

SCHEME OF AMALGAMATION OF AIR WORKS LIVERY SERVICES PVT. LTD. WITH AIR WORKS INDIA (ENGINEERING) PVT. LTD.;

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY.

Preamble

This Scheme of Amalgamation is framed in terms of the provisions of sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with section 2(1B), of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme provides for Amalgamation of Air Works Livery Services Pvt. Ltd. with Air Works India (Engineering) Pvt. Ltd.; and other matters connected with the said Amalgamation.

1.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given below:

- i. "Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- ii. "Amalgamation"** means amalgamation of the Transferor Company with and into the Transferee Company in terms of the Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- iii. "Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies;
- iv. "Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2020, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- v. "Board" or "Board of Directors"** means the Board of Directors of the respective Transferor and Transferee Companies, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- vi. "Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal,

sanctioning the Scheme of Amalgamation, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall be a reference to the Effective Date;

- vii. "Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest 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 Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.
- viii. "FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- ix. "Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company , or in the nature of common law rights of the Transferor Company , all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.
- x. "IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- xi. National Company Law Tribunal** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.
- xii. "Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the

Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

- xiii. "Scheme"** means the present Scheme of Amalgamation framed under the provisions of sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Income Tax Act, 1961, and other applicable provisions, if any, which provides for the amalgamation of Air Works Livery Services Pvt. Ltd. with Air Works India (Engineering) Pvt Ltd and other matters connected with the said amalgamation; in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.
- xiv. "Transferor Company"** means **Air Works Livery Services Pvt. Ltd.** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Office No. Stilt 7, Ground Floor, Tulsi CHS, GB Indulkar Road, Vile Parle (East), Andheri, Mumbai-400 057, Maharashtra; E-mail id: kanika.gupta@saairworks.in.

The Transferor Company-Air Works Livery Services Pvt. Ltd. [Corporate Identification No. (CIN): U 63000MH2010PTC259953; Income Tax Permanent Account No. (PAN): AAICA4187D] (hereinafter referred to as "the Transferor Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Air Livery India Pvt. Ltd.' vide Certificate of Incorporation dated 26th April, 2010, issued by the Registrar of Companies, Maharashtra, Mumbai. Name of the Company was changed to 'Air Works Livery Services Pvt. Ltd.' vide Fresh Certificate of Incorporation dated 7th December, 2018, issued by the Registrar of Companies, Maharashtra, Mumbai.

- xv. "Transferee Company"** means **Air Works India (Engineering) Pvt. Ltd.** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Bombay International Airport, Gate No. 8, Santacruz (East), Mumbai-400 029, Maharashtra; E-mail id: deepak.goyal@airworks.in. Website: www.airworks.aero.

The Transferee Company-Air Works India (Engineering) Pvt. Ltd. [Corporate Identification No. (CIN): U 74210MH1986PTC040889; Income Tax Permanent Account No. (PAN): AAB CA 1069 P] (hereinafter referred to as "the Transferee Company/the Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 11th September, 1986, issued by the Registrar of Companies, Maharashtra, Mumbai.

1.2 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship;
- b. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- c. the term "Clause" refers to the specified clause of this Scheme;
- d. references to one gender includes all genders;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- f. words denoting singular shall include the plural and vice versa;
- g. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- h. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- i. references to dates and times shall be construed to be references to Indian dates and times.

1.3 SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company is ₹5,00,000 divided into 50,000 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company ₹2,01,500 divided into 20,150 Equity Shares of ₹10 each. The Transferor Company is a Wholly Owned Subsidiary ("WOS") of Air Works Aviation Services UK Ltd. Since Air Works Aviation Services UK Ltd is a step down WOS of the Transferee Company, the Transferor Company is also a step down WOS of the Transferee Company. Entire Share Capital of the Transferor Company is held by Air Works Aviation Services UK Ltd and its nominee shareholder.
- ii. The present Authorised Share Capital of the Transferee Company is ₹52,00,20,000 divided into 8,00,00,000 Equity Shares of Re. 1 each aggregating ₹8,00,00,000; 20,000 'Series A' Equity Shares of Re. 1 each aggregating ₹20,000; and 4,40,00,000 (0.001%) Compulsorily Convertible Preference Shares of ₹10 each aggregating ₹44,00,00,000. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹50,51,11,269 divided into 7,53,77,379 Equity Shares of Re. 1 each aggregating ₹7,53,77,379; 10,000 'Series A' Equity Shares of Re. 1 each aggregating ₹10,000; and 4,29,72,389 (0.001%) Compulsorily Convertible Preference Shares of ₹10 each aggregating ₹42,97,23,890.

- iii. As mentioned above, the Transferor Company is a wholly owned subsidiary of the Transferee Company. Whereas the Transferee Company is a closely held private limited company. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued pursuant to the Scheme.

1.4 RATIONALE AND BENEFITS OF THE SCHEME

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Air Works Livery Services Pvt. Ltd. with Air Works India (Engineering) Pvt. Ltd.; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

- a. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy, consolidation of the Wholly Owned Subsidiary with its Parent/Holding Company and pooling of their resources into a single entity which would facilitate in exploiting the significant potential for growth.
- b. The proposed Amalgamation would result in optimising and leveraging existing resources of these Companies for the most beneficial utilization of these factors in the combined entity. It would be advantageous to combine the activities and operations of these Companies in a single entity and building strong capability to effectively meet future challenges in competitive business environment.
- c. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- d. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferor Company and the Transferee Company.
- e. Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities. The proposed amalgamation would enhance the shareholders' value of the Transferor and the Transferee Companies.
- f. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

2. TRANSFER AND VESTING OF UNDERTAKING

- a.** With effect from the commencement of business on 1st April, 2020, i.e., the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertaking and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act, as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and Encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.
- b.** Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- c.** On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- d.** Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Goods and Services Tax (GST), etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the

period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.

- e.** Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- f.** Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- g.** On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- h.** With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- i.** All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to and vest in the Transferee Company with effect from the Appointed Date.
- j.** In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.

- k.** All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been complied with by the Transferee Company.
- l.** Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to the Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the accounts of the Transferee Company.
- m.** Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Duty laws, Central Sales Tax, applicable State Value Added Tax, Service Tax laws, Excise Duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company due to the Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a.** Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of such Transferor Company, the Transferee Company had been a party thereto.
- b.** The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- c.** The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or

compliance referred to above on the part/behalf of the Transferor Company to be carried out or performed.

4. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

5. OPERATIVE DATE OF THE SCHEME

- a.** This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal sanctioning this Scheme under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b.** Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

6. DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme, becoming effective as provided in Clause 5 above, the Transferor Company shall stand dissolved without the process of winding up.

7. EMPLOYEES OF TRANSFEROR COMPANY

- a.** All the employees of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the Transferor Company on the said date.
- b.** Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

From the Appointed Date until the Effective Date, the Transferor Company

- a.** Shall stand possessed of all its assets and properties referred to in Clause 2 above, in trust for the Transferee Company.
- b.** Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

9. ISSUE OF SHARES BY TRANSFEREE COMPANY

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no new share will be issued by the Transferee Company pursuant to this Scheme.

10. UPON THIS SCHEME BECOMING FINALLY EFFECTIVE:

- a.** Entire Issued Share Capital and share certificates of the Transferor Company shall automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.
- b.** Cross holding of shares between the Transferor Company and the Transferee Company, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor and the Transferee Companies, as the case may be, and sanction by the Tribunal under Section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Sections 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. Such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.
- c.** The authorised share capital of the Transferor Company shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. In terms of the provisions of section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee

Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

- d.** Save as provided in Clause 10.c above, the Transferee Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.

11. ACCOUNTING FOR AMALGAMATION AND OTHER MATTERS

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the amalgamation in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in accordance with the principles laid down in Appendix C of Indian Accounting Standard (Ind AS) 103–Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015. Following are the salient features of the accounting treatment to be given:

- a.** All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company.
- b.** The carrying amount of investments and other inter-corporate balances including Loans, advances, amount receivable or payable inter-se between the Transferor Company and Transferee Company, if any, appearing in the books of Transferor Company and Transferee Company shall stand cancelled, and there shall be no further obligations / outstanding rights in that behalf.
- c.** In case of any difference in Accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the impact of the difference will be quantified and adjusted to the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- d.** The comparative financial information in respect of prior periods presented in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation as stated above, as if the amalgamation had occurred from the beginning of such comparative period presented in the financial statements.

- e. The identity of the reserves shall be preserved and shall appear in the same form in which they appeared in the Transferor Company, including the balance of the retained earnings appearing in the financial statements of the Transferor Company which would be aggregated with corresponding balance appearing in the financial statements of the Transferee Company prepared in accordance with Indian Accounting Standard.
- f. The difference between the value of assets over the value of liabilities and reserves of transferred to the Transferee Company pursuant to the Scheme, after adjusting any differences arising on the cancellation of investment in equity share capital of the Transferor Company and inter-company balances, will be transferred to the Capital Reserve of the Transferee Company and presented separately from other Capital Reserve in the books of the Transferee Company with disclosure of its nature and purpose in the notes to the financial statements of the Transferee Company.

12. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

- a. The Transferor Company will make necessary applications/ petitions under the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- b. The Transferee Company will also make necessary application(s)/petition(s) under the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016 and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme and other connected matters.

13. COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the IT Act and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- a. The Transferor Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time,

on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.

- b.** In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- c.** The Transferor Company and/or the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Tribunal or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by any of these Companies. The Transferor Company and/or the Transferee Company will not be required to assign the reason for withdrawing from this Scheme.

15. INTERPRETATION

If any doubt or difference or issue arises between the Transferor Company and the Transferee Company or any of their Shareholders or Creditors and/or any other person as to the construction hereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr Rajeev K Goel, LLB, FCS, Advocate, Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar II, Delhi Meerut Expressway/NH-24, Delhi 110 091, Mobile: 93124 09354, e-mail: rajeev391@gmail.com; Website: www.rgalegal.in, whose decision shall be final and binding on all concerned.

16. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.
