

IN THE NATIONAL COMPANY LAW TRIBUNAL,  
COURT No. V, MUMBAI BENCH

C.P.(CAA)/ 7/MB-V/2022

Connected with

C.A.(CAA)/255/MB-V/2021

*In the matter of*

*Companies Act, 2013 (18 of 2013) and  
Section 230-232 of the Companies Act,  
2013 and other applicable provisions of  
the Companies Act, 2013 read with the  
Companies (Compromises, Arrangements  
and Amalgamations) Rules, 2016;*

*In the matter of*

Scheme of Arrangement between TML  
Distribution Company Limited  
(‘Transferor Company’) and TML  
Business Services Limited (‘Transferee  
Company’) and their respective  
shareholders

TML Distribution Company Limited

CIN: U63000MH2008PLC180593

... Petitioner Company No.1

TML Business Services Limited

CIN: U72100MH1972PLC015561

... Petitioner Company No.2



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(Petitioner Company No. 1 and Petitioner Company No. 2 are collectively referred to as "**Petitioner Companies**")

**Order delivered on 11.03.2022**

*Coram:*

Ms. Suchitra Kanuparthi : Hon'ble Member (Judicial)  
Ms. Anuradha Sanjay Bhatia : Hon'ble Member (Technical)

*Appearances (via videoconferencing):*

For the Applicants : Mr. Shyam Kapadia a/w Ahmed  
M Chunawala,  
i/b Rajesh Shah & Co, Advocates

For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director

*Per: Suchitra Kanuparthi, Member (Judicial)*

**ORDER**

1. The Bench is convened through video conference.
2. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition to the said Scheme, pursuant to public notice issued on February 2, 2022.



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3. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder for the Scheme of Arrangement between TML Distribution Company Limited (**'Petitioner Company No. 1' / 'Transferor Company'**) and TML Business Services Limited (**'Petitioner Company No. 2' / 'Transferee Company'**) and their respective shareholders (**'Scheme'**).
4. The Board of Directors of Petitioner Company No. 1 and Petitioner Company No. 2 have approved the said Scheme by passing the Board Resolutions dated 30<sup>th</sup> September 2021 which are annexed to the respective Company Scheme Petition and thereafter, they have approached this Tribunal for sanction of the Scheme.
5. The Learned Advocate appearing on behalf of the Petitioner Companies states that the Petition has been filed in consonance with the Order passed in the Company Scheme Application No. C.A(CAA)/255/MB-V of 2021 of the National Company Law Tribunal, Mumbai Bench (**"Hon'ble Tribunal"**).
6. The Learned Advocate appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary affidavits of compliance with Hon'ble Tribunal on February 15, 2022.



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7. The Learned Counsel for the Petitioner Companies states that the Petitioner Company No 1 is engaged in the business of distribution and logistics of passenger and commercial vehicles manufactured by Tata Motors Ltd and that the Petitioner Company No 2 engaged in the business of providing outsourcing services for all processes, sub processes, transactions, activities and all other work performed by businesses in various industries within and outside India.
8. The rationale for the proposed Scheme is as under:
- (a) Tata Motors Limited holds 100% of the equity share capital of the Petitioner Companies.
  - (b) Recognizing the strengths of each other and with the intent of aligning the business operations undertaken by the Petitioner Companies, the Petitioner Companies now propose, by way of the Scheme, to amalgamate the Petitioner Company No. 1 into and with the Petitioner Company No. 2 in accordance with the terms hereof. This will also ensure streamlining the Group structure and would reduce the number of legal entities in the Group (as defined in the Scheme).
  - (c) The original operations of the Petitioner Company No. 2 were housed in a relatively small business vertical within the Finance Department of Tata Motors Limited for providing support services to Group. The Petitioner Company No. 2 was specifically formed with an all-encompassing vision to make it a



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one-stop shop for the entire gamut of shared / support / outsourcing services required by the Group and other organizations. With a manpower strength of approximately 1000, the Petitioner Company No. 2 is fully geared up for large scale operations catering to diverse support services requirements of the Group.

- (d) The Petitioner Company No. 1, with a manpower strength of approximately 70, also operates primarily in the realm of support services. However, the same is limited to outbound logistics of vehicles and allied activities, which includes negotiations with transporters, managing the logistics services providers and regional stockyard operations, billing operations etc. for Tata Motors Limited.
- (e) The amalgamation of the Petitioner Company No. 1 with Petitioner Company No. 2 would *inter alia* have the following benefits for the Group:
  - i. given the common core objective of the Petitioner Company No. 1 and the Petitioner Company No. 2 i.e. providing shared or support services, significant operational synergies stand to be gained upon merging the Transferor Company with the Transferee Company,
  - ii. consolidation of the Petitioner Company No. 1 into the Petitioner Company No. 2 pursuant to the Scheme will



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result in a reduction in the number of corporate entities in the Group thereby leading to simplification of the Group structure, reduce monitoring and corporate compliances and other administration work, provide a common governance structure, thereby enhancing shareholder value, realizing operational synergies, increasing operational efficiency and integrating business functions,

- iii. the Petitioner Company No. 1 being smaller in terms of operations and manpower, it would commercially be less disruptive to move Petitioner Company No. 1 business to the Petitioner Company No. 2,
- iv. consolidation of the respective businesses of the Petitioner Company No. 1 and the Petitioner Company No. 2 to ensure more focused operational efforts, reduce overhead expenses and align with the business plans which will enable to meet the long-term objectives of the Group,
- v. the amalgamation of the Petitioner Company No. 1 with the Petitioner Company No. 2 will reduce time, efforts and expense in consolidating the financials at the Group level (including audit),
- vi. pursuant to the amalgamation of the Petitioner Company No. 1 with the Petitioner Company No. 2, common support functions (such as finance, secretarial, IT & HR, administration, procurement etc.) could be integrated leading to cost savings and increased resource productivity,





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- vii. the amalgamation will also provide an opportunity to leverage the combined assets and build a stronger sustainable business, and
  - viii. the proposed amalgamation would be in line with the Group's overall long-term vision.
- (f) The Scheme is not prejudicial to the interest of the shareholders and creditors of the Petitioner Companies.
- (g) Following consummation of the actions set out in Part B of the Scheme, the Petitioner Company No. 2 shall have negative reserves. Accordingly, for reflection of the true position of books of accounts and part return of excess share capital to the shareholders of the Petitioner Company No. 2, the Board of Directors of the Petitioner Company No. 2 considered it prudent to consider, (i) a reduction of its share capital by cancellation and extinguishment of up to 128,28,88,145 shares of ₹ 10/- each constituting equity share capital of ₹1282,88,81,450/- and returning to the equity shareholder of the Petitioner Company No. 2, by way of cash payment, of an amount of up to ₹ 131,82,72,450/-, in aggregate, proportionately for all equity shares so cancelled and extinguished and surplus credited to capital reserve; and (ii) credit balance in capital reserve to be adjusted against debit balance in the Retained Earnings (distributable) account and amalgamation adjustment deficit account in the books of the Petitioner Company No. 2 as per



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clause 16.2 (vii) of the Scheme, if any. The aforesaid reduction of the equity share capital of Petitioner Company No. 2 would not have any impact on the shareholding pattern of the Petitioner Company No. 2 nor would it have any adverse impact on the creditors or employees of the Petitioner Company No. 2.

- (h) The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
  - (i) The Scheme will be beneficial to and in the best interest of the concerned stakeholders of the Petitioner Companies.
  - (j) In view of the aforesaid, the Board of Directors of the Petitioner Companies have formulated the Scheme for the proposed amalgamation of the entire business and undertaking of the Petitioner Company No. 1 as a going concern into and with the Petitioner Company No. 2 pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.
9. The Regional Director has filed his Report dated 14<sup>th</sup> day of February 2022 (“**RD Report**”) *inter-alia* making the following observations in Paragraphs IV (a) to (i) which are reproduced hereunder:





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Para	Observation by the Regional Director	Undertaking of the Petitioner Company/ Rejoinder
IV(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 applicable Accounting Standards such as AS-5(IND AS-8) etc.</i>	<i>So far as the observation in paragraph IV (a) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner undertakes that in addition to 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 applicable Accounting Standards such as AS-5 (IND AS – 8) etc.</i>
IV(b)	<i>The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation / Arrangement. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on</i>	<i>So far as the observation in paragraph IV (b) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the scheme by this Hon'ble Tribunal may not deter any authorities to deal with any of the issues arising after giving effect to the scheme and that the decision of authorities is binding on the Petitioner Companies.</i>



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	<i>the Petitioner Company(s).</i>	
<i>IV (c)</i>	<i>The Hon'ble NCLT may kindly direct the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition, are one and same and there is no discrepancy or deviation.</i>	<i>So far as the observation in paragraph IV (c) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Scheme enclosed in the Company Application and the scheme enclosed in the Company Petition are one &amp; same and there is no discrepancy or deviation.</i>
<i>IV (d)</i>	<p><i>As per Definition of the Scheme, "Appointed Date" shall mean April 1, 2021;</i></p> <p><i>"Effective Date 1" means the date fixed by the Board of the Companies falling within 10 Business Days or such other extended date as may be decided by the Board, in each case, after the date on which the last of the conditions referred to in Clause 23.1 hereof are complied with or waived, as applicable.</i></p> <p><i>"Effective Date 2" means the date fixed by the Board of the Transferee Company falling</i></p>	<i>So far as the observation in paragraph IV (d) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Appointed Date is 1st April, 2021 from which it shall be effective and the scheme shall be deemed to be effective from such date. The Petitioner Companies undertakes to comply with the requirements clarified vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i>



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	<p><i>within 10 Business Days or such other extended date as may be decided by the Board, in each case, after the date on which the last of the conditions referred to in Clause 23.2 hereof are complied with or waived, as applicable.</i></p> <p><i>Reference in this Scheme to the date of "coming into effect of Part B/ Part C of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date 1 or Effective Date 2, as the case may be.</i></p> <p><i>Further, the Petitioner may be asked to comply with the requirements and clarified vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	
IV (e)	<p><i>Petitioner Companies have to undertake to comply with the section 232(3)(i) of the Companies Act, 2013, where the transferor Company is dissolved, the fee, if any, paid by the</i></p>	<p><i>So far as the observation in paragraph IV (e) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies undertakes to comply</i></p>



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	<p>transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioner to affirm that they comply the provisions of the section.</p>	<p>with the provisions of section 232(3)(i) of the Companies Act, 2013.</p>
IV (f)	<p>As per Clause 16 of the scheme,</p> <p>16.1. The Transferee Company shall abide by the Indian Accounting Standards, for giving effect to the transfer as contemplated in the Scheme.</p> <p>16.2. Upon the Scheme becoming effective, the Transferee Company shall account for merger of the Transferor Company with the Transferee Company in its books of accounts as under:</p> <p>(i) The accounting shall be in accordance with "Pooling of Interest Method" laid down under Appendix C of Indian Accounting Standard 103 (Ind AS 103): "Business combinations of entities under common control", as</p>	<p>So far as the observation in paragraph IV (f) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies undertakes to abide by the Indian Accounting Standards for giving effect to the transfer as contemplated in the Scheme and comply with the accounting treatment mentioned above. The Learned Counsel for the Petitioner Companies further submits that the Petitioner Company undertakes that the difference, between the equity share capital issued by the Transferee Company under clause 16.2 (iv) of the Scheme and the carrying value of all the assets, liabilities and existing reserves of the Transferor Company, in case of any surplus, shall be credited to</p>



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<p><i>notified under the Act;</i></p> <p><i>(ii) Accordingly, on and from the Appointed Date and subject to the provisions hereof, all assets and liabilities pertaining to the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as appearing in the books of the Transferor Company;</i></p> <p><i>(iii) No adjustments will be made to reflect fair values or recognise any new assets or liabilities. The only adjustments that will be made will be to harmonise accounting policies of the Transferor Company and the Transferee Company.</i></p> <p><i>(iv) The Transferee Company shall credit to its equity share capital account the aggregate face value of the Merger Shares, issued and allotted by it to the equity shareholders of the Transferor Company pursuant to Clause 13.1 of this Scheme.</i></p> <p><i>(v) All costs and expenses</i></p>	<p><i>the Capital Reserve Account arising out of amalgamation and deficits shall be debited to Amalgamation adjustment deficit account .</i></p> <p><i>The Learned Counsel for the Petitioner Companies further submits that the Petitioner Company undertakes that comparative accounting period presented in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation of the Transferee Company and the surplus shall be credited to Capital Reserve Account arising out of amalgamation and deficits shall be debited to Goodwill Account and that the reserves shall not be available for distribution of dividend.</i></p>
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<p><i>incurred by the Transferee Company in connection with the finalization, operationalization and implementation of this Scheme shall be debited to the profit and loss account of the Transferee Company.</i></p> <p><i>(vi) The amount of any inter-company balances, amounts or investments between the Transferor Company and the Transferee Company, appearing in the books of account of the respective Companies, shall stand cancelled in the books of accounts of the respective Companies without any further act or deed, upon Part B of this Scheme becoming effective.</i></p> <p><i>(vii) The difference, between the equity share capital issued by the Transferee Company under clause 16.2 (iv) above and the carrying value of all the assets, liabilities and existing reserves of the Transferor Company, in case of any excess, shall be credited to capital reserve and in case of shortfall shall be debited to amalgamation adjustment deficit</i></p>	
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	<p><i>account.</i></p> <p><i>1.3 Comparative accounting period presented in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation of the Transferor Company, as stated above, as if the amalgamation of the Transferor Company had occurred from the beginning of the comparative period in the financial statements.</i></p> <p><i>Petitioner Companies have to undertake that the surplus shall be credited to Capital Reserve Accounts arising out of the Amalgamated Company deficit shall be debited to Goodwill Account.</i></p> <p><i>Further Petitioner Companies have to undertake that reserves shall not be available for distribution of dividend.</i></p>	
<i>IV (g)</i>	<p><i>The Hon'ble Tribunal may kindly direct the Transferee Company viz., TML Business Services Limited to file form MGT 14 with Registrar of Companies Mumbai</i></p>	<p><i>So far as the observation in paragraph IV (g) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner</i></p>



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	<i>office for alteration of Object Clause.</i>	<i>Companies undertakes to file form MGT 14 and / or other applicable forms with Registrar of Companies Mumbai office for alteration of Object Clause after the Scheme is sanctioned by the Tribunal in accordance with clause 15 of the Scheme.</i>
<i>IV (h)</i>	<i>The Transferor Company has 310 Unsecured Creditor value at Rs. 36,11,77,737,43/-. The Hon'ble Tribunal may kindly direct the Transferee Company to protect the Unsecured Creditors.</i>	<i>So far as the observation in paragraph IV (h) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the Petitioner Companies undertakes that the interest of creditors will be protected. The Counsel for the Petitioner Company further submits that the Transferee Company will take all the assets and liabilities of the Transferor Company and that there rights will not be effected.</i>
<i>IV (i)(i)</i>	<i>ROC, Mumbai Report dated 06.01.2022 has inter alia mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection and no complaints pending against Petitioner Companies.</i>	<i>So far as the observation in paragraph IV i(i) of the Report is concerned, the Learned Counsel for the Petitioner Companies submits that the open charges of the Transferor Company will be transferred to the Transferee Company.</i>



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	<i>Further mentions that :</i>  <i>i. Transferor and Transferee Company having two and four open charges.</i>	
<i>IV (i)(ii)</i>	<i>ii. Interest of creditors should be protected.</i>	<i>So far as the observation in paragraph IV i(ii) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits this interest of creditors will be protected.</i>

10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. Thereafter, the Petitioner Company No.2 had filed their Rejoinder Affidavit to the observation of RD Report on 22<sup>nd</sup> day of February 2022. The Representative of the RD has filed his Supplementary Report dated 3<sup>rd</sup> day of March 2022 confirming that the explanations and clarifications given by the Petitioner Companies are found satisfactory and that they have no objection to the Scheme.

11. The Official Liquidator has filed his report on 28<sup>th</sup> day of February 2022 in the Company Scheme Application No. 255 of 2021, inter alia, stating therein that the affairs of the Transferor Company have been conducted in a proper manner not prejudicial to the interest of the members or the public interest of the Transferor Company and that the Transferor Company may be ordered to be dissolved by this Tribunal.



12. Upon coming into effect of Part B of this Scheme, and in consideration of the transfer and vesting of the Undertaking, Transferee Company shall without any further application, act, instrument or deed, issue and allot to all the equity shareholders of Transferor Company, whose names appears in the register of members as on the Record Date, fully paid up equity shares in the following share exchange ratio:

521 (Five Hundred Twenty-One) equity shares of Rs. 10/- each credited as fully paid-up of Transferee Company for every 100 (One Hundred) equity shares of Rs. 10/- each fully paid-up held by such equity shareholder in Transferor Company ("Merger Shares").

13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
14. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 7 of 2022 is made absolute in terms of the clause 24(a) and 24(b) of prayer clauses of the said Company Scheme Petition.
15. The Petitioner Company No 1 be dissolved without winding up.
16. Petitioners are directed to file a copy of certified Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of



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Companies, electronically along with E-Form INC-28 within 30 days from the date of receipt of the certified Order from the Registry.

17. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the certified Order, if any.
18. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Joint or Assistant Registrar, National Company Law Tribunal, Mumbai.
19. The Appointed Date is 1<sup>st</sup> April, 2021.
20. Ordered Accordingly.

Sd/-

Anuradha Sanjay Bhatia  
Member (Technical)

Sd/-

Suchitra Kanuparthi  
Member (Judicial)

Certified True  
Date 14-03-2022  
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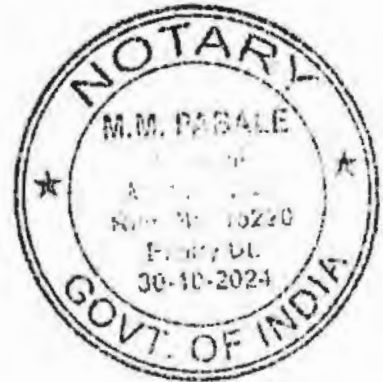
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*R. S. Sonawale*  
Deputy Registrar  
National Company Law Tribunal, Mumbai Bench

EXHIBIT- 'A'

31



**SCHEME OF ARRANGEMENT**

**Between**

**TML DISTRIBUTION COMPANY LIMITED**

**(Transferor Company)**

**And**

**TML BUSINESS SERVICES LIMITED**

**(Transferee Company)**

**And**

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013**



**B**





## I. PREAMBLE

This Scheme (*as defined below*) is presented pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act (*as defined below*), as may be applicable, and also read with Section 2(1B) and other relevant provisions of the IT Act (*as defined below*), as applicable, for the amalgamation of TML Distribution Company Limited into TML Business Services Limited, followed by reorganization and reduction of the share capital of TML Business Services Limited and various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

## II. DESCRIPTION OF THE COMPANIES

1. TML Business Services Limited (formerly known as Concorde Motors (India) Limited (hereinafter referred to as "**Transferee Company**"), a public company limited by shares, incorporated on January 18, 1972 under the Companies Act, 1956 with CIN U72100MH1972PLC015561 and its registered office is situated at 3<sup>rd</sup> Floor, Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk, Mumbai, Maharashtra - 400001. The Transferee Company is *inter alia* engaged in the business of providing outsourcing services for all processes, sub processes, transactions, activities and all other work performed by businesses in various industries within and outside India.
2. TML Distribution Company Limited (hereinafter referred to as "**Transferor Company**"), a public company limited by shares, incorporated on March 28, 2008 under Companies Act, 1956 with CTN U63000MH2008PLC180593 and its registered office situated at Nanavati Mahalaya, 18, Hutatma Chowk, Homi Mody Street, Mumbai, Maharashtra - 400001. The Transferor Company is *inter alia* engaged in the business of distribution and logistics of passenger and commercial vehicles manufactured by Tata Motors Ltd.

## III. RATIONALE AND PURPOSE OF THE SCHEME

1. Tata Motors Limited holds 100% of the equity share capital of the Transferor Company and the Transferee Company.
2. Recognizing the strengths of each other and with the intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the Companies now propose, by way of this Scheme, to amalgamate the Transferor Company into and with the Transferee Company in accordance with the terms hereof. This will also ensure streamlining the Group structure and would reduce the number of legal entities in the Group.
3. The original operations of the Transferee Company were housed in a relatively small business vertical within the Finance Department of Tata Motors Limited for providing support services to Group. The Transferee Company was specifically formed with an all-encompassing vision to make it a one-stop shop for the entire gamut of shared / support / outsourcing services required by the Group and other organizations. With a manpower strength of approximately 1000, the Transferee Company is fully geared up for large scale operations catering to diverse support services requirements of the Group.
4. The Transferor Company, with a manpower strength of approximately 70, also operates primarily in the realm of support services. However, the same is limited to outbound logistics of vehicles and allied activities, which includes negotiations with transporters, managing the logistics services providers and regional stockyard operations, billing operations etc. for Tata Motors Limited.



5. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits for the Group:
- (i) given the common core objective of the Transferor Company and the Transferee Company i.e. providing shared or support services, significant operational synergies stand to be gained upon merging the Transferor Company with the Transferee Company,
  - (ii) consolidation of the Transferor Company into the Transferee Company pursuant to this Scheme will result in a reduction in the number of corporate entities in the Group thereby leading to simplification of the Group structure, reduce monitoring and corporate compliances and other administration work, provide a common governance structure, thereby enhancing shareholder value, realizing operational synergies, increasing operational efficiency and integrating business functions,
  - (iii) the Transferor Company being smaller in terms of operations and manpower, it would commercially be less disruptive to move Transferor Company's business to the Transferee Company,
  - (iv) consolidation of the respective businesses of the Transferor Company and the Transferee Company to ensure more focused operational efforts, reduce overhead expenses and align with the business plans which will enable to meet the long term objectives of the Group,
  - (v) the amalgamation of the Transferor Company with the Transferee Company will reduce time, efforts and expense in consolidating the financials at the Group level (including audit),
  - (vi) pursuant to the amalgamation of the Transferor Company with the Transferee Company, common support functions (such as finance, secretarial, IT & HR, administration, procurement etc.) could be integrated leading to cost savings and increased resource productivity,
  - (vii) the amalgamation will also provide an opportunity to leverage the combined assets and build a stronger sustainable business, and
  - (viii) the proposed amalgamation would be in line with the Group's overall long term vision.
6. The Scheme is not prejudicial to the interest of the shareholders and creditors of the Companies.
7. Following consummation of the actions set out in Part B of this Scheme, the Transferee Company shall have negative reserves. Accordingly, for reflection of the true position of books of accounts and part return of excess share capital to the shareholders of the Transferee Company, the Board of Directors of the Transferee Company considered it prudent to consider (a) a reduction of its share capital by cancellation and extinguishment of up to 128,28,88,145 (One Hundred Twenty Eight Crore Twenty Eight Lakhs Eighty Eight Thousand One Hundred Forty Five) shares of ₹ 10/- each constituting equity share capital of ₹ 1282,88,81,450 (Rupees One Thousand Two Hundred Eighty Two Crore Eighty Eight Lakhs Eighty One Thousand Four Hundred Fifty) and (b) a repayment of excess share capital back in the form of a cash payment of an amount of up to ₹ 131,82,72,450/- (Rupees One Hundred Thirty One Crore Eighty Two Lakhs Seventy Two Thousand Four Hundred Fifty), to its equity shareholders, in the manner set out in Clause 19.1 of Part C of this Scheme.



8. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
9. The Scheme will be beneficial to and in the best interest of the concerned stakeholders of the Companies.
10. In view of the aforesaid, the Board of Directors of the Companies have formulated this Scheme for the proposed amalgamation of the entire business and undertaking of the Transferor Company as a going concern into and with the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

#### IV. PARTS OF THIS SCHEME

1. **PART A** deals with definitions, interpretation, effective dates and share capital;
2. **PART B** deals with the amalgamation of the Transferor Company into and with the Transferee Company in accordance with Sections 230 to 232 of the Act;
3. **PART C** deals with the reorganization and reduction of share capital of the Transferee Company; and
4. **PART D** deals with the general terms and conditions applicable to this Scheme.



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## PART A

### 1. DEFINITIONS

In this Scheme unless the meaning or context otherwise requires (i) terms defined in the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the introductory paragraphs above) shall have the meanings set out below:

- 1.1. **"Act"** means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder.
- 1.2. **"Applicable Law"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines or policies of any applicable country and/ or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority.
- 1.3. **"Appointed Date"** shall mean April 1, 2021.
- 1.4. **"Business Days"** means any other day other than a Saturday, Sunday or public holiday, on which banks are generally open for business in Mumbai.
- 1.5. **"Board of Directors" or "Board"** means the Board of Directors of the Transferor Company and and/or the Transferee Company, as the context may require, and shall include a committee of directors or any person authorized by such Board of Directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.
- 1.6. **"Companies"** means collectively, the Transferor Company and the Transferee Company.
- 1.7. **"Consent"** means any notice, consent, approval, authorization, waiver, permit, permission, clearance, license, certificate, exemption, order, declaration, filing, report or notice, no objection certificate and registration, of, with or to, as the case may be, by any Person (including any Governmental Authority).
- 1.8. **"Effective Date 1"** means the date fixed by the Board of the Companies falling within 10 Business Days or such other extended date as may be decided by the Board, in each case, after the date on which the last of the conditions referred to in Clause 23.1 hereof are complied with or waived, as applicable.
- 1.9. **"Effective Date 2"** means the date fixed by the Board of the Transferee Company falling within 10 Business Days or such other extended date as may be decided by the Board, in each case, after the date on which the last of the conditions referred to in Clause 23.2 hereof are complied with or waived, as applicable.

Reference in this Scheme to the date of "coming into effect of Part B/ Part C of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date 1 or Effective Date 2, as the case may be.

- 1.10. **"Encumbrance"** means (a) any interest or equity of any Person (including any right to acquire, option or right of pre-emption) or any mortgage, charge (whether fixed or floating), claim, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above, or other



encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law.

- 1.11. **"Group"** means Tata Motors Limited and each of its joint venture entities, associate entities and subsidiaries (as defined under Section 2(87) of the Act).
- 1.12. **"GST"** means goods and services tax.
- 1.13. **"Governmental Approvals"** means any Consent of any Governmental Authority.
- 1.14. **"Governmental Authority"** means any government authority, statutory authority, regulatory authority, agency, government department, board, commission, administrative authority, tribunal or court or any authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof or in any other nation over the Transferor Company and/ or the Transferee Company, as the context may require.
- 1.15. **"IT Act"** means the (Indian) Income Tax Act, 1961 and any rules made thereunder.
- 1.16. **"Merger Shares"** shall have the meaning ascribed to it in Clause 13.1.
- 1.17. **"NCLT"** means the Hon'ble National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and the Transferee Company, or such other forum or authority as may be vested with any of the powers for approving any scheme of arrangement, compromise or reconstruction of a company under Section 230 to 232 of the Act.
- 1.18. **"NCLT Order"** means all order(s) passed by the NCLT sanctioning the Scheme and includes any orders passed by NCLT or any other Governmental Authority's order(s) for extension of time or condonation of delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.
- 1.19. **"Person"** means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any Governmental Authority.
- 1.20. **"Record Date"** means the date to be fixed by the Board of Directors of Transferee Company, for the purpose of determining the shareholders of the Transferor Company to whom shares shall be issued in consideration for the amalgamation of Transferor Company into the Transferee Company pursuant to and as contemplated under this Scheme.
- 1.21. **"Registrar of Companies"** means the Registrar of Companies, Mumbai having jurisdiction over Transferor Company and the Transferee Company.
- 1.22. **"Retained Earnings"** means the amount appearing in the annual financial statements of the Transferor Company and Transferee Company under 'other equity' and representing cumulative profit / (loss) of the Transferor Company and Transferee Company or any other distributable balances including other comprehensive income (whether or not shown separately) but excluding general reserves, as on the Appointed Date.





- 1.23. **"Rupees"** or **"Rs."** or **"INR"** or **"₹"** means the lawful currency of India.
- 1.24. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authorities.
- 1.25. **"Taxation"** or **"Tax"** or **"Taxes"** shall mean any and all forms of taxation, including, direct and indirect tax, duty, cess, rates, governmental fee, taxes or levy of any nature (whether central, state, provincial, municipal or local) or any other like assessment or charge of any kind whatsoever [including any income tax, minimum alternate tax, alternative or add-on minimum tax, sales, use, ad valorem, value added, transfer, profits, license, withholding tax on amounts paid or payable, advance tax, severance, stamp duty, excise, capital stock, occupation, property, GST (including TDS and TCS applicable under GST), service tax, value added tax, benefits availed under the foreign trade policy, if any, surcharge, dividend distribution tax, capital gains tax, buy-back distribution tax or similar type tax, premium, custom, tariffs, duty or any other tax], together with any interest, penalty, fines or addition to tax, compounding amount, settlement amount, or additional amount due, imposed by any Governmental Authority responsible for the imposition of any such tax whether in India or outside India) in relation thereto, including any tax levied on a Person in its capacity as a representative assessee of any other Person.
- 1.26. **"Undertaking"** means any or all the undertaking and the entire business of the Transferor Company as a going concern as of the Appointed Date, including all its assets, investments, rights, Consents and powers, and all its debts, outstandings, duties, obligations and employees including, but not in any way limited to, the following:
- a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, investments of all kinds (i.e., shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), furniture, fixtures, machinery, office equipment, computers, fixed assets, current assets [including, without limitation, all inventories, stock-in-trade or stock-in-transit, tools, plants, merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), supplies, finished goods, packaging items, wherever located], cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables (including Tax refunds and similar receivables), Tax balances, Tax deposits with Governmental Authorities, Tax credits, book losses and book depreciation, Tax losses and Tax depreciation, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of 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 interest held in trust, registrations (including any Tax registrations), contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever 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 Transferor Company or in connection with or relating to 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 Transferor Company, whether in India or abroad;
  - b) all Consents, benefits (including Tax benefits), credits, awards, sanctions,





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allotments, quotas, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto;

- c) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of agreements, minutes of meetings, bids, tenders, expression of interest, letter of intent, supply contracts, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, 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;
- d) all goodwill of the Transferor Company;
- e) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature;
- f) all the credits for Taxes such as income tax, GST and all other direct and indirect taxes, including but not limited to Tax deduction at source, Tax collection at source, Minimum Alternative Tax (MAT) credit and advance Tax of Transferor Company;
- g) all the entitlements to the claim deduction with respect to items such as provisions, expenses etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date and exclude items such as provisions, reversal etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Appointed Date; all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;
- h) all debts and liabilities, both present and future of the Transferor Company, including all secured and unsecured debts, liabilities (including deferred Tax liabilities and contingent liabilities), duties, provision for Taxes, duties and obligations (including under any licenses or permits or schemes of every kind) of every kind, nature and description whatsoever and howsoever arising, whether or not raised or incurred or utilized for its business activities and operations along with any Encumbrances created in relation to the same;
- i) all staff and employees, including liabilities of Transferor Company, with regard to their employees / workmen, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment



or otherwise; and

- j) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company.

## 2. INTERPRETATION

- 2.1. In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.
- 2.2. The terms referred to in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, bear the meaning ascribed to them under the Act, IT Act and other Applicable Laws.
- 2.3. All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
- (a) any statutory modification, consolidation or re-enactment made after the date of approval this Scheme by the Boards of the Transferor Company and the Transferee Company for the time being in force;
  - (b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - (c) all statutory instruments or orders made pursuant to a statutory provision; and
  - (d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 2.4. Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 2.5. Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 2.6. References to clauses, and schedules are, unless the context otherwise requires, references to clauses, and schedules to this Scheme.
- 2.7. Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 2.8. Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.
- 2.9. The words "include" and "including" are to be construed without limitation.
- 2.10. Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

## 3. DATE OF TAKING EFFECT

- 3.1. Part B of the Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authority shall be effective



from the Appointed Date mentioned herein but shall be operative from the Effective Date 1.

- 3.2. Part C of the Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authority shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date 2.
- 3.3. It is clarified that the actions set out in Part B of this Scheme shall precede the actions set out in Part C of the Scheme and Part C is conditional upon Part B of the Scheme becoming effective.

#### 4. SHARE CAPITAL

- 4.1. The share capital of the Transferor Company as on August 31, 2021 is as follows:

<b>PARTICULARS</b>	<b>AMOUNT (IN ₹)</b>
<b>Authorised Share Capital:</b>	
22,50,00,000 Equity Shares of ₹ 10/- each	2,25,00,00,000
<b>Total</b>	<b>2,25,00,00,000</b>
<b>Issued, Subscribed and Paid-up share capital:</b>	
22,50,00,000 Equity Shares of ₹ 10/- each fully paid up	2,25,00,00,000
<b>Total</b>	<b>2,25,00,00,000</b>

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid-up capital of Transferor Company.

- 4.2. The share capital of the Transferee Company as on August 31, 2021 is as follows:

<b>PARTICULARS</b>	<b>AMOUNT (IN ₹)</b>
<b>Authorised Share Capital:</b>	
17,50,00,000 Equity Shares of ₹ 10/- each	1,75,00,00,000
25,00,000 7% Cumulative Redeemable Preference Shares of ₹ 100/- each	25,00,00,000
<b>Total</b>	<b>2,00,00,00,000</b>
<b>Issued, Subscribed and Paid-up share capital:</b>	
16,36,97,694 Equity Shares of ₹ 10 each fully paid up	163,69,76,940
24,35,000 7% Cumulative Redeemable Preference Shares of ₹ 100 each	24,35,00,000



<b>PARTICULARS</b>	<b>AMOUNT (IN ₹)</b>
<b>Total</b>	<b>188,04,76,940</b>

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



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## PART B

### 5. TRANSFER AND VESTING OF THE UNDERTAKING

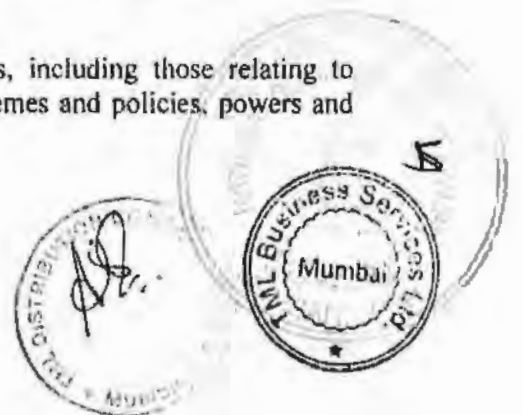
- 5.1. With effect from the Appointed Date and upon effectiveness of Part B of the Scheme, the Transferor Company shall stand amalgamated into the Transferee Company and the Undertaking shall, subject to the terms and conditions of this Scheme and, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become an undertaking of the Transferee Company by virtue of and in the following manner:
- 5.1.1. All assets of the Transferor Company that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/ or endorsement and delivery or by operation of law, pursuant to the NCLT Order, shall be vested in the Transferee Company. Upon Part B of this Scheme becoming effective and with effect from the Appointed Date, the title of such property shall be deemed to have been mutated and recognized as that of the Transferee Company, absolutely and forever.
- 5.1.2. In respect of all other movable properties of the Transferor Company other than those referred to in Clause 5.1.1 above, including actionable claims, outstanding loans and advances, if any, sundry debtors, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date upon the effectiveness of Part B of the Scheme. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.
- 5.1.3. All immovable properties of the Transferor Company and any immovable properties (if applicable) including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or leave and license or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, by operation of law pursuant to the sanctioning of the Scheme and upon Part B of the Scheme becoming effective. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall upon the NCLT Order sanctioning the Scheme and upon Part B of this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and Taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon Part B of this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon Part B of the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of Transferor Company in any leasehold





properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

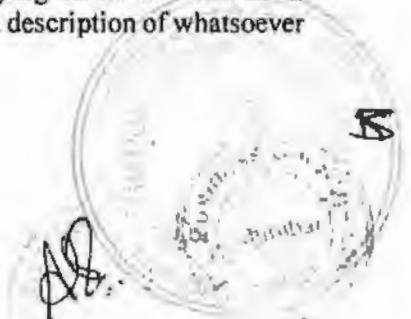
- 5.1.4. All the other assets, rights, title, interests and investments whether or not included in the books of accounts, including those which were acquired on or after the Appointed Date but prior to Effective Date 1 of the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of Part B of this Scheme.
- 5.1.5. With effect from the Appointed Date, all unsecured liabilities, (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and further that it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company.
- 5.1.6. Pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of security over the properties of Transferor Company, if any, shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of Transferor Company; and (b) the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company, if any, shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.
- 5.1.7. On or after the Appointed Date but before the Effective Date 1, all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including Taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including Taxes), as the case may be, of the Transferee Company.
- 5.1.8. On and from the Effective Date 1, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 5.1.9. All Governmental Approvals and other Consents, including those relating to tenancies, privileges, benefits under incentive schemes and policies, powers and





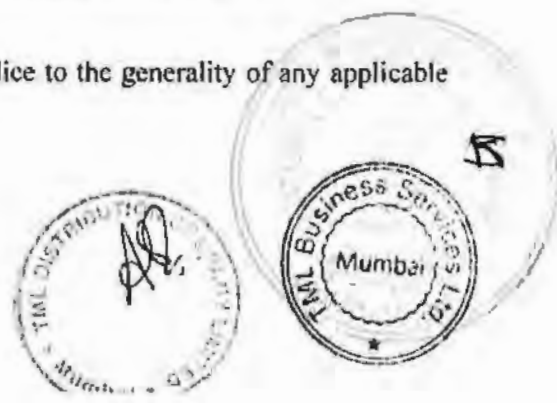
facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations of the Transferor Company, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company. In so far as the various incentives, Tax benefits, subsidies (including applications for subsidies), sales tax benefits, rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to the Transferor Company.

- 5.1.10. With effect from the Appointed Date and upon Part B of the Scheme becoming effective, all registrations, licenses, trademarks, copyrights, domain names, patents, applications for copyrights, trade-names and trademarks, etc. pertaining to the Transferor Company, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the sanction of the Scheme.
- 5.1.11. All Taxes, direct or indirect (including but not limited to advance Tax, Tax deducted at source, Tax collected at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, withholding tax, Taxes withheld/paid in a foreign country, cess, duties, value added tax, sales tax, service tax, GST etc.) payable by or refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds, claims or deposits with any Governmental Authority, right to claim credit for minimum alternate tax, set-off and carry forward of accumulated losses, unabsorbed Tax depreciation, book losses, book depreciation, unabsorbed R&D expenditure, deferred revenue expenditure, deduction, rebate, allowance, amortization benefit, etc., whether in India or anywhere outside India, shall be treated as the Tax liability or refunds/claims, etc. as the case may be, of the Transferee Company, and any Tax incentives, advantages, privileges, exemptions, credits, holidays, remissions (including remissions under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, GST, entry tax), reductions, grants, subsidies, special status, unutilized Tax credits, etc., as would have been available to the Transferor Company, shall pursuant to Part B of this Scheme becoming effective, be available to the Transferee Company.
- 5.1.12. Any third party or Governmental Authority required to give effect to any provisions of Part B of this Scheme, shall take on record the NCLT Order sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon Part B of this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, Consents, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.



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- 5.1.13. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of Part B of this Scheme and with effect from Appointed Date, all Consents given by, issued to or in favour of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
- 5.1.14. The Transferee Company shall, at any time after Part B of this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 5.1.15. With effect from the Appointed Date, upon Part B of the Scheme becoming effective, all inter se contracts and other arrangements solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company.
- 5.1.16. With effect from the Appointed Date, upon Part B of the Scheme becoming effective, there will be no accrual of income or expense on account of any transactions, including *inter alia* any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, upon Part B of the Scheme becoming effective, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company, and any transaction between the Transferor Company and the Transferee Company after the Appointed Date shall be cancelled and shall be considered as if they never existed.
- 5.1.17. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Consents, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.
- 5.1.18. For avoidance of doubt and without prejudice to the generality of any applicable



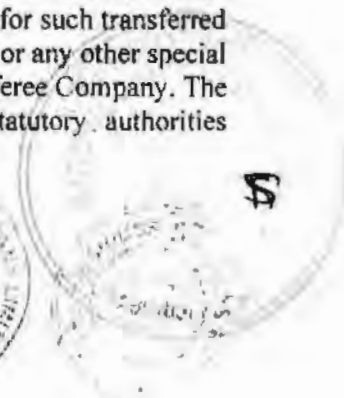
provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company immediately prior to the Effective Date 1, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory pertaining to the Transferor Company with or without making any modifications whatsoever to such products. All invoices/ payment related documents pertaining to such products and inventory may be raised in the name of the Transferee Company after the Effective Date 1.

## **6. CONTRACTS, DEEDS, AND OTHER INSTRUMENTS**

- 6.1. Upon the coming into effect of Part B of this Scheme, with effect from Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferee Company, the Transferor Company had been a party or beneficiary or obligee thereto.
- 6.2. Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Part B of the Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

## **7. STAFF, EMPLOYEES & WORKMEN**

- 7.1. Upon the coming into effect of Part B of this Scheme, all the employees of the Transferor Company immediately prior to the Effective Date 1 shall become the employees of the Transferee Company and be deemed to have become the employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable.
- 7.2. The Transferee Company agrees that the service of all employees of the Transferor Company immediately prior to the Effective Date 1 shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company immediately prior to the coming into effect of Part B of this Scheme. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 7.3. Upon the coming into effect of Part B of this Scheme and with effect from Effective Date 1, the Transferee Company shall make all the necessary contributions for such transferred employees in the provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme of the Transferee Company. The Transferee Company will also file relevant intimations to the statutory authorities





concerned who shall take the same on record and substitute the name of the Transferor Company for the Transferee Company.

- 7.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for employees, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company.

## **8. LEGAL PROCEEDINGS**

- 8.1. Upon the coming into effect of Part B of this Scheme, if any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in Part B of this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been made.
- 8.2. On and from the Effective Date 1, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the relevant matters pertaining to the Transferor Company in the same manner and to the same extent as the Board of the Transferee Company may deem appropriate.

## **9. TREATMENT OF THE SCHEME FOR THE PURPOSES OF IT ACT**

- 9.1. The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act. If any of the terms or provisions of the Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the IT Act at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with the provisions of Section 2(1B) of the IT Act. Such modification will however not affect other parts of the Scheme.
- 9.2. Upon Part B of the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and statutory returns along with prescribed forms, filings and annexures, including under the IT Act, if required (including for minimum alternate tax purposes, carry forward and set-off of Tax losses and Tax benefits), service Tax law, VAT laws, sales Tax laws, excise duty laws, customs duty laws, CGST, SGST, IGST and other Tax laws and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), Tax losses and to claim Tax benefits under the IT Act and other Tax laws (including STPI or SEZ benefits) etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- 9.3. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Upon Part B of the Scheme becoming effective, the Transferee Company shall be permitted to revise its withholding Tax return and related withholding Tax certificates, including withholding Tax certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim withholding Tax credits pursuant to the provisions of this Scheme.
- 9.4. To the extent suitable under the Applicable Law, the service tax, VAT, excise duty, custom duty, entry tax and sales tax under the pre - GST regime and in the GST regime, CGST,



SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.

#### **10. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer and vesting of the Undertaking and continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date 1, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company in relation to the Undertaking as acts, deeds and things done and executed by and on behalf of the Transferee Company.

#### **11. CONDUCT OF BUSINESS TILL EFFECTIVE DATE 1**

11.1. With effect from the Appointed Date and upto and including the Effective Date 1:

11.1.1 Except with the prior approval of the Board of the Transferee Company, the Transferor Company shall run and operate the Undertaking in the ordinary course of business consistent with past practices of the Transferor Company.

11.1.2 The Transferor Company shall not, except by way of issue of securities to the Transferee Company, increase its share capital (by fresh issue of shares, convertible debentures or otherwise), without express consent of the Transferee Company.

11.1.3 All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.

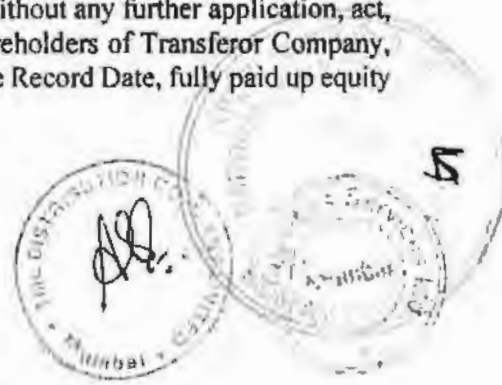
11.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, and all other agencies, departments and authorities concerned as are necessary under law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

#### **12. DISSOLUTION OF TRANSFEROR COMPANY**

Upon Part B of the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.

#### **13. CONSIDERATION**

13.1. Upon coming into effect of Part B of this Scheme, and in consideration of the transfer and vesting of the Undertaking, Transferee Company shall without any further application, act, instrument or deed, issue and allot to all the equity shareholders of Transferor Company, whose names appears in the register of members as on the Record Date, fully paid up equity shares in the following share exchange ratio:



521 (Five Hundred Twenty One) equity shares of ₹10/- each credited as fully paid-up of Transferee Company for every 100 (One Hundred) equity shares of ₹10/- each fully paid-up held by such equity shareholder in Transferor Company ("**Merger Shares**").

- 13.2. The Merger Shares issued pursuant to Clause Error! Reference source not found., shall be issued to the shareholders of Transferor Company in demat form, that is, dematerialized shares.
- 13.3. In case any shareholder's holding in the Transferor Company is such that such shareholder becomes entitled to a fraction of a Merger Share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such shareholders.
- 13.4. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
- 13.5. The Merger Shares issued and allotted by the Transferee Company, in terms of Clause 13.1, above, shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank pari passu in all respects with the then existing equity shares of Transferee Company. Further, Transferee Company shall, if required, take all necessary steps for increase of authorized share capital for issue of the Merger Shares.
- 13.6. Upon Part B of the Scheme becoming effective and upon the Merger Shares being issued and allotted as provided in Part B of this Scheme, the equity shares of the Transferor Company, in dematerialized form and/or in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the date of aforesaid allotment.
- 13.7. It is clarified that upon the approval of this Scheme by the shareholders of Transferee Company and the Transferor Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 42, 62 and any other applicable provisions under the Act, and that no separate approval from the shareholders to that extent shall be required to be sought by the Companies for the matters specified in this Scheme.

#### 14. **CONSOLIDATION AND INCREASE OF AUTHORISED SHARE CAPITAL OF THE TRANSFEE COMPANY**

- 14.1. The authorised share capital of the Transferor Company shall be combined with the authorised share capital of the Transferee Company without any further act or deed. The filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased. Additionally, the authorized share capital of the Transferee Company shall be increased by ₹ 935,94,71,940/- (Rupees Nine Hundred Thirty Five Crores Ninety Four Lakhs Seventy One Thousand Nine Hundred and Forty) and the Transferee Company shall file requisite forms with the Registrar of Companies and discharge the applicable filing fees and stamp duty in relation to such increase. Accordingly, upon sanction of this Scheme and from the date of Part B of this Scheme becoming effective, the authorised share capital of the Transferee Company shall stand increased to ₹ 1360,94,71,940/- (Rupees One Thousand Three Hundred Sixty Crores Ninety Four Lakhs Seventy One Thousand Nine Hundred and Forty) without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and payment of fees payable to Registrar of Companies, except as provided





above.

- 14.2. The approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be the approval of increase in the authorised share capital of the Transferee Company under Sections 4, 13 and 61 and other applicable provisions of the Act.
- 14.3. Clause V of the Memorandum of Association of the Transferee Company relating to authorised share capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 4, 13 and 61 and other applicable provisions of the Act, as the case may be, to read as follows:

*"V. The Authorised Share Capital of the Company is ₹ 1360,94,71,940/- (Rupees One Thousand Three Hundred Sixty Crore Ninety Four Lakhs Seventy One Thousand Nine hundred and Forty) divided into 133,59,47,194 (One Hundred Thirty Three Crores Fifty Nine Lakhs Forty Seven Thousand One Hundred and Ninety Four) equity shares of ₹ 10/- (Rupees Ten) each and 25,00,000 (Twenty Five Lakhs) preference shares of ₹ 100/- (Indian Rupees One Hundred only) each with a right to receive dividends at a higher rate or rates not exceeding 7% per annum as may be determined by the Board of Directors in accordance with the Articles of Association of the Company and with power to increase or reduce and repay the share capital or any portion thereof at any time and from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being whether original or increased, may be divided consolidated and sub-divided into other or further classes by any issue or new issue of other or further class of any value, with such preferential, qualified or special rights, privileges or conditions as may be determined or in accordance with the Articles of Association of the Company and the right to vary, modify or abrogate any such rights privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."*

- 14.4. For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferor Company and, or, the Transferee Company, as the case may be, undergoes any change, either as a consequence of any corporate actions or otherwise, then Clause 14.3 shall automatically stand modified / adjusted automatically accordingly to take into account the effect of such change.

## **15. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY**

- 15.1. In order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of Part B of the Scheme, the main object clause in the memorandum of association of Transferor Company shall be added to the main object clause of the memorandum of association of the Transferee Company as new Clause III (A)(7) as follows:

*"7. To carry on the business of distribution or dealing in all kinds and description of motor vehicles, trucks, lorries, dumpers, buses, coaches, cars, utility vehicles, tractors, construction equipment, capital equipment and all components, parts, spare parts, accessories, equipment, apparatus pertaining thereto and to carry on the business of transportation and logistics services provider to any company, firm, body corporate or any person whether in India or abroad and for the above purposes, render services and solutions for sales co-ordination, order management, billing and invoicing, logistics and transport management, stock, yard and warehouse management, fleet management, cold chain management, collection of payments, handling of area offices, supply chain management, by providing advanced technology to support and optimise the services and solutions offered by the Company and integrating the same into business processes and systems by providing real-time information, systems integration, distribution network*

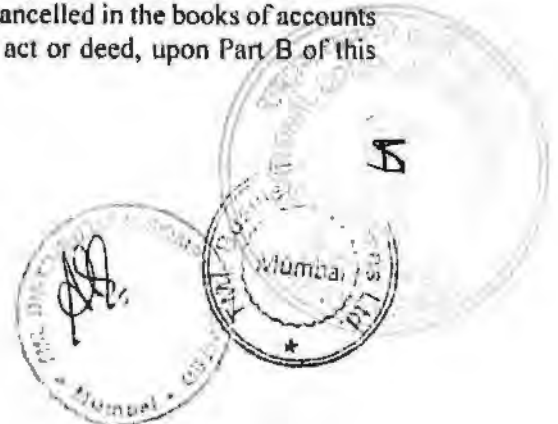


*design, marketing channel strategy, distribution optimization simulation and asset planning, data warehousing, route planning, multi-modal transportation and carrier selection & management, inbound & outbound management, track & trace, order and materials management, managing all statutory compliances relating thereto, reverse logistics like asset recovery, foreign exchange management, repairing services, reprocessing, disposal management, Inbound Logistics like component assembly, packaging, sequencing, kitting, line-side delivery and International Logistics like custom clearance, freight forwarding, tax and tariff management."*

- 15.2. It is hereby clarified that for the purpose of this Clause 15, that the consent of the shareholders of the Transferee Company to the Scheme shall be sufficient for the purposes of effecting the above amendment in the Memorandum of Association of the Transferee Company, and shall be deemed to include consent / approval as required under section 13 and other applicable provisions of the Act that may be applicable, and no further resolution under any provisions of the Act would be separately required. Upon coming into effect of Part B of this Scheme, the Transferee Company shall file the requisite form(s) with the Registrar of Companies for alteration of the object clause of its memorandum of association.

## 16. ACCOUNTING TREATMENT

- 16.1. The Transferee Company shall abide by the Indian Accounting Standards, for giving effect to the transfer as contemplated in the Scheme.
- 16.2. Upon the Scheme becoming effective, the Transferee Company shall account for merger of the Transferor Company with the Transferee Company in its books of accounts as under:
- (i) The accounting shall be in accordance with "Pooling of Interest Method" laid down under Appendix C of Indian Accounting Standard 103 (Ind AS 103): "Business combinations of entities under common control", as notified under the Act;
  - (ii) Accordingly, on and from the Appointed Date and subject to the provisions hereof, all assets and liabilities pertaining to the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as appearing in the books of the Transferor Company;
  - (iii) No adjustments will be made to reflect fair values or recognise any new assets or liabilities. The only adjustments that will be made will be to harmonise accounting policies of the Transferor Company and the Transferee Company.
  - (iv) The Transferee Company shall credit to its equity share capital account the aggregate face value of the Merger Shares, issued and allotted by it to the equity shareholders of the Transferor Company pursuant to Clause 13.1 of this Scheme.
  - (v) All costs and expenses incurred by the Transferee Company in connection with the finalization, operationalization and implementation of this Scheme shall be debited to the profit and loss account of the Transferee Company.
  - (vi) The amount of any inter-company balances, amounts or investments between the Transferor Company and the Transferee Company, appearing in the books of account of the respective Companies, shall stand cancelled in the books of accounts of the respective Companies without any further act or deed, upon Part B of this Scheme becoming effective.



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- (vii) The difference, between the equity share capital issued by the Transferee Company under clause 16.2 (iv) above and the carrying value of all the assets, liabilities and existing reserves of the Transferor Company, in case of any excess, shall be credited to capital reserve and in case of shortfall shall be debited to amalgamation adjustment deficit account.

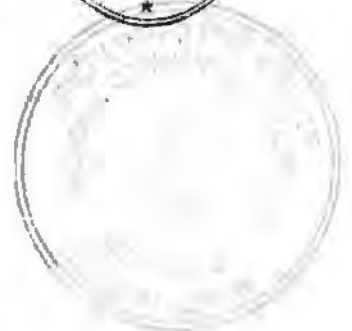
- 16.3. Comparative accounting period presented in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation of the Transferor Company, as stated above, as if the amalgamation of the Transferor Company had occurred from the beginning of the comparative period in the financial statements.

#### 17. CANCELLATION OF COMPULSORILY CONVERTIBLE DEBENTURES

- 17.1. Upon coming into effect of Part B of this Scheme, the compulsorily convertible debentures of the Transferee Company held by the Transferor Company on the Effective Date 1 shall be extinguished or shall be deemed to be extinguished and all such compulsorily convertible debentures held by the Transferor Company shall be cancelled and shall be deemed to be cancelled without any further application, act or deed and shall be effected as a part of the Scheme and not in accordance with Section 66 of the Act and in the manner stipulated in this Part B of the Scheme.

#### 18. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- 18.1. Upon the coming into effect of Part B of the Scheme and with effect from the Appointed Date, the resolutions of the Board of Directors of the Transferor Company, including resolutions of any committees authorized by and comprising *inter alia* of members of the Board of Directors of the Transferor Company, as are considered necessary by the Board of Directors of Transferee Company and which are validly subsisting, shall be considered as resolutions of Transferee Company.
- 18.2. With effect from the Effective Date 1, the security creation, borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the security creation, borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.
- 18.3. Any corporate approvals obtained by the Transferor Company, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.



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**PART C – REORGANIZATION AND REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY**

**19. REDUCTION OF THE EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY**

19.1. Subject to the completion of the issuance of the Merger Shares upon effectiveness of Part B of the Scheme and upon Part C of the Scheme becoming effective, the issued, paid up and subscribed share capital of the Transferee Company of ₹ 1335,94,71,940/- (Rupees One Thousand Three Hundred Thirty Five Crores Ninety Four Lakhs Seventy One Thousand Nine hundred and Forty) comprising of 133,59,47,194 (One Hundred Thirty Three Crores Fifty Nine Lakhs Forty Seven Thousand One Hundred and Ninety Four) equity shares of face value ₹ 10/- (Indian Rupees Ten) each shall be reduced to upto ₹ 53,05,90,490/- (Rupees Fifty Three Crores Five Lakh Ninety Thousand Four Hundred and Ninety) comprising of 5,30,59,049 (Five Crores Thirty Lakhs Fifty Nine Thousand and Forty Nine) equity shares of face value ₹ 10/- (Indian Rupees Ten), without any application or deed, in the following manner:

19.1.1. Cancellation and extinguishment of up to 128,28,88,145 (One Hundred Twenty Eight Crore Twenty Eight Lakhs Eighty Eight Thousand One Hundred Forty Five) shares of ₹ 10/- each constituting equity share capital of ₹ 1282,88,81,450/- (Rupees One Thousand Two Hundred Eighty Two Crore Eighty Eight Lakhs Eighty One Thousand Four Hundred Fifty) and returning to the equity shareholder of the Transferee Company, by way of cash payment, of an amount of up to ₹ 131,82,72,450/- (Rupees One Hundred Thirty One Crore Eighty Two Lakhs Seventy Two Thousand Four Hundred Fifty), in aggregate, proportionately for all equity shares so cancelled and extinguished and surplus credited to capital reserve; and

19.1.2. Credit balance in capital reserve to be adjusted against debit balance in the Retained Earnings (distributable) account and amalgamation adjustment deficit account in the books of the Transferee Company as per clause 16.2 (vii), if any.

19.2. While the above-mentioned accounting treatment is not specifically addressed by any of the Indian Accounting Standards notified under the Act, it is considered to be in accordance with generally accepted accounting principles in India.

19.3. The pro-forma statement of the Retained Earnings (distributable) account and the Share Capital of the Transferee Company as of the Effective Date 2 shall be as follows:

Particulars	Amount as of a date after completion of Part B of the Scheme	Proposed Reduction	Balance as of the Effective Date 2
Share Capital of the Transferee Company*	₹ 1335,94,71,940	Upto ₹1282,88,81,450	Upto ₹53,05,90,490
Retained Earnings (distributable)*	Approx. Upto (₹207,33,83,000)	Approx. Upto ₹207,33,83,000	NIL

**Note:** \*The amounts in respect of the negative balance in Retained Earning and the Share Capital of the Transferee Company on the Effective Date 2 are presented on a pro-forma basis assuming issuance of Merger Shares and effectiveness of all the actions set out in Part B of the Scheme.

19.4. Further, Article 69 of the articles of association of the Transferee Company authorizes the





Transferee Company to reduce its share capital in any manner and in accordance with the provision of the Act.

- 19.5. The reduction of equity share capital of the Transferee Company, as set out above, shall be effected as per the provisions of sections 230 to 232 of the Act and shall be deemed to be also effected under section 52 and section 66 of the Act and any other provision of Applicable Law.
- 19.6. The approvals including approvals from the shareholders of the Transferee Company received pursuant to the provisions of the sections 230 to 232 of the Act under this Scheme shall deemed to be sufficient approval(s) for giving effect to the provisions of this Clause 19 including under Section 52, Section 66 and the other related provisions of the Act. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the equity share capital of the Transferee Company; or (ii) obtain any additional approvals / compliances under section 66 of the Act.
- 19.7. The reduction of the equity share capital of the Transferee Company shall be effected as an integral part of the Scheme (without having to follow the process under section 66 of the Act separately) and the same does not involve a diminution of liability. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66, Section 52 and other applicable provisions of the Act confirming the reduction of the equity share capital. The reduction of the equity share capital of the Transferee Company in the manner contemplated in this Scheme would not have any impact on the shareholding pattern of the Transferee Company nor would it have any adverse impact on the creditors or employees of the Transferee Company.
- 19.8. The Transferee Company shall not be required to add the words "And Reduced" as a suffix to its name consequent upon such reduction.



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## PART D - GENERAL TERMS AND CONDITIONS

### 20. APPLICATIONS TO NCLT

The Transferor Company and the Transferee Company, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, where the registered office of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 and other applicable provisions of the Act.

### 21. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may, collectively, make and/or Consent to any modifications/ amendments to the Scheme or to any conditions or limitations that they may deem fit or that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Board of Directors of the Transferor Company and the Transferee Company shall have complete power to take the most sensible interpretation so as to render the Scheme operational.

### 22. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME

- 22.1. In the event of any of the approvals or conditions referred to in Clause 23 not being obtained and/ or complied with and/or satisfied and/or the Scheme not being sanctioned by the NCLT and/or NCLT Order(s) not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect. The Transferor Company and the Transferee Company shall, in such event, *inter se* bear and pay their respective costs, charges, expenses in connection with the Scheme.
- 22.2. In the event of revocation under Clause 22.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.
- 22.3. The Transferor Company and the Transferee Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme at any time prior to the Effective Date 1: (a) in case any condition or alteration imposed by any Governmental Authority / Person is unacceptable to any of them or makes the Scheme unviable to implement; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective Companies; or (c) for any reason they





may deem fit.

## 23. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

23.1. Unless otherwise decided (or waived) by the Board of the Companies, Part B of this Scheme is and shall be conditional upon and subject to the following conditions precedent:

23.1.1. this Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the NCLT;

23.1.2. the Transferee Company having received such Consents, licenses, authorisations including Governmental Approval as may be required by Applicable Law in respect of or for the purpose of giving effect to the Scheme and on terms and conditions acceptable to the Boards of the Companies;

23.1.3. receipt of the NCLT Order approving the Scheme; and

23.1.4. the certified copies of the NCLT Order approving the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.

23.2. Unless otherwise decided (or waived) by the Board of the Transferee Company, Part C of this Scheme is and shall be conditional upon and subject to the following conditions precedent:

23.2.1. Satisfaction of all the conditions set out in Clause 23.1 above

23.2.2. Issuance of Merger Shares and satisfaction of all the actions set out in Part B of the Scheme; and

23.2.3. Certified copy of the NCLT Order being filed with the Registrar of Companies by the Transferee Company informing the Effective Date 2.

## 24. SEVERABILITY

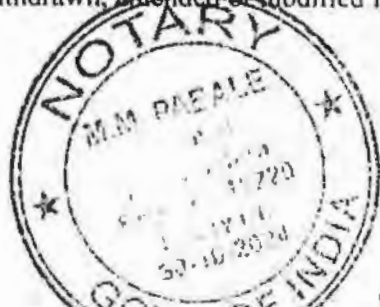
If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company in writing, affect the validity or implementation of the other provisions of this Scheme.

## 25. COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or NCLT Order including this Scheme or in relation to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

## 26. NO CAUSE OF ACTION

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



*Certified Stamp on 19/11/2024*

Certified True Copy \_\_\_\_\_  
Date of Application 14-03-2022  
Number of Pages 26  
Fee Paid Rs. 130  
Applicant called for collection copy on 25-03-2022  
Copy prepared on 25-03-2022  
Copy issued on 25-03-2022

  
Deputy Registrar

National Company Law Tribunal, Mumbai Bench