

**SCHEME OF AMALGAMATION**  
**OF**  
**YUFLOW ENGINEERING PRIVATE LIMITED**  
**WITH**  
**YUKEN INDIA LIMITED**

**Under Section 233 of the Companies Act, 2013 read with Rule 25 of the  
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016**

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This Scheme of Amalgamation (“the Scheme”) is presented under Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for amalgamation of YUFLOW ENGINEERING PRIVATE LIMITED with YUKEN INDIA LIMITED

The Scheme is divided into following parts:

- i) Part A - dealing with definitions, date of taking effect and operative date and share capital;
- ii) Part B - dealing with the amalgamation of YUFLOW ENGINEERING PRIVATE LIMITED with YUKEN INDIA LIMITED; and
- iii) Part C - dealing with general terms and conditions.

1. RATIONALE FOR AMALGAMATION

- 1.1 Yuflow Engineering Private Limited (“Transferor Company”) is a wholly owned subsidiary of Yuken India Limited (“Transferee Company”). The Transferor Company is incorporated under the provisions of the Companies Act, 1956 and is, inter alia, engaged in the business of designers, manufacturers, assemblers, importers and exporters, buyers and sellers of

various hydraulics Cylinders, hydraulic and fluid powered motors, pumps, control valves, winches, gear boxes and other related industrial fluid power, electrical, electronic and mechanical engineering products, equipment, spare parts and accessories. The Transferee Company is incorporated under the provisions of the Companies Act, 1956 and is, inter alia, engaged in the business of design, manufacture, sale and servicing of hydraulic equipment like pumps, valves, power packs, machinery, components and accessories for various applications. Therefore, the Boards of the Transferor Company and the Transferee Company discussed and deliberated upon the Companies' business profiles and concluded that as the business of the Companies is similar and complements each other, it is in the best interest of the Companies to amalgamate the Transferor Company with its parent company i.e. the Transferee Company which would *inter alia* provide the following benefits to the stakeholders of the said Companies:

- a. Improve organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- b. Greater integration, consolidation of business operations and greater financial strength & flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- c. 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, to maximize shareholder value.
- d. Simplification of the group structure.
- e. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, greater synergy between the products and services of the two companies and the elimination of duplication, and rationalization of administrative expenses.
- f. Optimal utilisation of resources and better administration and reduction

of cost.

- g. Achieving economies of scale:
    - ✓ Operations: through more focused operational efforts, standardization and simplification of business processes;
    - ✓ Administration: elimination of duplication, rationalization and better monitoring of administrative expenses.
- 1.2 Accordingly, the respective Boards of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire Assets and Liabilities of Transferor Company with and into the Transferee Company pursuant to the provisions of Sections 233 of the Act read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

## PART A

### 1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or the context, the following expressions shall have the following meaning:

- 1.1 “Act” means the Companies Act, 2013 and applicable rules made thereunder and includes any amendments, statutory re-enactments and modifications thereof for the time being in force.
- 1.2 “Appointed Date” means April 01, 2020.
- 1.3 “Assets” shall mean all the business, undertakings, estates, assets, properties, rights, titles and interests of whatsoever nature and kind and wheresoever situated (in India or abroad), of the Transferor Company as on the Appointed Date and thereafter, including but not limited to-
  - i. all assets, moveable and immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present

or contingent of whatever nature and wheresoever situate, free hold or lease hold, fixed or current, including capital works in progress, computers & telecommunication equipment's, computer hardware, software and programmes, plant & machinery, office equipment's, furniture & fixtures, vehicles, sundry debtors, cash & bank balances, loans & advances, deposits, deposits, buildings, godowns, warehouses, offices, inventories, bills of exchange, peripherals and accessories, receivables, carry forward Income Tax losses, Cenvat credits of input service tax, Central Excise Duty, & Countervailing duty of Customs, VAT/GST credits, Minimum Alternate Tax (MAT) credit entitlements and all other future tax input credits as applicable, investments, goodwill, investment in shares, debentures, bonds, mutual funds etc.,

- ii. all the registrations, permits, quotas, rights, entitlements, industrial and other licenses held by the Transferor Company, concessions, exemptions, no-objection certificates and certifications, incentives, reserves, deposits, provisions, funds, subsidies, grants, tax credits, approvals, authorisations, consents, tenancies, roof rights, trademarks, service marks, patents, copyrights, all intellectual property rights and licenses there-under, know-how, technical know-how, permits, designs, patterns, inventions, leasehold rights, leases, tenancy rights privileges, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, all other rights, benefits and entitlements including sales tax deferrals and other benefits, lease rights (including the benefit of any applications made thereof), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements including lease rights, benefits under letter of credit, guarantees, letters of comfort etc. issued for the benefit of the Transferor Company, benefits under

government schemes, deferred tax benefits and other benefits accruing on account of past expenditure and all such other interests/benefits;

iii. all earnest moneys and/or security deposits;

iv. all records, files, papers, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and all other records pertaining to business.

1.4 “Authority” means the Central Government or the jurisdictional Regional Director before whom this Scheme of Amalgamation in its present form or in the modified form is submitted for sanctioning of the Scheme under Section 233 of the Act, and shall include National Company Law Tribunal, as may be applicable.

1.5 “Board” means the Board of Directors of the respective Companies.

1.6 “Companies” means both the Transferor Company and Transferee Company.

1.7 “Effective Date” means the date on which the Authority or any other competent authority issues confirmation regarding the registration of the Scheme in terms of Section 233 of the Act and filing of the certified copies of the order passed by the Authority with the Registrar of Companies. Any references in this Scheme to “Scheme has become effective” or “Scheme becoming effective” or “upon coming into effect of this Scheme” shall be construed to be a reference to the Effective Date.

1.8 “Liabilities” shall mean all the debts, secured and unsecured loans, liabilities, responsibilities, guarantees, obligations, provisions and duties of the Transferor Company, including all obligations of whatsoever kind including liabilities for any debentures issued, payment of gratuity, pension

benefits, leave, provident fund, sales tax/VAT, service tax, Goods and Services Tax and other statutory dues as on the Appointed Date and thereafter.

- 1.9 "Scheme" or "The Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 hereof, as approved or directed by the said Authority or such other competent authority, as may be applicable.
- 1.10 "Transferee Company" means and refers to Yuken India Limited, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at No.16-C, Doddanekundi Industrial area, II Phase, Mahadevapura, Bangalore-560048.
- 1.11 "Transferor Company" means and refers to Yuflow Engineering Private Limited, a company registered under the provisions of Companies Act, 1956 and having its registered office at No. B-80 2<sup>nd</sup> cross, 1<sup>st</sup> Stage, Peenya industrial area, Bangalore-560058.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 14 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

- 3.1 Based on the latest audited balance sheet as on 31<sup>st</sup> March 2019, the share capital of the Transferor Company is as under:

Equity Share Capital	
Authorised Capital	Amount (Rs.)
Equity Share Capital 20,00,000 equity shares of Rs.10/-	2,00,00,000/-

Issued, Subscribed & Paid-up Capital	Amount (Rs.)
20,00,000 equity shares of Rs.10/- fully paid up	2,00,00,000/-

There is no change in the capital structure of the Transferor Company after 31<sup>st</sup> March 2019 till the date of this Scheme being approved by its Board.

- 3.2 Based on the latest audited balance sheet as on 31<sup>st</sup> March 2019, the share capital of the Transferee Company is as under:

Equity Share Capital	
Authorised Capital	Amount (Rs.)
Equity Share Capital	15,00,00,000/-
1,50,00,000 equity shares of Rs.10/- each	
Issued, Subscribed & Paid-up Capital	Amount (Rs.)
1,20,00,000 equity shares of Rs.10/- each fully paid up	12,00,00,000/-

There is no change in the capital structure of the Transferee Company after 31<sup>st</sup> March 2019 till the date of this Scheme being approved by its Board.

## PART B

### AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

#### 4. TRANSFER AND VESTING

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date –

- (i) All Assets of the Transferor Company on the Appointed Date shall, without any further act, instrument or deed and pursuant to Section 233 of the Act be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a going

concern basis, so as to become the business, undertaking, estate, assets, properties, right, title and interest of the Transferee Company but subject to all charges, liens, mortgages, if any, then affecting the same or part thereof.

- (ii) All Liabilities of the Transferor Company, including but not limited to the debentures issued, as on the Appointed Date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on a going concern basis, without any further act or deed so as to become the liabilities, debts, duties, obligations, dues, loans and responsibilities of the Transferee Company on the same terms and conditions as was applicable to the Transferor Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, loans, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Scheme.

PROVIDED ALWAYS THAT this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company, by virtue of this Scheme and the Transferee Company shall not be obliged to create any further or additional security there for after this Scheme has become effective or otherwise.

- (iii) In respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall stand transferred without requiring any further deed or instrument of conveyance for transfer of the same, and shall become property of the Transferee Company.
- (iv) In respect of such of the assets of the Transferor Company other than those referred to in sub-clause (iii) above, the same shall, as more



particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on and from the Appointed Date.

- (v) Any statutory and other licenses, registrations, permissions, approvals or consents issued to carry on the operations including quality certifications of the Transferor Company, if any, shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Transferee Company upon the Scheme becoming effective. Further, any applications filed in the name of Transferor Company for registration of its intellectual properties before the concerned statutory authorities shall be deemed to be substituted in the name of the Transferee Company without any further act or deed. The benefit of all such statutory and regulatory permissions, licenses, environmental approvals and consents, tax registrations, customs authorities, service tax authorities or other licenses, permissions and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

## 5. CONTRACTS, DEEDS, APPROVALS AND OTHER INSTRUMENTS

- 5.1 Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments writings and benefits of whatever nature to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been the party thereto. All such agreements from the Appointed Date shall be deemed to have been executed between the Transferee Company which shall be entitled to exercise all such rights as were vested with the Transferor Company under such agreements.

- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Assets and Liabilities 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, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any 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 Part B of this Scheme, be deemed to be authorised to execute any such writings as a successor 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.
- 5.3 Any statutory and other licenses, registrations, permissions, approvals or consents issued to carry on the operations including quality certifications of the Transferor Company, if any, shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Transferee Company upon the Scheme becoming effective. Further, any applications filed in the name of Transferor Company for registration of its intellectual properties before the concerned statutory authorities shall be deemed to be substituted in the name of the Transferee Company without any further act or deed. The benefit of all such statutory and regulatory permissions, licenses, environmental approvals and consents, tax registrations, customs authorities, service tax authorities or other licenses, permissions and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 5.4 Without prejudice to the above provisions, with effect from the Appointed Date, all transactions solely between the Transferor Company and the Transferee Company, if any, that have not been completed, shall stand cancelled.

## 6. TREATMENT OF EMPLOYEES

- 6.1 On the Scheme becoming effective, all permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date and shall in no event be less favourable than those applicable to them respectively prior to the Effective Date. The Transferee Company further agrees that for the purpose of retrenchment or payment of any retirement benefit / compensation, gratuity or superannuation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.
- 6.2 The accounts / funds of the employees whose services are transferred under Clause 6.1 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective trusts / funds of the Transferee Company and such employees shall be deemed to have become members of such trusts / funds of the Transferee Company. Pending the transfer as aforesaid, the account/ funds dues of the permanent employees of the Transferor Company would be continued to be deposited in the existing accounts / funds of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.
- 6.3 Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by the Transferor Company. Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable

7. TRANSACTIONS BETWEEN THE APPOINTED DATE AND EFFECTIVE DATE:

7.1 With effect from the Appointed Date and upto and including the Effective Date-

- (i) the Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and stand possessed of the properties so to be transferred, for and on account of and in trust for the Transferee Company, including but without limitation payment of advance income tax and subsequent instalments of income tax, sales tax, excise and other statutory levies, etc.
- (ii) all incomes, profits, benefits and incentives accruing to the Transferor Company or losses arising or incurred by it relating to the Assets shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of the Transferee Company; and
- (iii) the Transferee Company shall have the right to claim refund of payment of the taxes arising on account of transactions entered into between the Transferor Company and the Transferee Company between the Appointed Date and the Effective Date.

7.2 The Transferor Company hereby undertakes, from the Appointed Date upto and including the Effective Date -

- (i) to carry on its business with reasonable diligence and business prudence and not to borrow alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Assets or any part thereof, or to undertake any new business or a substantial expansion of its existing business except with the prior written consent of the Transferee Company.

- (ii) to carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the assets with utmost prudence until the Effective Date.

## 8. LEGAL PROCEEDINGS

- 8.1 If any legal, taxation or other proceedings of whatever nature by or against the Transferor Company be pending on the Appointed Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said legal, taxation or other 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 this Scheme had not been made.
- 8.2 The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Clause 8.1 above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Company.

## PART C

## 9. CONSIDERATION

- 9.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme becoming effective, no consideration shall be payable pursuant to the amalgamation of the Transferor Company into the Transferee Company and the investments in the shares of the Transferor Company, appearing in the books of the

Transferee Company stand cancelled without any further act, application or deed.

- 9.2 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. The Transferee Company shall pay the prescribed fees due on the revised capital as required under Section 233 of the Companies Act, 2013. However the fee, if any, paid by the Transferor Company on its authorised capital prior to amalgamation with the Transferee Company shall be set-off against the fees payable by the Transferee Company on its authorised capital enhanced by the amalgamation.
- 9.3 Upon the coming into effect of this Scheme, the authorized share capital of the Transferee Company shall stand increased to Rs.17,00,00,000/- (Rupees Seventeen Crore only) divided into 1,70,00,000 (One crore Seventy Lakh) Equity Shares of Rs. 10/- each.

Accordingly, upon the Scheme becoming effective Clause V of the Memorandum of Association of the Transferee Company will read as follows:

V. "The Authorized Share Capital of the Company is Rs.17,00,00,000/- (Rupees Seventeen Crore Only) divided into 1,70,00,000 (One Crore Seventy Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each"

- 9.4 The approval of this Scheme by the shareholders of the Transferee Company under section 233 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under Sections 4, 13, 61 and other applicable provisions of the Act and any other consents and approvals as may be required in this regard for the alteration of the memorandum of association as mentioned above.

## 10. ACCOUNTING TREATMENT

- 10.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations) **and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013.**
- 10.2 All the assets and liabilities of Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Company as on the Appointed Date (Appendix C of Ind-AS 103).
- 10.3 The identity of the reserves pertaining to the Transferor Companies, shall be preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Transferee Company, as on the Appointed Date
- 10.4 The investments in shares of the Transferor Company, as appearing, *inter alia*, in the books of the Transferee Company shall stand cancelled.
- 10.5 To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.
- 10.6 The excess/ deficit of the value of the assets over the value of liabilities of the Transferor Company, pursuant to Amalgamation of Transferor Company with and into the Transferee Company, and as recorded in the

books of account of the Transferee Company shall, after adjusting as above, be recorded as 'Capital Reserve' in the books of the Transferee Company.

- 10.7 In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee will prevail and difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

## 11. TAX TREATMENT

- 11.1 Any tax liabilities and rights or benefits under the Income-tax Act, 1961, Central Goods and Services Tax Act, 2017, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, Service Tax, stamp laws as amended from time to time or other applicable laws/ regulations (hereinafter in this clause referred to as "Tax Laws") 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 to Transferee Company.
- 11.2 All taxes (including income tax, Goods and Services tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, Goods and Services tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and 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.
- 11.3 Any refund under the Tax Laws received by / due to the Transferor Company consequent to the assessments made on the Transferor Company subsequent to the Appointed Date 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.
- 11.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.
12. DISSOLUTION OF THE TRANSFEROR COMPANY
- 12.1 On the Scheme becoming effective the Transferor Company shall be dissolved without being wound up without any further act by the Companies.
13. APPLICATION TO THE AUTHORITY OR SUCH OTHER COMPETENT AUTHORITY
- 13.1 The Transferee Company shall file necessary application/petition under Section 233 and other applicable provisions of the Act to the Authority for seeking sanction of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Assets and Liabilities and to carry on the business of the Transferor Company.

## 14. MODIFICATION / AMENDMENT TO THE SCHEME

- 14.1 If any part of this Scheme hereof is invalid, ruled illegal by the Authority or unenforceable under present or future laws, then it is the intention of the Companies 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 the Transferor Company or Transferee Company, in which case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such part.
- 14.2 The Transferor Company and the Transferee Company by their respective Boards or any duly authorized committees may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Authority or any other competent authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or it (i.e. the Board or committee) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 14.3 The Board of the respective Companies are authorised to take all necessary steps to give effect to the terms of this Scheme.

## 15. CONDITIONS

- 15.1 The Scheme is conditional upon and subject to the following:
- (a) the approval of this Scheme by the requisite majority of the members and such classes of persons of the Transferor Company and the Transferee Company respectively in terms of Section 233 of the Act;
  - (b) the approval of this Scheme by the requisite majority of the creditors or

class of creditors of the respective Transferor Company and the Transferee Company in terms of Section 233 of the Act; and

- (c) issuance of the confirmation regarding registration of the Scheme by the Authority in terms of the Section 233 of Act or sanction order under Section 232 of the Act as the case may be, being obtained by the Transferor Company and the Transferee Company from the Authority.

## 16. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 16.1 In the event of any of the said approvals or conditions referred to in Clause 15 above not being obtained and/ or complied with and/or satisfied and/or confirmation order or orders not being passed by the Authority as aforesaid by such date as may be mutually agreed upon by the respective Boards of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.
- 16.2 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.
- 16.3 The Boards of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the Transferor Company and/ or the Transferee Company.

## 17. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- 17.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are

considered necessary by the Board of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

## 18. SAVING OF CONCLUDED TRANSACTIONS

18.1 The transfer and vesting of the entire Assets and Liabilities of the Transferor Company under Clause 4 above, transfer and continuation of legal proceedings under Clause 8 above and effectiveness of contracts, deeds, approvals and other instruments under Clause 5 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before 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 regard thereto, as if done and executed by the Transferee Company on its behalf.

## 19. COSTS

19.1 All costs, charges, taxes including 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 or implementation thereof and matters incidental thereto shall be borne by the Transferee Company.