

**SCHEME OF MERGER BY ABSORPTION**

**OF**

**Mahindra Electric Mobility Limited** ....Transferor Company

**WITH**

**Mahindra and Mahindra Limited** ....Transferee Company

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE

PROVISIONS OF THE COMPANIES ACT, 2013

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This Scheme of Merger by Absorption (the Scheme) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Mahindra Electric Mobility Limited with Mahindra and Mahindra Limited and their respective shareholders.

**A. Description of the Companies:**

**Transferor Company**

- a. Mahindra Electric Mobility Limited is a public limited company incorporated on 2<sup>nd</sup> April, 1996 under the Companies Act, 1956 having its registered office at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, India (“**Transferor Company**” or “**MEML**”) [CIN: U34101MH1996PLC325507]. The shares of MEML are



not listed on any stock exchange and it is a subsidiary of Transferee Company. MEML is currently engaged in designing and manufacturing of electrically powered vehicles alongwith designing and development of related technology for end use vehicles.

### **Transferee Company**

- b.** Mahindra and Mahindra Limited is a public limited company incorporated on 2<sup>nd</sup> October, 1945 under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India (“**Transferee Company**” or “**M&M**”) [CIN : L65990MH1945PLC004558]. The Transferee Company is inter alia, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses. The equity shares of the Transferee Company are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.



## **B. Rationale of the Scheme:**

- Global automobile industry is accelerating the adoption of Electric Vehicles (“EV”) and its share to total Automobile market is expected to increase rapidly. The Indian Government has also been encouraging this migration with various timeline linked incentives. Future readiness will require increased investment, reconfiguration of value chain, faster launch of new EV products and remapping of managerial skill sets.
- MEML has expertise in EV technology while M&M has expertise in automotive design, engineering and manufacturing, sourcing network and sales, marketing & service channels. Thus, the value chain required for end to end EV development, manufacturing and sales is currently spread between M&M and MEML. The proposed consolidation will bring this entire value chain under one umbrella driving sharper focus for smooth and efficient management of the value chain requirements with scale and agility required to meet the increasing focus on EVs.
- M&M also envisages significant investments in the EV business to scale up the business and develop a robust EV product pipeline for which the proposed consolidation will be critical. Further, M&M’s better credit rating will also provide significant savings in finance costs for funding the investment.
- The consolidation of MEML with M&M will also result in:
  - i. Optimizing capital investments for manufacturing EVs by leveraging manufacturing and R&D infrastructure of M&M and hence lower EV costs.
  - ii. Leveraging M&M Sales & Marketing channel to increase EV penetration, optimize price points for customers and improve dealer viability.
  - iii. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.



- The proposed scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MEML and M&M.

### **C. Parts of the Scheme:**

The Scheme of Merger by Absorption is divided into following three parts:

- (i) **Part I** – Deals with the definitions, interpretations and share capital;
- (ii) **Part II**– Deals with Merger by Absorption of MEML with M&M; and
- (iii) **Part III** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

## **PART I**

### **DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

#### **1) Definitions and Interpretation**

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1. ‘**Act**’ or ‘**the Act**’ means the Companies Act, 2013 and any rules, regulations, notifications, circulars or guidelines issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. ‘**Applicable Law(s)**’ means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives,



ordinance, schemes, notices, orders or instructions or law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

- 1.3. **‘Appointed Date’** means the 1<sup>st</sup> day of April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4. **‘Appropriate Authority’** means any governmental, statutory, regulatory, departmental or public body or authority of India including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies or the National Company Law Tribunal.
- 1.5. **“Board of Directors” or “Board”** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;
- 1.6. **“Business Day”** means a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open in Mumbai for the transaction of normal banking business.
- 1.7. **‘Effective Date’** means the last of the dates on which the conditions mentioned in Clause 22(a) are satisfied.
- 1.8. **“Employees”** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;



- 1.9. **“Encumbrance”** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term “Encumbered” shall be construed accordingly;
- 1.10. **“Employee Stock Options” or “ESOPs”** means stock options to be issued by the Transferee Company under the existing Transferee Company ESOP Scheme or a revised stock option plan for the ESOP Holders of the Transferor Company, as may be decided by the Board of Directors of the Transferee Company in their absolute discretion;
- 1.11. **“ESOP Exercise Price”** shall mean an exercise price of Rs. 5/- per equity share, being the face value per share of the Transferee Company, payable on exercise of ESOPs of the Transferee Company;
- 1.12. **“ESOP Holder”** means any person holding Transferor Company Stock Options under the Transferor Company ESOP Scheme as on the Record Date;
- 1.13. **“Governmental Authority”** means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above,



however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;

1.14. “**MVML**” means Mahindra Vehicle Manufacturers Limited, a public limited company incorporated on 25<sup>th</sup> May, 2007 under the Companies Act, 1956 with CIN U34100MH2007PLC171151 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, India;

1.15. “**MVML Scheme**” means Scheme of Merger by Absorption of MVML with Transferee Company and their respective shareholders which has been approved by NCLT basis its Pronouncement of Order on 26<sup>th</sup> April, 2021;

1.16. “**Retail Scheme**” means Scheme of Merger by Absorption of Mahindra Engineering and Chemical Products Limited, Retail Initiative Holdings Limited and Mahindra Retail Limited with the Transferee Company and their respective shareholders, as approved by the Board of Directors of the Transferee Company on 28<sup>th</sup> May, 2021;

1.17. “**Record Date**” means the date to be fixed by the Board of Directors of Transferee Company for the purpose of reckoning the names of the equity shareholders of Transferor Company and ESOP Holders who shall be entitled to receive equity shares of Transferee Company or ESOPs, as the case may be, pursuant to and as contemplated in this Scheme;

1.18. ‘**Scheme**’ or ‘**the Scheme**’ or ‘**this Scheme**’ means this Scheme of Merger by Absorption in its present form as submitted to the Tribunal with any modification(s) made under Clause 25 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.



- 1.19. **‘SEBI’** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.20. **‘SEBI Circular’** shall mean the circular issued by SEBI, being Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and any other circulars issued by SEBI applicable to schemes of Merger and amendments thereof.
- 1.21. **“Share Exchange Ratio”** has the meaning assigned to such a term in Clause 13;
- 1.22. **‘Stock Exchanges’** means BSE Limited and National Stock Exchange of India Limited;
- 1.23. **“Transferee Company” or “M&M”** means Mahindra and Mahindra Limited, a listed company incorporated on 2<sup>nd</sup> October, 1945 under the Indian Companies Act, VII of 1913 with CIN L65990MH1945PLC004558 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India;
- 1.24. **“Transferee Company ESOP Scheme”** means the existing Employees Stock Option Scheme – 2010 of the Transferee Company;
- 1.25. **“Transferor Company” or “MEML”** means Mahindra Electric Mobility Limited, a public limited company incorporated on 2<sup>nd</sup> April, 1996 under the Companies Act, 1956 with CIN U34101MH1996PLC325507 having its registered office at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, India;



- 1.26. **“Transferor Company ESOP Scheme”** means the MEML Employees Stock Option Scheme – 2017 of MEML;
- 1.27. **“Transferor Company Stock Options”** means stock options under Transferor Company ESOP Scheme;
- 1.28. **“Tribunal” or “NCLT”** means the National Company Law Tribunal, Mumbai Bench, having jurisdiction in relation to Transferee Company and Transferor Company, being constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.
- 1.29. **“Undertaking”** means all the undertakings and entire business, activities and operations of the Transferor Company in India and abroad, as a going concern, including, without limitation:
- 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 situated in India or abroad including, without limitation, all land whether freehold or leasehold or otherwise, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds,



debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, 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, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, privileges, lease rights granted by the Karnataka



Industrial Areas Development Board for various leasehold land parcels including any license(s) and approval, , incentives deductions, exemptions, rebates, allowances, amortization, tax credits [including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, tax refunds, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the merger pursuant to this Scheme does not take place, the input credit balances (including, State Goods & Service Tax (“SGST”), Integrated Goods and Services Tax (“IGST”) and Central Goods and Service Tax (“CGST”) credits) under the Goods and Service Tax (“GST”) laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law], all other rights including sales tax deferrals and exemptions and other benefits, duty drawback claims, rebate receivables, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in



connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts of the Transferor Company;

- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- d. all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- e. All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.



f. Any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

The headings herein shall not affect the construction of this Scheme.



Unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders.
- ii. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- iii. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.

## **2) DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to ‘upon the Scheme becoming effective’ or ‘upon this Scheme becoming effective’ or ‘effectiveness of the Scheme’ shall mean the Effective Date.



### 3) SHARE CAPITAL

3.1. The share capital of Transferor Company as at 31<sup>st</sup> March, 2021 is as under:

<b>Particulars</b>	<b>Amount (Rupees)</b>
<b>Authorized Capital</b>	
100,00,00,000 equity shares of Rs. 10 each	1,000,00,00,000
<b>Total</b>	<b>1,000,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
35,84,16,345 equity shares of Rs.10 each	358,41,63,450
<b>Total</b>	<b>358,41,63,450</b>

The equity shares of the Transferor Company are not listed on any Stock Exchange. As on 31<sup>st</sup> March 2021, MVML holds 99.35% stake in the Transferor Company. Further, MVML is a wholly owned subsidiary of the Transferee Company and is in the process of being merged into the Transferee Company and NCLT basis its Pronouncement of Order on 26<sup>th</sup> April, 2021, has approved the Scheme of Merger by Absorption of MVML with the Transferee Company.

Once the MVML Scheme is made effective, shares held by MVML in the Transferor Company shall be transferred to and held by the Transferee Company. In lieu thereof, the Transferee Company shall become the shareholder as well as holding company of Transferor Company.

Certain employee stock option granted to ESOP Holders under the Transferor Company ESOP Scheme may get exercised to the extent not lapsed or cancelled or forfeited before the Record Date. The details of



unexercised employee stock options (net of cancellation) of MEML as on 31<sup>st</sup> March, 2021 are set out below:

Sr No	Name of the Scheme	Status as on 31 <sup>st</sup> March 2021			
		Options granted	Exercised	Lapsed/ Cancelled/ Forfeited	Outstanding grants
1	MEML Employees Stock Option Scheme 2017	1,24,17,871	4,73,111	29,14,007	90,30,753 (of which 33,94,426 ESOPs are vested and balance 56,36,327 ESOPs are not yet vested)

3.2. The share capital of Transferee Company as at 31<sup>st</sup> March, 2021 is as under:

Particulars	Amount (Rupees)
<b>Authorized Capital*</b>	
810,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	4050,00,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
<b>Total</b>	<b>4075,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720
<b>Total</b>	<b>621,59,62,720</b>



\*Upon the MVML Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 10,575,00,00,000 (Rupees Ten Thousand Five Hundred and Seventy Five Crores only) divided into 1810,00,00,000 (One Thousand Eight Hundred and Ten Crore) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each.

Further, in case both MVML Scheme and Retail Scheme becomes effective prior to the Effective Date, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 11,681,50,00,000 (Rupees Eleven Thousand Six Hundred Eighty One Crores and Fifty Lacs) divided into 2031,30,00,000 (Two Thousand Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each.

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to 31<sup>st</sup> March, 2021 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorised Share Capital, issued, subscribed and paid-up share capital of the Transferee Company. The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book



(IOB) of the London Stock Exchange. 3,58,41,803 GDRs were outstanding as on 31<sup>st</sup> March, 2021.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities.

## **PART II**

### **MERGER OF MEML WITH M&M**

#### **Section 1 – Transfer and vesting**

4) Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

#### **5) Transfer and Vesting of Assets**

Without prejudice to the generality of Clause 4 above, upon upon this Scheme becoming effective and with effect from the Appointed Date:

- a. All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under



the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act 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 as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- b. All immovable properties of the Transferor Company, if any, 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 otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company by operation of law pursuant to sanctioning of the Scheme and upon the Scheme becoming effective, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. Such assets shall stand vested in Transferee 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 be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere



filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Transferee Company, such immovable properties including leasehold rights can be vested pursuant to a separate conveyance or any other agreement as well.

- c. Without prejudice to the provisions of Clause 5(a) and 5(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (c) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been



transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

- e. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.
  
- f. all the profits or costs, charges, or expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, costs, charges, expenditure or losses of Transferee Company, as the case may be.



- g. all taxes (including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company, or as the case may be, refunds/claims, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits ,exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- h. all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits, subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon and all rights or benefits that have accrued or which may accrue to the



Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.

- i. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.



## **6) Contracts, Deeds etc.**

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
  
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that 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 Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised 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 to be carried out or performed.

- c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed 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 thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

## **7) Transfer and Vesting of Liabilities**

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the “Liabilities”) shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of



the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 7.

- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.



- d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

## **8) Encumbrances**

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4, Clause 5 and Clause 6 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
  
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee



Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.

- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- d. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- f. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is



amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

- g. The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

#### **9) Employees of Transferor Company**

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company in India and abroad shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company, unless otherwise determined by the Transferee



Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.

- c. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the “Funds”) are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.



- d. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

**10) Legal, Taxation and other Proceedings**

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, 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 this Scheme had not been made.

- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

## **11) ESOPs**

- a. As of 2 Business Days prior to Record Date, all Transferor Company Stock Options which have not been granted under the Transferor Company ESOP Scheme shall lapse automatically without any further act, instrument or deed by Transferor Company or its ESOP Holders and without any approval or acknowledgement of any third party.
- b. Further, 2 Business Days prior to the Record Date, all Transferor Company Stock Options held by ESOP Holders, who are not employees of the Transferor Company or Transferee Company or subsidiaries of Transferee Company, as on the Record Date shall lapse automatically without any further act, instrument or deed by Transferor Company or its ESOP Holders and without any approval or acknowledgement of any third party. In such a situation, the Board of Directors of the Transferor Company shall in its absolute discretion, settle the claims, if any, for such ESOP Holders in any manner as it may deem fit.
- c. In respect of the Transferor Company Stock Options, other than the options that have lapsed as per Clause 11(a) and 11(b) above, upon the effectiveness of this Scheme, the same shall be substituted by such



number of ESOPs as arrived at after taking into account the ESOP Exchange Ratio as under:

<b>Sr. No</b>	<b>Exercise Price for Transferor Company Stock Options (Rs.)</b>	<b>Ratio of ESOPs of Transferee Company per 10,000 Transferor Company Stock Options</b>
1.	24.90	168
2.	25.17	165
3.	25.91	156

Further it is clarified that, ESOPs shall be issued to such ESOP Holders on terms and conditions not less favourable than those proposed under the Transferor Company ESOP Scheme. Fractional entitlement, if any, arising pursuant to the above adjustments shall be rounded off to the next higher whole number.

- d. The issue of ESOPs to ESOP Holders pursuant to the provisions of this Clause 11 shall be effected as an integral part of the Scheme. The approval granted to this Scheme by the shareholders of the Transferor Company and Transferee Company, Stock Exchange, SEBI, and, or other relevant Governmental Authorities shall be deemed to be their approval in relation to all matters pertaining to the Transferor Company ESOP Scheme and ESOPs, including without limitation, for the purposes of undertaking any modifications / cancellation made or required to be made to the Transferor Company ESOP Scheme, revising the Transferee Company ESOP scheme by Transferee Company, substituting the employee stock options as contemplated under this Clause 11 and all related matters, including in terms of the Securities



and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

- e. In relation to ESOPs issued by the Transferee Company to the ESOP Holders pursuant to this Clause 11, the period during which the Transferor Company Stock Options were held by the ESOP Holders shall be taken into account for determining the minimum vesting period required under applicable law, the Transferor Company ESOP Scheme and the Transferee Company ESOP Scheme.
- f. The Boards of Directors of the Transferor Company and the Transferee Company, shall take such actions and execute such documents as may be necessary or desirable, for the purpose of giving effect to the provisions of this Clause 11 of the Scheme.

## **Section 2 – Conduct of Business**

**12)** From the date on which the Boards of Directors of the Transferor Company and the Transferee Company approve this Scheme until the Effective Date:

- a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- b. The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge,



mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.

- c. 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;
- d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- e. all taxes (including, without limitation, income tax, sales tax, service tax, VAT, excise and custom duties, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST), foreign taxes, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax



collected at source, advance tax, self-assessment tax, regular tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

- f. If and to the extent there are inter-corporate loans, deposits, balances or agreements as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, stand cancelled and there shall be no obligation/ outstanding balance in that behalf.
- g. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible securities to the Transferee Company or pursuant to the Transferor Company ESOP Scheme, increase its capital (by fresh issue of shares, convertible securities or otherwise).
- h. Without prejudice to the provisions of Clauses 4 to 11, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- i. For the avoidance of doubt, it is hereby clarified that nothing in the scheme shall prevent the Transferee Company and / or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity and preference shareholders.



- j. For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

### **Section 3 – Discharge of Consideration**

#### **13) Issuance of Shares**

- a. Upon this Scheme becoming effective and upon Merger of MEML with M&M in terms of this Scheme, M&M shall, following such transfer and vesting of the Undertaking of MEML into M&M without any application or deed, issue and allot Equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company whose names appear in the register of members of Transferor Company (except Transferee Company or its subsidiaries held directly or jointly with its nominee shareholders), on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title in the following proportion viz.:

*“480 (Four Hundred Eighty) Ordinary (Equity) Shares of the face value of Rs. 5 each of M&M shall be issued and allotted as fully paid up for every 10,000 (Ten Thousand) Equity share of the face value of Rs. 10 each fully paid up held in MEML” (“Share Exchange Ratio”)*

- b. Upon this Scheme becoming effective, the Equity Shares of Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company pursuant to Clause 13(a) above shall be subject to the provisions of the memorandum of



association and articles of association of the Transferee Company and shall rank pari passu from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

- c. The Equity Shares shall be issued free from all liens, charges, equitable interests, encumbrances and other third party rights of any nature whatsoever to respective equity shareholder of Transferor Company whose name is recorded in the register of members of Transferor Company as of the Record Date.
- d. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity shares to the shareholders of Transferor Company under the Scheme.
- e. Under and pursuant to the Scheme, no fractional shares shall be issued by M&M in respect of the fractional entitlements, if any, of the shareholders of MEML and such fractional entitlement, if any, shall be rounded off to the next higher whole number.
- f. In the event of any increase in the issued, subscribed or paid up share capital of the Transferor Company or the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share



split/ consolidation/ issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Transferor Company or the Transferee Company at any time as of the Record Date, then there shall be an appropriate adjustment to the Share Exchange Ratio arrived at in Clause 13(a) above to take into account the effect of such issuance or corporate action assuming conversion of any such issued instruments into equity shares and the same shall be approved by the Boards of both Transferor Company or the Transferee Company.

- g. The equity shares issued by the Transferee Company pursuant to Clause 13(a) above, shall be issued in dematerialized form, provided that the members of the Transferor Company have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Transferor Company to the Transferee Company on or before the Record Date. Upon the Scheme being effective and upon the equity shares of the Transferee Company being allotted to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company on the Record Date, the Equity Shares of the Transferor Company both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- h. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance with the provisions of section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and



allotment of Equity Shares by the Transferee Company, as provided in this Scheme.

- i. The Transferee Company shall apply for listing of its equity shares issued in terms of Clause 13(a) above with the Stock Exchanges in terms of and in compliance of the SEBI Circular. The equity shares issued by the Transferee Company in terms of Clause 13 (a) above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.

#### **14) Cancellation of Shares**

- a. In relation to the equity shares held by the Transferee Company or its subsidiary(ies), in Transferor Company (held directly and jointly with the nominee shareholders), upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company or its subsidiary(ies) in the Transferor Company (held directly and jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed and to that extent no shares will be issued by the Transferee Company.

#### **Section 4 - Increase in Authorised Share Capital of Transferee Company**

- 15) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, if any, including payment of



stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.

- 16) In case both MVML Scheme and Retail Scheme becomes effective prior to the Effective Date, the capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Para 1 of Schedule I.

However, in case MVML Scheme becomes effective but Retail Scheme does not become effective prior to the Effective Date, the capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Para 2 of Schedule I.

- 17) It is clarified that for the purposes of Clause 15 and 16 above, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies. It is also clarified that the consents of the shareholders of Transferor Company and Transferee Company to this Scheme shall be sufficient for the purposes of effecting the aforesaid additions in the Memorandum of Association of the Transferee Company and that no further resolutions under the applicable provisions of the Act shall be required



to be separately passed. All actions taken in accordance with this Clause shall be deemed to be in full compliance of Sections 61 and 64 and other applicable provisions of the Act and rules and regulations issued thereunder and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the Transferee Company.

### **PART III**

## **DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**

### **18) Accounting and Tax Treatment**

#### **a. Applicability of provisions of Income Tax Act**

- i. The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to ‘amalgamation’ as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the



Income-tax Act. Such modification will, however, not affect the other parts of the Scheme.

- ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for purposes of carry forward and set-off of tax losses, unabsorbed depreciation, unabsorbed allowance u/s. 35(4) and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.
- iii. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as



would or might have been continued and enforced by or against the Transferor Company.

- iv. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- v. All taxes (including but not limited to advance tax, self-assessment tax, regular tax, dividend distribution tax, securities transaction tax, deferred tax assets/liabilities, Foreign Tax Credit, tax deducted at source, tax collected at source, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, etc.), including any interest, penalty, surcharge and/or cess, paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims/credits, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits, export benefits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs etc., as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound



to transfer to the account of and give credit for the same to the Transferee Company upon coming into effect of this Scheme.

- vi. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 18(a)(iii) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, foreign taxes and carry forward of accumulated losses, unabsorbed depreciation etc., pursuant to the provisions of this Scheme.
- vii. The taxes (including but not limited to advance tax, self-assessment tax, regular tax, dividend distribution tax, securities transaction tax, tax deducted at source, tax collected at source, service tax, value added tax, sales tax, excise and custom duties, CGST, SGST, IGST), including any interest, penalty, surcharge and/or cess, if any, paid by the Transferor Company under the Income Tax Act, 1961, Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act, or any other statute for the period commencing from the Appointed Date shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.



## **b. Accounting Treatment**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

Accordingly, the Transferor Company and Transferee Company both being entities under common control, the accounting would be done at Transferor Company carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and inter-company balances and inter-company investments, if any, between Transferor Company and Transferee Company shall stand cancelled.

Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such as Ind AS 8, Ind AS 10, Ind AS 102, etc.

In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS 10 – 'Events after the Reporting Period' in order to give effect to the scheme. Accordingly, if the approval of NCLT for the scheme of merger is received after the balance sheet date but before the approval of the financial statements for issue by



the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – ‘Events after the Reporting Period’ and shall be given effect to in the financial statements with effect from the Appointed Date.

## **19) Resolutions**

- a. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.



## **20) Savings of concluded transactions**

The transfer and vesting of undertaking under Clause 4 to 9 above and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

## **21) Dissolution of the Transferor Company**

Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

## **22) Conditionality to the scheme**

- a. The effectiveness of the Scheme is conditional upon and subject to:
  - i. The requisite sanction or approval from Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
  - ii. This Scheme being approved by the respective requisite majorities of the shareholders of the Transferor Company and the Transferee Company if required under the Act and/ or as



may be directed by the Tribunal and the requisite orders of the Tribunal being obtained;

iii. The certified copy of the order of the Tribunal under Section 230 to 232 and other applicable provisions of the Act sanctioning the scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor and Transferee Companies.

b. On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

### **23) Effect of Non Receipt of Approvals/Sanctions**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.



If any part of this Scheme hereof is invalid, held illegal or unenforceable, under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

#### **24) Applications**

Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the Tribunal under Section 230 to 232 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

#### **25) Modifications or amendments to the Scheme**

- a) The Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the



Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors.

- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

## **26) Costs, Charges and Expenses**

All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.



## Schedule I

### 1. MEMORANDUM OF ASSOCIATION

**Upon MVML Scheme, Retail Scheme and this Scheme becoming effective Clause 5 of Memorandum of Association of Transferee Company to be replaced as under:**

“5. The Authorised Share Capital of the Company is Rs. 12,681,50,00,000 (Rupees Twelve Thousand Six Hundred Eighty One Crores and Fifty Lacs) divided into 2,231,30,00,000 (Two Thousand Two Hundred Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.”



## **2. MEMORANDUM OF ASSOCIATION**

**Upon MVML Scheme and this Scheme becoming effective but Retail Scheme not becoming effective Clause 5 of Memorandum of Association of Transferee Company to be replaced as under:**

“5. The Authorised Share Capital of the Company is Rs. 11,575,00,00,000 (Rupees Eleven Thousand Five Hundred and Seventy Five Crores) divided into 2,010,00,00,000 (Two Thousand Ten Crores) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.”

