rs. 10/- each	100,00,00,000	1000,00,00,000
<b>Total:</b>	<b>301,20,00,000</b>	<b>3012,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL</b>		
Equity Shares of Rs. 10/- each	100,00,50,000	1000,05,00,000
<b>Total:</b>	<b>100,00,50,000</b>	<b>1000,05,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP PREFERENCE SHARE CAPITAL</b>		
10% Optionally Convertible Redeemable Preference Shares of face value of Rs. 10/- each	50,00,00,000	500,00,00,000
<b>Total:</b>	<b>50,00,00,000</b>	<b>500,00,00,000</b>

6.2 The Share Capital of Larsen & Toubro Limited, the Transferee Company as of 31st March 2021 is as under:

Transferee Company	As at 31st March, 2021	
	Nos.	Rs.
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
Equity Shares of Rs. 2/- each	25,12,50,00,000	50,25,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
Equity Shares of Rs. 2/- each	140,45,55,297	280,91,10,594

6.3 Subsequent to the latest audited financial statements of the Transferor Company and Transferee Company, there has been a change in the Issued, Subscribed and Paid-up Share Capital of the Transferee Company on account of exercise of Employee Stock Options. Presently the Issued, Subscribed and Paid-Up Capital of the Transferee Company is 140,46,04,911 equity shares of Rs. 2 each aggregating to Rs. 280,92,09,822/-.

### **PART C – TRANSFER AND VESTING OF THE UNDERTAKING OF THE TRANSFEROR COMPANY INTO THE TRANSFEE COMPANY.**

#### **7. Upon coming into effect of this Scheme and with effect from the Appointed Date:**

- 7.1 Subject to the provisions of the Scheme, the entire Undertaking of the Transferor Company including all the estate, assets, investments, rights, claims, title, interest and privileges, powers and authorities including accretions and appurtenances shall, subject to the provisions of Clauses 7.2 and 7.3 in relation to the mode of vesting and pursuant to the provisions of the Act and without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern pursuant to the provisions of Section 232(3) of the Act and other applicable provisions of the said Act so as to become as and from the Appointed Date, the assets, estates, rights, title and interest of the Transferee Company. Without prejudice to the generality of the above, all benefits, concessions, reliefs including but not limited to the benefit/s under income tax (including tax relief under the Income Tax Act, 1961, such as credit for advance tax, taxes deducted at source, carry forward of Minimum Alternate Tax Credit, carry forward of tax losses including unabsorbed depreciation, continuity of tax holiday/ deduction available, if any, etc.), service tax (including benefits of any unutilized CENVAT/ service tax credits, etc.), customs, benefits under EXIM and various export incentives, credit for Goods and Services Tax, excise, value added tax, sales tax (including deferment of sales tax), the SEZ status and benefits associated therein, such other tax or other benefits under any laws or any other registrations, etc., to which the Transferor Company is entitled to in terms of various statutes and/or schemes of Union, State, and Local Governments/ bodies and/or otherwise, shall be available to and vest in the Transferee Company;
- 7.2 In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property of the Transferee Company;
- 7.3 In respect of such of the assets belonging to the Transferor Company other than those referred to in Clause 7.2 above, the same shall, as more particularly provided in Clause 7.1 above, without any further act, instrument or deed be transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act. The mutation of the title to all such immovable assets belonging to the Transferor Company shall be made and duly recorded by the appropriate authorities pursuant to the Scheme, in accordance with the terms hereof without any further act or deed whatsoever, in favour of the Transferee Company;
- 7.4 All debts, liabilities outstanding, reserves and receivables of the Transferor Company shall, on and from the Appointed Date, stand transferred to and vested in the Transferee Company without any further notice, acts or deeds and pursuant to provisions of Sections 232 of the Act or intimation to the debtors and the debtors shall be obliged to make payments to the Transferee Company on and after the Effective Date;



- 7.5 All the licenses (including hardware and software licenses), permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, no objection certificates claims, leases, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of Section 232(3) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, the licenses, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, no objection certificates, claims, leases, liberties, rehabilitation schemes, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law. It is hereby clarified that all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra party transactions for all purposes from the Appointed Date;
- 7.6 The benefit of all transferable statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme;
- 7.7 Without prejudice to the generality of the Clauses 7.5 and 7.6, the approvals, licenses, etc. shall stand transferred to the Transferee Company pursuant to the Scheme without any further act, instrument or deed;
- 7.8 It is clarified that notwithstanding anything to the contrary contained herein, all rights relating to patents, designs and drawings, trademarks, service marks, logos, domain names and utility models, copyrights, inventions and brand names which are possessed and/or owned by the Transferor Company including the right to use the brand name, and business names and any similar rights and the benefit of any of the foregoing shall be available to Transferee Company;
- 7.9 All assets, estates, rights, title, interest, licenses and authorities acquired by or permits, quotas, approvals, permissions, incentives, loans or benefits, subsidies, concessions, grants, rights, claims, leases, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to the Transferor Company after the Appointed Date and prior to the Effective Date in connection or in relation to the operation of the Undertaking shall upon coming into effect of this Scheme, pursuant to the applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested or deemed to have been transferred to and vested in the Transferee Company;
- 7.10 Since each of the permissions, approvals, licenses, consents, sanctions, remissions, special reservations, incentives, concessions and other authorisations, if any, of the Transferor Company shall stand transferred by the order of the Tribunal to the Transferee Company, the Transferee Company shall file relevant intimations, for the record of the statutory authorities so that the same can be taken on file, pursuant to the vesting of the orders of the Tribunal;
- 7.11 The technical qualifications, right to use the accreditations/pre-qualifications, work experience, track record with customers or other parties, contracts with clients and with vendors, of the Transferor Company (acquired by reason of its operations in the past) in relation to or in connection with the Undertaking shall be deemed to be part of and belonging to the Transferee Company and shall for all purposes be regarded as the work experience and technical qualification, of the Transferee Company with effect from the Appointed Date;
- 7.12 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Transferor Company shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date. If required, the Transferor Company may

allow maintaining of bank accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company in connection with the business / tax refunds etc. of the Transferor Company. It is hereby expressly clarified that any proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

**8. Upon the coming into effect of this Scheme and with effect from the Appointed Date:**

- 8.1 All the secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon shall, pursuant to the applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to have been transferred to and vested in, so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the Assets of the Transferor Company are concerned, the security or charge over such Assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company, shall, without any further act or deed continue to relate to such Assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company;
- 8.2 All debentures, bonds, notes or other debt securities of the Transferor Company, whether convertible into equity or otherwise, as maybe applicable (hereinafter referred to as the **"Transferor Company's Securities"**), shall, pursuant to the applicable provisions of the Act, without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in, deemed to have been transferred to and vested and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of the Transferor Company's Securities so transferred;
- 8.3 Assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company unless the Transferee Company otherwise agrees;
- 8.4 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;
- 8.5 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 232(3) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;
- 8.6 For the removal of doubts it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstanding(s) including any interest thereon, as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

## **9. Legal Proceedings:**

- 9.1 All proceedings of whatsoever nature (legal, taxation or otherwise and others, including any suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions, proceedings in respect of registrations of any patent, copyright, trademark, service names or marks, or designs, or any other intellectual property right, if any) (hereinafter called the **"Proceedings"**) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Undertaking of the Transferor Company or anything contained in this Scheme but the said Proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made;
- 9.2 Upon the coming into effect of this Scheme, the Proceedings by or against the Transferor Company pending and/or arising before any judicial, quasi-judicial authority or tribunal on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or had arisen by or against the Transferee Company;
- 9.3 The Transferee Company undertakes to have accepted on behalf of itself, all the Proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company and any payment and expenses made thereto shall be the liability of the Transferee Company only upon effectiveness of the Scheme and not otherwise.

## **10. Contracts:**

- 10.1 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all customer contracts, derivative contracts, hedging instruments, forward and option contracts, deeds, bonds, agreements, arrangements, incentives, licenses, engagements, approvals, registrations and assurances and other instruments of whatsoever nature (**"Contracts"**) to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company may if and wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations at any time, enter into any tripartite arrangements, confirmations or novations prior to the Effective Date to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause;
- 10.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company was a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part C of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

## **11. Employees:**

Upon the coming into effect of this Scheme:

- 11.1 All the Employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date. It is clarified that the Employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies, and shall not be entitled to avail of any schemes and benefits that are applicable and available to

any of the employees of the Transferee Company, unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Company with any union/employee of the Transferor Company;

- 11.2 The existing provident fund, gratuity fund, and pension and/or superannuation fund created by the Transferor Company or any other special funds created or existing for the benefit of the Employees of the Transferor Company shall at an appropriate stage on case to case basis be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.

## **12. Saving of Concluded Transactions:**

The transfer of the Undertaking, the continuance of Proceedings and the effectiveness of Contracts as mentioned hereinabove, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or after the Appointed Date for Amalgamation till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on behalf of the Transferee Company.

## **13. Re-organization of Share Capital:**

As the entire Issued, Subscribed and Paid-up Equity and Preference Share Capital of the Transferor Company is held by the Transferee Company and its nominees, upon the Scheme being effective, notwithstanding anything contrary in this Scheme, the said Share Capital of the Transferor Company will stand automatically cancelled and there will be no issue and allotment of fresh shares to the Transferee Company as the Transferee Company and its nominees are the only shareholders of the Transferor Company.

## **14. Increase In Authorised Share Capital of Transferee Company:**

- 14.1 Upon the Scheme coming into effect, the Authorised Capital of the Transferor Company as on Effective Date, shall be deemed to be added to Authorised Share Capital of the Transferee Company as on such date without any further act, deed, procedures or formalities. The filing fees and stamp duty, if any, paid by the Transferor Company on its Authorised Share Capital, shall be deemed to have been so paid by the Transferee Company on such increase in Authorised Share Capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased Authorised Share Capital;

- 14.2 Upon coming into effect of the Scheme, Clause no. V (A) of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument, be substituted by the following clause:

*"The Authorised Share Capital of the Company is Rs. 8037,00,00,000 (Rupees Eight Thousand Thirty Seven Crore only) is divided into 4018,50,00,000 (Four Thousand Eighteen Crore Fifty Lakh) Equity shares of Rs. 2/- (Rupees Two only) each."*

- 14.3 It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Act for the amendment of Memorandum of Association of the Transferee Company as above.

## **15. Treatment of the Scheme for the purposes of Income Tax Act, 1961:**

The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2 (1B) of the Income Tax Act, 1961. If any of the terms or provisions of Part C of the Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2 (1B) of the Income Tax Act, 1961 at a later date including resulting from an amendment of a law or for any other reason whatsoever, the provisions of Section 2 (1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2 (1B) of the Income Tax Act, 1961. Such modification/s will however not affect the other parts of the Scheme.

## **PART D – ACCOUNTING TREATMENT FOR THE AMALGAMATION IN THE BOOKS OF TRANSFeree COMPANY**

### **16. General Accounting Treatment:**

- 16.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall follow pooling of interest method specified in Appendix C of Indian Accounting Standard 103 (Ind AS 103) (Business Combinations of entities under common control) for the purpose of accounting for the amalgamation read with clarifications issued by Institute of Chartered Accountants of India (“ICAI”);
- 16.2 All assets and liabilities, including reserves, of the Transferor Company shall be recorded in the books of accounts of the Transferee Company at their existing carrying amounts and in the same form as appearing in the consolidated financial statements of the Transferee Company. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company;
- 16.3 In case of any difference in accounting policies of the Transferor Company and the Transferee Company the accounting policies followed by the Transferee Company shall prevail;
- 16.4 To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the cancellation of such assets or liabilities as the case may be;
- 16.5 The surplus/ deficit, if any arising after taking the effect of above Clauses shall be transferred to “Capital Reserve” in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes; and
- 16.6 On the Scheme becoming effective, the financial statements of Transferee Company (including comparative period presented in the financial statements of Transferee Company, if required) shall be restated for the accounting impact of Amalgamation, as stated above, as if amalgamation had occurred from the acquisition date (date when common control was established) or beginning of the said comparative period, whichever is later.

## **PART E – GENERAL TERMS & CONDITIONS APPLICABLE TO THE ENTIRE SCHEME**

### **17. Conduct of Business as and from the Appointed Date till the Effective Date:**

- 17.1 The Transferor Company shall carry on and be deemed to carry on its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all profits accruing to the Transferor Company or losses arising or incurred by it shall for all purposes be treated as the profits or losses of the Transferee Company as the case may be;
- 17.2 The Transferor Company hereby undertakes to carry on its business until the effective date with reasonable diligence and shall not, without the consent of the Transferee Company, alienate, charge or otherwise deal with the Undertaking or impair any assets or write off any investments or any part thereof except in the ordinary course of its business;
- 17.3 The Transferor Company shall not undertake any new business or change the general character or nature of its business except with the concurrence of the Transferee Company.

### **18. Dividend:**

- 18.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity and preference shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date;

- 18.2 The holders of the equity and preference shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends;
- 18.3 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of any of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

## **19. Resolutions:**

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

## **20. Dissolution of Transferor Company:**

Pursuant to the Scheme becoming effective and with effect from the Effective Date, the Transferor Company shall be dissolved without being wound up, without any further act, deed or instrument. On and from the Effective Date, the name of the Transferor Company shall be removed from the records of the Registrar of Companies and records relating to the Transferor Company shall be transferred and merged with the records of the Transferee Company.

## **21. Application to the Central Government or Tribunal :**

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make all necessary applications and/or petitions under Section 232 and other applicable provisions of the Act (as maybe necessary) to the Tribunal, for sanctioning the Scheme and for dissolution of the Transferor Company without winding up under the provisions of law and obtain all approvals as may be required under law.

## **22. Modification or Amendments to the Scheme:**

- 22.1 The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Board of Directors or a committee or committees of the concerned Board or any Director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the **"Delegates"**) of the Transferor Company and the Transferee Company deem fit, subject to the approval of the Tribunal or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect. In the event that any of the conditions that may be imposed by the Tribunal or other authorities which the Transferor Company or the Transferee Company may find unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to modify or withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegates of the respective Companies;
- 22.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegate of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any

question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

### **23. Taxes:**

- 23.1 Any tax liabilities under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, Services Tax, Goods and Services Tax Act, 2017, applicable State VAT laws or other applicable laws / regulations dealing with taxes / duties / levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of the Transferor Company to the extent not provided for or covered by the provision for tax in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source (TDS) as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company;
- 23.2 With effect from the Appointed Date and upon the Scheme becoming effective, any tax credits, tax receivables, advance/prepaid taxes, taxes deducted at source, the unabsorbed depreciation and losses of the Transferor Company shall be treated as the foreign tax credits, tax receivables, advance/prepaid taxes, benefits under custom duty draw backs, rebates and EXIM and various export incentives, taxes deducted at source, the unabsorbed depreciation and losses of the Transferee Company as on the Appointed Date and the Transferee Company shall be entitled to claim in its tax return or in the statutorily prescribed manner such foreign tax credits, tax receivables, advance/prepaid taxes, benefits under custom duty draw backs, rebates and under EXIM and various export incentives, taxes deducted at source, set-off /carry forward the losses and unabsorbed depreciation of the Transferor Company and to revise its tax returns and including any loss, related tax deduction certificates and to claim refund, advance tax credits, tax receivables, etc., accordingly;
- 23.3 Any refund under the Tax Laws due to the Transferor Company consequent to the assessment made on the Transferee Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company;
- 23.4 All taxes (including income tax, customs duty, service tax, Goods and Services Tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, custom duty, income tax, service tax, VAT, Goods and Services Tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly;
- 23.5 The Transferee Company shall be entitled to tax benefits under Section 72A or any other provision of the Income Tax Act, 1961 towards brought forward losses and unabsorbed depreciation of the Transferor Company, if any from the taxable profits of the Transferee Company with effect from the Appointed Date and the Transferee Company shall be entitled to carry forward such losses and unabsorbed depreciation of the Transferor Company and to revise its tax returns and including any loss, returns, related tax deduction certificates and to claim refund, advance tax credits, etc., accordingly. The Transferee Company shall continue to enjoy the tax benefits / concessions available to the Transferor Company through notifications/circulars issued by the concerned Authorities from time to time;
- 23.6 All compliances and returns filed with respect to advance tax, withholding taxes or tax deduction at source, Goods and Service tax, other indirect taxes (including Services tax, VAT, Customs, etc.) or any other applicable Act, to be done or done by the Transferor Company in relation to the Transferred Undertaking shall for all purposes be treated as compliances to be done or done by the Transferee Company;
- 23.7 Upon the coming into effect of the Scheme, the Transferee Company may, if it considers necessary or expedient, revise (with retrospective effect if applicable) its income tax returns, TDS returns, Goods and Service Tax returns, services tax returns, sales tax returns and other tax returns, and claim refunds and/or credits, etc. pertaining to the Transferred Undertaking pursuant to the provisions of the Scheme.

## **24. Scheme conditional on approval/sanctions:**

This Scheme is conditional upon and subject to:

- 24.1 The requisite order/s of the Tribunal being obtained;
- 24.2 Such other sanctions and approvals, including sanctions of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required by law or by contract in respect of the Scheme, being obtained; and
- 24.3 The certified copy/copies of the order/s referred to in this Scheme being filed with the Registrar of Companies, Mumbai, Maharashtra as applicable.

## **25. Effect of Non-Receipt of Approvals/Sanctions:**

- 25.1 In the event this Scheme fails to take effect then it shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the Transferor Company and/or the Transferee Company or their shareholders or creditors or employees or any other person;
- 25.2 If any part of the Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the NCLT, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors of the Transferor Company and the Transferee Company, then it is the intention of both the Companies that such part shall be severable from the remainder of the Scheme, and the Scheme shall be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any party, in which case both the Companies shall attempt to bring about a modification or withdrawal in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such part;
- 25.3 The Transferor Company shall be dissolved without winding up with effect from the date on which the certified copy of the order under Section 232 of the Act, of the Tribunal at Mumbai sanctioning the Scheme is filed with the Registrar of Companies, Mumbai.

## **26. Severability:**

- 26.1 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), (either by themselves or through a committee or authorised officers appointed by them in this behalf), may, in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time;
- 26.2 In the event of non-fulfillment of any or all of the obligations under this Scheme by any party towards any other party inter-se or to third parties and non-performance of which will place the other party under any obligation, then such defaulting party will indemnify all costs and interest to such other affected party.

## **27. Costs, Charges & Expenses:**

All costs, charges, levies and expenses including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

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