

SCHEME OF AMALGAMATION

BETWEEN

MARKOLINES INFRA LIMITED

(Transferor Company)

AND

MARKOLINES PAVEMENT TECHNOLOGIES LIMITED

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER)



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SECTION I: OVERVIEW

1. WHEREAS:

1.1. **MARKOLINES INFRA LIMITED (“Transferor Company”)** is a public company governed by the provisions of the Companies Act, 2013, having its registered office at 502, A Wing, Shree Nand Dham, Sector-11, CBD Belapur, Navi Mumbai - 400 614, Maharashtra, with Permanent Account Number AAECM1763H and Corporate Identity Number U45209MH2005PLC151429. The Transferor Company was originally incorporated as “Markoline Traffic Systems Private Limited” on February 18, 2005 and changed its name to “Markoline Infra Private Limited” pursuant to the certificate dated July 17, 2010 issued by the Ministry of Corporate Affairs, Central Processing Centre. The name of the Company changed to “Markolines Infra Private Limited” pursuant to the certificate dated February 1, 2018. The Transferor Company consequently converted itself to public company pursuant to the certificate dated July 26, 2024 issued by the Ministry of Corporate Affairs, Central Processing Centre. The Transferor Company is engaged in the business of Highway Operations and Maintenance (O&M) offering services such as: a) Toll operations, b) Route patrolling and incident management, and c) Routine maintenance.

1.2. **MARKOLINES PAVEMENT TECHNOLOGIES LIMITED (“Transferee Company”)** is a public company governed by the provisions of the Companies Act, 2013, having its registered office at 502, Wing-A, Shree Nand Dham, Sector-11, CBD Belapur, Navi Mumbai 400 614 Maharashtra, with Permanent Account Number AADCM2827P and Corporate Identity Number L99999MH2002PLC156371. The Transferee Company was originally incorporated as “Mark-O-Line Traffic Controls Private Limited” on November 8, 2002 and changed its name to “Markolines Traffic Controls Private Limited” pursuant to the certificate dated March 12, 2018 issued by the Ministry of Corporate Affairs. Consequently, the Transferee Company converted itself into a public company with the name “Markolines Traffic Controls Limited” pursuant to the certificate dated August 10, 2021, issued by the Ministry of Corporate Affairs, Central Processing Centre. The Transferee Company changed its name to “Markolines Pavement Technologies Limited” pursuant to the certificate dated October 13, 2021, issued by the Ministry of Corporate Affairs, Central Processing Centre. The Transferee Company has submitted an application to BSE Limited on March 25, 2025, for the migration of its equity shares from the BSE SME Platform to the Main Board of BSE Limited, in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidelines prescribed by BSE Limited. The Transferee Company is engaged in the business of a) Highway Maintenance which includes major maintenance and repairs of highways which covers preventive, rehabilitation, renewal or resurfacing of the assets; b) Specialized Maintenance Services which includes Micro Surfacing, Cold In Place Recycling (CIPR) / Cold Central Plant Recycling (CCPR) with Cement and Foam Bitumen; and c) Specialized Construction Services which includes Full Depth Reclamation (FDR), Tunnelling, etc.

2. PREAMBLE

2.1. This Scheme (as defined hereinafter) seeks to amalgamate and consolidate the business of the Transferor Company with and into the Transferee Company (together the “Amalgamating



Companies”) pursuant to the provisions of Section 2(1B) of the IT Act (as defined hereinafter), Sections 230-232 and other applicable provisions of the Act (as defined hereinafter), the SEBI Circular (as defined hereinafter), the Listing Regulations (as defined hereinafter) and Applicable Laws (as defined hereinafter).

- 2.2. The Board of Directors of the Amalgamating Companies have resolved that the amalgamation of the Transferor Company with and into the Transferee Company would be in the best interest of the Amalgamating Companies and their respective shareholders, creditors, employees and other stakeholders.
- 2.3. Upon the amalgamation of the Transferor Company with and into the Transferee Company pursuant to the Scheme becoming effective on the Effective Date (as defined hereinafter), the Transferee Company will issue New Equity Shares (as defined hereinafter) to the shareholders of the Transferor Company on the Record Date (as defined hereinafter), in accordance with the Share Exchange Ratio (as defined hereinafter) approved by the Board of Directors of each of the Amalgamating Companies and pursuant to Sections 230-232, and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act.
- 2.4. The amalgamation of the Transferor Company with the Transferee Company will be effective from the Appointed Date (as defined hereinafter).
- 2.5. This Scheme presented under Sections 230-232 of the Act for the amalgamation of the Transferor Company with the Transferee Company is divided into the following sections:

Section I: Deals with the overview of the Scheme and defined terms used in this Scheme;

Section II: Deals with the share capital details of the Transferor Company and the Transferee Company;

Section III: Deals with amalgamation of the Transferor Company with and into the Transferee Company and sets forth certain additional arrangements that form a part of this Scheme;

Section IV: Deals with the general terms and conditions applicable to this Scheme.

3. RATIONALE OF THE SCHEME

- 3.1. The Transferor Company is engaged in the business of Highway Operations and Maintenance (O&M) offering following services: a) Toll operations, b) Route patrolling and incident management, and c) Routine maintenance.
- 3.2. The Transferee Company is engaged in the business of a) Highway Maintenance which includes major maintenance and repairs of highways which covers Preventive, rehabilitation, renewal or resurfacing of the assets; b) Specialized Maintenance Services which includes Micro Surfacing, Cold In Place Recycling (CIPR) / Cold Central Plant Recycling (CCPR) with Cement and Foam



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Bitumen; and c) Specialized Construction Services which includes Full Depth Reclamation (FDR), Tunnelling, etc.

- 3.3. The Transferor Company is a recognized leader in Highway Operations and Maintenance (O&M) services, with expertise in toll operations, route patrolling, incident management, and routine maintenance. The Company has successfully executed 31 projects, operating 25 toll plazas and managing over 42,900 lane-kilometers across 16 states in India over a span of 11+ years.
- 3.4. The Transferee Company is also a leading company providing major maintenance and specialized construction services to the highway industry in India over the span of more than 22 years.
- 3.5. The proposed amalgamation will enhance the Transferee Company's service capabilities, expand its market reach, and achieve greater economies of scale in the Highway Infrastructure industry, thereby strengthening its capacity and resources to drive business growth.
- 3.6. The proposed amalgamation will also result in multiple synergy benefits that can help accelerate growth and improve margins, as set forth below, thus creating value for the respective stakeholders of the Amalgamating Companies, and this Scheme is in the interest of the Amalgamating Companies and their respective stakeholders:

(i) **Strategic and Capacity Enhancement:** the integration of the Transferor Company with the Transferee Company is expected to provide the following synergies:

- *Accelerated Time-to-Market:* Streamlined organizational structure will enable faster decision making, improved inter-departmental coordination, and quicker deployment of services.
- *Broader Market Reach:* Leveraging combined licenses, relationships, and regional footprints, the merged entity can access new markets and deepen its presence in existing ones.
- *Business Model Scalability:* Integration will result in a more agile, scalable, and responsive business model aligned with evolving industry dynamics.
- *Operational Visibility and Real-Time Insights:* The Transferor Company's 24x7 on-site presence enhances data accuracy and client interaction, allowing real-time project insights, optimized planning, and precise cost estimation—providing a strong competitive advantage.

(ii) **Operational Synergies and Cost Efficiencies:** the integration of the Transferor Company with the Transferee Company is expected to provide the following synergies:

- *Reduction in Duplication and Risk:* Unified operations reduce redundant legal and administrative frameworks, simplifying compliance and mitigating operational risks.
- *Procurement and Vendor Optimization:* A centralized procurement approach will improve bargaining power with suppliers, resulting in cost savings and enhanced contract terms.



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- *Streamlined Administrative Functions:* Integration of HR, finance, IT, and legal functions will lower overheads and improve process efficiency.

- *Economies of Scale:* A larger operational base will yield cost advantages in compliance, business development, marketing, and service delivery.

(iii) **Complementary Service Offerings and Strategic Positioning:** the integration of the Transferor Company with the Transferee Company is expected to provide the following synergies:

- The merger will bring together complementary competencies across pavement technologies, specialized construction, and highway O&M services creating a holistic and robust infrastructure service provider.

- Most significantly, the amalgamation will make the merged entity the only and the largest company in India offering the entire spectrum of Highway Operations & Maintenance services - from construction and rehabilitation to toll operations and routine maintenance.

- This comprehensive capability will enhance brand visibility, broaden the service portfolio, and significantly strengthen the Company's position in the other sectors of infrastructure industry.

4. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings as set out herein below:

4.1. “Act” shall mean the Companies Act, 2013, including any rule, regulation, circulars, notification, direction and/or orders issued thereunder, and in each case, as amended from time to time.

4.2. “Amalgamating Companies” shall have the meaning ascribed to it in Clause 2.1. of this Scheme.

4.3. “Applicable Laws” shall mean any applicable national, provincial, local or other law of India including applicable provisions of all: (i) constitutions, decrees, treaties, statutes, enactments, laws (including common law), bye laws, codes, notifications, rules, regulations, policies, guidelines, circulars, clearances, approvals, directions, directives, ordinances, administrative interpretation or orders of any Governmental Authority, statutory authority, court, Competent Authority; (ii) Permits; and (iii) orders, decisions, writs, injunctions, judgements, awards, administrative interpretation, and decrees of, or agreements with, any Governmental Authority (including, a recognized stock exchange) having jurisdiction over the Amalgamating Companies in each case having the force of law and that is binding or applicable to any of the Amalgamating Companies as may be in force in India from time to time.



- 4.4. **“Appointed Date”** shall mean the opening business hours of April 1, 2025 or such other date as may be directed / approved by the Competent Authority or such other date as may be approved by the Board of the Amalgamating Companies.
- 4.5. **“Board of Directors”** or **“Board”** in relation to the Amalgamating Companies shall mean their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorized by the board of directors or by such committee of directors.
- 4.6. **“Competent Authority”** shall mean the relevant National Company Law Tribunal, which has the jurisdiction in relation to the Transferor Company and the Transferee Company.
- 4.7. **“Effective Date”** shall have the meaning ascribed to it in Clause 19.2 of the Scheme. Any reference in this Scheme to phrases such as 'coming into effect of the Scheme' or 'upon the Scheme becoming effective' or 'upon/of the effectiveness of the Scheme' shall mean the Effective Date.
- 4.8. **“Encumbrance”** shall mean: (i) any encumbrance including, without limitation, any claim, mortgage, negative lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, trust, guarantee, commitment, assignment by way of security, or other encumbrances or security interest of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any law, contract or otherwise, including any option or right of pre-emption, public right, common right, easement right, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set off and/or any other interest held by a third party; (ii) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (iii) any adverse claim as to title, possession or use; and/or (iv) any agreement, conditional or otherwise, to create any of the foregoing, and the term 'encumber' shall be construed accordingly.
- 4.9. **“Governmental Authority”** shall mean in relation to India: (i) any national, state, municipal, local government, political or administrative subdivision thereof, having jurisdiction in India and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; (ii) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, SEBI and the Stock Exchange and (iii) the Competent Authority.
- 4.10. **“IT Act”** shall mean the Income Tax Act, 1961 and includes all amendments or statutory modification thereto or re-enactments thereof and the rules made thereunder, for the time being in force.



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- 4.11. **“Indian Accounting Standards”** shall mean the applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 and shall include any statutory modifications, re-enactments or amendments thereof.
- 4.12. **“Input Tax Credit”** shall mean the central value added tax (CENVAT) credit as defined under the CENVAT Credit Rules, 2004 and the goods and services tax input credit as defined in the Central Goods and Service Tax Act, 2017 (“CGST”), Integrated Goods and Service Tax Act, 2017 (“IGST”) and respective State Goods and Service Tax laws (“SGST”) and any other tax credits under any indirect tax law (including Goods and Services Tax Rules/ Act) for the time being in force.
- 4.13. **“Listing Regulations”** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes all amendments or statutory modifications thereto or re-enactments thereof.
- 4.14. **“New Equity Shares”** shall have the meaning ascribed to it in Clause 11.2 of this Scheme.
- 4.15. **“Permits”** shall mean all consents, licenses, permits, certificates, permissions, authorizations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, grants, whether governmental, statutory or regulatory, including applications for renewal thereof, as required under Applicable Laws.
- 4.16. **“Record Date”** shall mean the date to be fixed by the Board of Directors of Transferee Company in consultation with the Transferor Company, in term of Clause 20 of the Scheme, for the purpose of issuance of the New Equity Shares of the Transferee Company to the eligible shareholders of the Transferor Company pursuant to the Scheme.
- 4.17. **“Registered Valuer”** shall mean a person registered as a valuer in terms of Section 247 of the Act.
- 4.18. **“Registrar of Companies”** or **“RoC”** shall mean the relevant Registrar of Companies, having jurisdiction over the Transferor Company and the Transferee Company respectively.
- 4.19. **“Scheme”** or **“the Scheme”** or **“this Scheme”** shall mean this scheme of amalgamation pursuant to Section 230 - 232 and other relevant provisions of the Act, read with the SEBI Circular, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Competent Authority and other relevant Governmental Authorities, as may be required under the Act and under all other Applicable Laws.
- 4.20. **“SEBI”** shall mean the Securities and Exchange Board of India.
- 4.21. **“SEBI Circular”** shall mean the Master Circular No. SEBI/HO/CFD/POD- 2/P/CIR/2023/93 dated 20th June, 2023 issued by SEBI and includes all amendments or statutory modifications thereto or re-enactments thereof.
- 4.22. **“Stock Exchange”** shall mean includes BSE SME Platform of BSE Limited (formerly Bombay Stock Exchange Limited).



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4.23. **“Transferee Company”** shall have the meaning ascribed to it in Clause 1.2 of this Scheme.

4.24. **“Transferee Company Shares”** shall mean the fully paid up equity shares of the Transferee Company, each having a face value of INR 10/- (Indian Rupees Ten) and one (1) vote per equity share.

4.25. **“Transferor Company”** shall have the meaning ascribed to it in Clause 1.1 of this Scheme and, notwithstanding anything contrary contained herein, shall include: (@Pradeep, check every part of Balance sheet is covered)

(i) all assets, whether moveable or immovable, whether tangible or intangible, whether leasehold or freehold, equipment, including without limitation all rights, title, interests, claims, covenants and undertakings of the Transferor Company in such assets;

(ii) all investments, receivables, loans, security deposits and advances extended, earnest monies, advance rentals, payments against warrants, if any, or other rights or entitlements, including without limitation accrued interest thereof, of the Transferor Company;

(iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, if any, availed by the Transferor Company;

(iv) all Permits, rights, entitlements, licenses, approvals (including licenses and approvals from any Governmental Authority), grants, allotments, recommendations, clearances and tenancies of the Transferor Company;

(v) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which the Transferor Company is a party, and other assurances in favour of the Transferor Company or powers of authorizations granted by or to it;

(vi) all insurance policies;

(vii) any and all of its staff and employees, who are on its payrolls, including those employed at its offices and branches, employees/personnel engaged in or in relation to the business, activities and operations carried on by the Transferor Company, including liabilities of the Transferor Company, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, in terms of its license, at its respective offices, branches or otherwise, and any other employees I personnel and contract labourers and interns / trainees hired by the Transferor Company as on the Effective Date;



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(viii) rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of unabsorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits, tax credits, minimum alternate tax, etc., under the IT Act, sales tax, value added tax, custom duties and goods and service tax or any other or like benefits under Applicable Law;

(ix) any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to but not limited to the deposits from members, investor's service fund and investor protection fund;

(x) all books, record, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer / supplier pricing information, and all other books and records, whether in physical or electronic form;

(xi) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;

(xii) All registrations, trademarks, trade names, computer programmes, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in the business, activities and operations carried on by the Transferor Company; and

(xiii) All rights to use and avail 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 interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company.

5. INTERPRETATION

5.1. Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the



Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 (including the regulation made thereunder), the Depositories Act, 1996 and other Application Laws, and in each case including any statutory modification or re-enactment thereof, from time to time.

5.2. Wherever reference is made to the Competent Authority in this Scheme, the reference would include, if appropriate, reference to the Competent Authority or such other forum or authority, as may be vested with any of the powers of the Competent Authority under the Act and/or the rules made thereunder.

5.3. In this Scheme, unless the context otherwise requires:

(i) References to 'persons' shall include individuals, body corporates (wherever incorporated), unincorporated associations and partnerships;

(ii) The headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;

(iii) Words in the singular shall include the plural and vice versa;

(iv) Words such as 'include' and '-including' are to be construed without limitation;

(v) Terms such as 'hereof', 'herein', 'hereby', 'hereto' and derivative or similar words shall refer to this entire Scheme or specified clauses of this Scheme, as the case may be;

(vi) Any reference to 'writing' or 'written' includes typing, and other means of reproducing words in a visible form including e-mail;

(vii) Reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;

(viii) Reference to section, annexure or clause shall be a reference to the section, annexure or clause of this Scheme; and

(ix) References to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced; and (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or



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replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.



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SECTION II: SHARE CAPITAL DETAILS

6. SHARE CAPITAL OF THE TRANSFEROR COMPANY

6.1. The share capital of the Transferor Company as on April 22, 2025 is as under:

Particulars	Amount (INR) (in Lakhs)
Authorized Share Capital 2,30,00,000 equity shares of face value of INR 10/- (Indian Rupees Ten) each	2,300.00
Total	2,300.00
Issued, Subscribed and Paid-Up Share Capital 1,42,00,030 equity shares of face value of INR 10/- (Indian Rupees Ten) each	1420.003
Total	1420.003

6.2. The equity shares of the Transferor Company are not listed on any stock exchanges.

7. SHARE CAPITAL OF THE TRANSFEREE COMPANY

7.1. The share capital of the Transferee Company as on April 22, 2025 is as under:

Particulars	Amount (INR) (in Lakhs)
Authorized Share Capital 5,00,00,000 equity shares of face value of INR 10/- (Indian Rupees Ten) each	5,000.00
Total	5,000.00
Issued, Subscribed and Paid-Up Share Capital 2,20,04,520 equity shares of face value of INR 10/- (Indian Rupees Ten) each	2,200.452
Total	2,200.452

7.2. The equity shares of the Transferee Company are listed on the Stock Exchange.



SECTION III: AMALGAMATION OF THE TRANSFEROR COMPANY WITH AND INTO THE TRANSFeree COMPANY

8. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH AND INTO THE TRANSFeree COMPANY

8.1. With effect from the Appointed Date and upon this Scheme becoming effective, the Transferor Company together with all its present and future properties, tangible and nontangible assets, investments, borrowings, approvals, intellectual property rights, grants, insurance covers or claims, records, licenses, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities, being integral part of the Transferor Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, subject to the provisions of this Scheme, in accordance with Sections 230 - 232 of the Act, the IT Act and Applicable Law if any, in accordance with the provisions contained herein.

8.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

(i) all immovable properties of the Transferor Company, including land together with the buildings, 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, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The title of the immovable properties of the Transferor Company shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the order of the Competent Authority sanctioning the Scheme with the appropriate registrar and sub-registrar of assurances shall suffice as record of the Transferee Company's title to such immovable properties pursuant to this Scheme coming into effect and shall constitute a deemed mutation and substitution thereof. The relevant authorities shall grant all clearances/ permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. The Transferee Company shall in pursuance of the order of the Competent Authority sanctioning the Scheme, be entitled to the delivery and possession of all documents of title in respect of such immovable property in this regard. The transfer of immovable properties shall form an integral part of this Scheme;

(ii) all assets of the Transferor Company, that are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and/or, by endorsement and delivery, or by vesting and recording, including without limitation equipment, furniture, fixtures, books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and



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advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the order of the Competent Authority sanctioning this Scheme, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recording, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;

(iii) all other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.

(iv) all incorporeal or intangible assets of the Transferor Company or granted to the Transferor Company shall stand vested in and transferred to the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the order of the Competent Authority sanctioning this Scheme, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company;

(v) the transfer and vesting of the movable and immovable properties as stated above shall be subject to Encumbrances, if any, affecting the same;

(vi) all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any assets of the Transferor Company have not been Encumbered in respect of the liabilities, 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 secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in further in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;



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(vii) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured (including Indian rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Transferor Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account of disclosed in the balance sheet of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

(viii) all estates, assets, rights, title, claims, 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, of whatsoever nature and wherever situate, 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 and properties of the Transferee Company;

(ix) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Company is a party, or to the benefit of which, the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite, arrangements, confirmations or novation, the Transferor Company will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the fully constituted attorney of the Transferor Company;

(x) any pending suits / appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature



relating to the Transferor Company, whether by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented;

(xi) the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary under the transfer of the rights and obligations of the Transferor Company to the Transferee Company until the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honor all cheques issued by the Transferor Company for payment after the Effective Date;

(xii) all the staff and employees of the Transferor Company who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any breaks or interruption in their services on terms and conditions which are overall no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service. It is clarified that such employees of the Transferor Company who become the employees of the Transferee Company by virtue of this Scheme shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. The Transferee Company further agrees that for the purposes of payment of any retirement benefit / compensation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous. In addition, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or



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contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Company shall be continued / continue to operate against the relevant employee and the Transferee Company shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company;

(xiii) with regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective: (a) all contributions made to such funds by the Transferor Company on behalf of such funds by the Transferor Company on behalf of the Transferee Company, and shall be transferred to the Transferee Company the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be; and (b) all contributions made by such employees, including interests/investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, by operation of law pursuant to the order of the Competent Authority sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company. It is clarified that the services of all the employees of the Transferor Company transferred to the Transferee Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (b) merge the pre-existing fund of the Transferor Company with other similar funds of the Transferee Company;

(xiv) the Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Transferor Company, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable;

(xv) all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company;

(xvi) all registrations, goodwill and licenses, appertaining to the Transferor Company, if any, shall stand transferred to and vested in the Transferee Company;



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(xvii) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, , securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Transferor Company, including all or any refunds or claims, shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, 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;

(xviii) all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, minimum alternate tax, benefit of carry forward losses, tax deferral, exemptions and benefits (including sales tax and service tax (including Input Tax Credit)), subsidies, tenancy rights, liberties, special status, grants and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company 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; and

(xix) any and all Permits, including all statutory licenses or other licenses (including licenses granted to the Transferor Company by any Governmental Authority for the purpose of carrying on its business or in connection therewith), no-objection certificates, permissions, registrations, approvals, consents, Permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the order of the Competent Authority sanctioning this Scheme, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company. The benefit of all statutory and regulatory permissions, approvals and consents including without limitation statutory licenses, permissions, approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.



- 8.3. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 8.4. Without prejudice to other provision of this Scheme and notwithstanding the vesting of the Transferor Company into the Transferee Company by virtue of this Section III of this Scheme, 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 Applicable Laws or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, in its capacity as the successor entity of the Transferor Company. The Transferee Company will, if necessary, also be a party to the above.
- 8.5. With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company.
- 8.6. For the purpose of giving effect to the order passed under Sections 230 -232 and other applicable provisions of the Act in respect of this Scheme by the Competent Authority, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the records of the change in the legal right(s) upon the transfer of the Transferor Company, in accordance with the provisions of Section 230-232 of the Act. The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

9. DISSOLUTION OF TRANSFEROR COMPANY

Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further act, instrument or deed.

10. COMBINATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION

- 10.1. As an integral part of the Scheme and upon this Scheme becoming effective, the authorised share capital of the Transferor Company shall stand transferred to be amalgamated/ combined with the authorised share capital of the Transferee Company. As a consequence, the authorised share capital of the Transferee Company as existing on the Effective Date shall stand enhanced by INR 23,00,00,000/- (Indian Rupees Twenty Three Crores only) by way of an addition of 2,30,00,000 (Two Crores Three Lakhs) equity shares having face value of INR 10/- (Indian Rupees Ten only) each, without any further act, instrument or deed undertaken by the Transferee Company, pursuant to Sections 13, 14, 61, 62, 64 and other applicable provisions of the Act. The fees or stamp duty, if any, paid by the Transferor Company on its authorised share capital shall be deemed to have



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been so paid by the Transferee Company on the combined authorised share capital, and the Transferee Company shall not be required to pay any fee / stamp duty for the increase of the authorised share capital. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the relevant Registrar of Companies and no separate procedure of instrument or deed shall be required to be followed under the Act.

- 10.2. Accordingly, Clause V of the Memorandum of Association of the Transferee Company (relating to the authorised share capital) shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be altered, modified, amended and substituted by the following clause:

“The Authorised Share Capital of the Company is Rs.73,00,00,000/- (Indian Rupees Seventy-Three Crores only) divided into 7,30,00,000 (Seven Crores and Thirty Lakhs) Equity Shares of Rs.10/- (Indian Rupees Ten Only) each.”

- 10.3. The approval of this Scheme by the shareholders of the Transferee Company under Sections 230 - 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Competent Authority, shall be deemed to have been an approval under Sections 13, 61 and 64 or any other applicable provisions under the Act and not further resolution(s) would be required to be separately passed in this regard.

11. PAYMENT OF CONSIDERATION

- 11.1. The Transferor Company and the Transferee Company have engaged Mr. Sumit Dhadda a Registered Valuer, IBBI Registration No. IBBI/RV/14/2018/10160 and Ms. Neha Bhandari, a Registered Valuer, IBBI Registration No. IBBI/RV/16/2021/14449 respectively (**“Registered Valuer”**). In connection with such engagement, the Registered Valuer has issued a valuation report dated April 21, 2025 (**“Valuation Report”**) proposing the share swap ratio for the purpose of issuance of the New Equity Shares by the Transferee Company to the eligible shareholders of the Transferor Company in lieu of the amalgamation of the Transferor Company into and with the Transferee Company in terms of this Scheme.

- 11.2. Upon the Scheme becoming effective and in consideration for the amalgamation of the Transferor Company into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot, to the shareholders of the Transferor Company whose names appear in the register of members as on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as may be recognized by the Board of the Transferee Company), 1.150 (one decimal one five zero) equity shares having face value of INR 10/- (Indian Rupees Ten only) each, credited as fully paid up, in the share capital of the Transferee Company, for every 1 (one) fully paid-up equity shares having face value of INR 10/- (Indian Rupees Ten only) each, held by such eligible shareholders of the Transferor Company (**“Share Exchange Ratio”**). All such equity shares issued and allotted by the Transferee Company to the eligible shareholders of the Transferor Company shall be referred to as **“New Equity Shares”**. **(Rounding off to be mentioned here?)**



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- 11.3. The Transferee Company has also engaged Aftertrade Broking Private Limited (formerly known as “RCSPL Share Broking Private Limited”), a SEBI registered Category 1 Merchant Banker holding permanent registration No. INM000013110 (“**Merchant Banker**”). In connection with such engagement the Merchant Banker has issued a fairness opinion dated April 21, 2025 (“**Fairness Opinion**”) on the Valuation Report adopted under this Scheme and Share Exchange Ratio mentioned in Clause 11.2 of this Scheme.
- 11.4. The New Equity Shares so issued to the eligible shareholders of the Transferor Company shall be fully paid up and free of all liens, charges and Encumbrances, and shall be freely transferable in accordance with the Articles of Association of the Transferee Company.
- 11.5. The Share Exchange Ratio stated in Clause 11.2 of this Scheme has been taken on record and approved by the Board of each of Amalgamating Companies after taking into consideration the Valuation Report and the Fairness Opinion.

12. ISSUANCE MECHANICS

- 12.1. On the approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company pursuant to Sections 230 - 232 of the Act and applicable SEBI regulations, circulars etc., it shall be deemed that the members of the Transferee Company have also accorded their consent under Sections 42 and 62 or other applicable provisions of the Act for issuance of the New Equity Shares of the Transferee Company to the eligible shareholders of the Transferor Company, as set out in Clause 11.2. Further all actions taken in accordance with Clause 11.2 shall be deemed to be in full compliance of Sections 42 and 62 or other applicable provisions of the Act, and no further resolutions or actions including inter alia issuance of letter of offer by the Transferee Company shall be required to be passed or undertaken.
- 12.2. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the Stock Exchange, for the issue and allotment by the Transferee Company of the New Equity Shares to the members of the Transferor Company pursuant to and in accordance with this Scheme.
- 12.3. Subject to provisions of the Securities Contracts (Regulations) Act, 1956, the Securities and Exchange Board of India Act, 1992 and Listing Regulations, the Transferee Company shall take steps for listing of the New Equity Shares issued to the eligible shareholders of the Transferor Company in accordance with this Scheme, on the Stock Exchange. The New Equity Shares issued under this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchange.
- 12.4. Where New Equity Shares of the Transferee Company are to be allotted to the heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representative of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.



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- 12.5. Subject to Applicable Laws, the fully paid-up New Equity Shares of the Transferee company that are to be issued in terms of this Scheme, shall be issued in dematerialized form. The Transferor Company shall provide such information and details as may be required by the Transferee Company to enable it to issue the aforementioned New Equity Shares, and in this regard the eligible shareholders may provide such confirmations (if and as may be required) regarding their demat account details held with relevant depository participants. However, if as of the date of allotment of such New Equity Shares by the Transferee Company, the Transferor Company is unable to provide the details of the demat account of any particular eligible shareholder, whether owing to non-availability of the same or the same being defunct / non-operational or otherwise, then subject to Applicable Laws, the Transferee Company shall issue and allot such number of New Equity Shares in accordance with this Scheme, to the eligible shareholders whose demat account details are thus not available, into a demat suspense account, which shall be held in trust and be operated by either a director or an officer of the Transferee Company (as a trustee/ custodian of such New Equity Shares). The same shall be duly authorised by the Board of Directors of the Transferee Company, who shall upon receipt of appropriate evidence from such eligible shareholders regarding their entitlement on a future date, will transfer, from such demat suspense account into the demat accounts of such claimant eligible shareholders, such number of New Equity Shares as such claimant may be entitled to in terms of this Scheme.
- 12.6. In the event of there being any pending share transmission/mutation etc. whether lodged or outstanding, of any eligible shareholder of the Transferor Company, the Board of Directors of the Transferor Company shall be empowered in appropriate cases, prior to or event subsequent to the Record Date, to effectuate such transmission / mutation etc. in the Transferor Company, as if such changes in the registered holder were operative as on the Record Date. The Board of Directors of the Transferor Company and the Transferee Company shall be empowered to remove such difficulties as may arise in the course of the implementation of this Scheme and registration of new members/ shareholders in the Transferee Company on account of difficulties faced in the transition period.
- 12.7. The New Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Transferee Company and shall rank *pari passu* with the pre-Scheme equity shares of the Transferee Company.
- 12.8. For the purpose of allotment of the New Equity Shares by the Transferee Company pursuant to this Scheme, in case any eligible shareholders shareholding in the Transferor Company is such that the shareholder becomes entitled to a fraction of the New Equity Shares in the Transferee Company, then any fractional entitlement arising from the calculation shall be ignored, and the final number of shares to be issued shall be rounded down to the nearest whole number.
- 12.9. In the event the Transferee Company or the Transferor Company restructures its equity share capital by way of share split/preferential allotment/right issue/transfer/consolidation/issue of bonus shares through any other manner resulting in a change in the capital structure during the



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pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to consider the effect of any such corporate actions.

12.10. Further, it is hereby clarified that, during the pendency of this Scheme, any corporate action in nature of preferential issue / fresh issue which may result in increase of the issued and paid up share capital of the Transferee Company or the Transferor Company shall not have an effect on alteration/amendment of the Share Exchange Ratio as arrived and approved as on/with reference to the Appointed Date.

13. ACCOUNTING TREATMENT

13.1. Accounting Treatment in the books of Transferee Company:

Upon this entire Scheme coming into effect, the Transferee Company shall account for the amalgamation of the Transferor Company, together, in its books of accounts as per the 'Pooling of Interest Method' in accordance with accounting principles as laid down in Appendix C of the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act read with Companies (Indian Accounting Standards)) Rules, 2015, as may be amended from time to time, in the books of accounts of the Transferee Company, such that:

(i) the Transferee Company shall record the assets and liabilities of the Transferor Company at their carrying values as appearing in the financial statements of the Transferor Company. No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies;

(ii) the identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Company (subject to clauses mentioned below), prior to this Scheme being made effective;

(iii) the inter-company balances between the Transferor Company and the Transferee Company, if any, appearing in the books of the Transferee Company shall stand cancelled, and there shall be no further obligation in that behalf;

(iv) the Transferee Company shall credit its share capital with the aggregate face value of the equity shares issued to shareholders of the Transferor Company as of the Record Date;

(v) the surplus / deficit, if any, arising after taking the effect of Clauses 13.1(i), 13.1(ii) and 13.1(iv), after adjustment of Clause 13.1(iii), shall be transferred to the reserves in the financial statements of the Transferee Company;

(vi) in case of any difference in accounting policy between each of the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consisted accounting policies;



(vii) comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation of the Transferor Company, as stated above, as if the amalgamation had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date;

(viii) any matter not dealt with in clause hereinabove shall be dealt with in accordance with the requirement of applicable Indian Accounting Standards.

13.2. Accounting Treatment in the books of Transferor Company

As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company.

14. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE

From the date on which the Boards of the Transferor Company and the Transferee Company approve the Scheme and until the Effective Date:

14.1. The Transferor Company and the Transferee Company shall carry on their respective business with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Laws and as mutually agreed between the Transferor Company and the Transferee Company;

14.2. The Transferor Company shall carry on its businesses and activities in the ordinary course of business with reasonable diligence and business prudence and shall not make borrowings or undertake any financial commitments either for itself or on behalf of its subsidiaries or any third party or sell, transfer, alienate, mortgage, charge or encumber or otherwise deal with or dispose of its assets, business or undertaking or any part thereof, save and except in the ordinary course of business or with the prior written consent of the Transferee Company; and

14.3. The Transferee Company shall be entitled to apply to the Central Government and any other Governmental Authority or statutory authorities / agencies / body concerned as are necessary under law for such consents, approvals, licenses, registrations and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.



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SECTION IV: GENERAL TERMS AND CONDITIONS

15. SEQUENCE OF EVENTS

15.1. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (i) amalgamation of the Transferor Company into the Transferee Company in accordance with Section III of the Scheme;
- (ii) transfer of authorised share capital of the Transferor Company to the Transferee Company as provided in Section III of the Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Section III of the Scheme;
- (iii) issuance and allotment of New Equity Shares to the shareholders of the Transferor Company as on the Record Date, without any further act, instrument or deed, in accordance with Section III of this Scheme; and
- (iv) dissolution of the Transferor Company without winding up.

16. COMPLIANCE WITH LAWS

16.1. This Scheme is presented and drawn up to comply with the provisions / requirements of SEBI Circular, Sections 230 - 232 of the Act, for the purpose of the amalgamation of the Transferor Company and the Transferee Company.

16.2. This Scheme has been drawn up to comply with the conditions relating to 'amalgamation' as specified in Section 2(1B) and other relevant provisions of the IT Act. If any terms or provision of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail. The Scheme shall then stand modified and will however not affect other part of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Amalgamating Companies, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

16.3. The resolutions passed by the Board of Directors and the shareholders of the Amalgamating Companies, which approve the Scheme shall also be deemed to have approved, inter alia, the above actions without the need to pass any separate resolutions for any of the above. Benefits of any and all corporate approvals as may have already been taken by each of the Amalgamating Companies, including approvals under Section 42, 62, 180, 185, 186, 188, 196, 197, 198, 203 of the Act, Listing Regulations etc. as the case may be, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company.



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16.4. Upon this Scheme becoming effective, the Transferee Company is expressly permitted to prepare and/or revise their financial statements and returns along with prescribed forms, filings and annexures under any applicable tax laws including the IT Act (including for minimum alternate tax purposes and tax benefits, service tax law, central sales tax laws, excise duty laws, goods and service law etc., and to claim refunds and/or credits for taxes paid (including minimum alternate tax, tax deducted at source, tax collected at source etc.), and to claim tax benefits under the IT Act, etc., and for matters incidental thereto, if required to give effect to the provisions of this Scheme, from the Appointed Date, notwithstanding that the period for filing / revising such returns and claiming refunds / credits may have lapsed. The order of the Competent Authority sanctioning the Scheme shall be deemed to be an order of the Competent Authority permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts and no further act shall be required to be undertaken by the Transferee Company.

17. CONSEQUENTIAL MATTERS RELATING TO TAX

17.1. 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.

17.2. 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.

17.3. Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferee Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to Transferee Company for set-off against its liability under the IT Act and any excess tax so paid shall be eligible for refund together with interest.

17.4. Any tax liabilities under the IT Act, Customs Act, 1962, service tax laws, goods and service tax laws and other applicable state value added tax laws or other applicable laws/ regulations dealing with taxes / duties / levies allocable or related to 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 the Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax, tax deducted at source and tax collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.



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- 17.5. Any refund under the IT Act, Customs Act, 1962, service tax laws, goods and service tax laws and other applicable state valued added tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the Transferor Company available on various electronic forms (including Form 26AS / registration) and/or due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to/deemed to be received by the Transferee Company.
- 17.6. All taxes / credits including income-tax, tax on book profits, credit on Minimum Alternate Tax under Section 115JAA of the IT Act, sales tax, excise duty, custom duty, service tax, value added tax, goods and serve tax or any other direct or indirect taxes as may be applicable etc. paid or payable by the Transferor Company in respect of the operation and/or the profits before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including without limitation income tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction at source, collection at source, self-assessment tax, advance tax, minimum alternate tax credit or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source or tax collected at source by the Transferor Company / Transferee Company on payables to the Transferee Company / the Transferor Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 17.7. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the IT Act, service tax laws, customs law, state value added tax, goods and service tax laws or other applicable laws / regulations dealing with taxes/duties/levies shall be made or deemed to have been made and duly complied with the Transferee Company.
- 17.8. Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including income tax, sales tax, value added tax, service tax, goods and services tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed off or utilised by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of the inter se transactions pursuant to this Scheme.
- 17.9. All compliances with respect to taxes or any other law between Appointed Date and Effective Date done by the Transferor Company shall, upon the sanction of this Scheme by the NCLT, be deemed to have been complied by the Transferee Company. Without prejudice to the above, upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise or modify or make adjustments as permitted in the respective tax legislations, its income-tax returns, tax deducted at source returns (including tax collected at source), sales tax returns, excise and CENVAT returns, service tax returns, goods and service tax returns, other tax returns,



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notwithstanding that the period for filing / revising such returns may have lapsed and to obtain tax deducted at source certificates (including tax collected at source), and also including tax deducted at source certificates and tax collected at source certificates relating to transactions between or amongst the Transferor Company and the Transferee Company, and to claim refunds, advance tax, minimum alternate tax credits and withholding tax credits, benefits of carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

17.10. In accordance with the CENVAT Credit Rules, 2004 framed under Central Excise Act, 1944, state value added tax and goods and service tax as are prevalent on the Effective Date, the unutilized credits relating to excise duties, state value added tax, GST and service tax paid on inputs / capital goods / input services lying in the accounts of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/ registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax / goods and service tax payable by it.

17.11. Without prejudice to the generality of the above, all benefits, refunds, incentives, losses, credits (including without limitation income tax, tax on book profits, service tax, applicable state value added tax, goods and service tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company (including in electronic form/registration), upon this Scheme coming into effect.

17.12. It is further clarified that the Transferee Company shall be entitled to claim deduction under Section 43B of the IT Act in respect of unpaid liabilities, transferred to it to the extent not claimed by the Transferor Company, as and when the same are paid subsequent to the Appointed Date.

18. CONSEQUENTIAL MATTERS RELATING TO LEGAL AND OTHER PROCEEDINGS

18.1. 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.

18.2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company are 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 the 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.

18.3. In case of any litigation, suits, recovery proceedings including but not limited to any claims by ex-employees pertaining to any dispute prior to the Effective Date which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.



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18.4. the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, which are capable of being continued by or against the Transferee Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company; and

18.5. the Transferee Company shall be deemed to be authorized under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

19. EFFECTIVENESS OF THE SCHEME

19.1. The Scheme is conditional upon and subject to the following:

- i. receipt of observation or no objection letter by the Transferee Company from SEBI / Stock Exchange in accordance with the Listing Regulations and the SEBI Circular in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Amalgamating Companies, each acting reasonably and in good faith;
- ii. this Scheme being approved by the requisite majority of each classes of members and/or creditors of the Transferor Company and the Transferee Company (and in relation to the Transferee Company, through e-voting), in accordance with the Act and SEBI Circular and as may be directed by the Competent Authority;
- iii. the votes cast by the public shareholders of the Transferee Company in favour of the Scheme being more than the number of votes cast by the public shareholders of the Transferee Company against the Scheme;
- iv. the Scheme being sanctioned by the Competent Authority and appropriate orders being passed by the Competent Authority pursuant to Section 230 - 232 of the Act and other relevant provisions thereof, as may be applicable; and
- v. certified copies of the relevant orders of the Competent Authority being filed by the Transferor Company and the Transferee Company with the relevant Registrar of Companies.

19.2. The date on which the last of the conditions specified in Clause 19.1 are fulfilled, obtained or otherwise duly waived shall be the “Effective Date.”

19.3. This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Competent Authority or any other Governmental Authority and approved by the Board of Directors of the Amalgamating Companies, shall be effective from the Appointed Date (including for all regulatory and IT Act purposes) but shall be operative from the Effective Date.



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20. RECORD DATE

After this Scheme is sanctioned but before it becomes effective (Effective Date), the Board of Directors of the Transferor Company shall, in consultation with the Board of Directors of the Transferee Company, determine the record date ("Record Date") for issuance and allotment of the New Equity Shares to the eligible shareholders of the Transferor Company in terms of this Scheme and the direction of the Competent Authority in this regard. On determination of the Record Date, the Transferor Company shall provide to the Transferee Company, the list of their respective shareholders as on such Record Date, who are entitled to receive the New Equity Share of the Transferee Company in terms of this Scheme, in order to enable the Transferee Company to issue and allot the New Equity Shares to such eligible shareholders of the Transferor Company.

21. APPLICATION TO THE COMPETENT AUTHORITY

21.1. The Amalgamating Companies shall make their respective applications or a joint application to the Competent Authority under Section 230 - 232 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of such classes of their respective shareholders and/or creditors and for sanctioning the Scheme with such modifications, as may be approved by the Competent Authority.

21.2. Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Amalgamating Companies, each of the Amalgamating Companies shall respective petitions before the Competent Authority for sanction of the Scheme under Section 230 - 232 of the Act and for such other orders, as the Competent Authority may deem fit for giving effect to this Scheme. Upon this Scheme becoming effective, the shareholders of the Amalgamating Companies, shall be deemed to have accorded their approval under all relevant provisions of the Act, as applicable, for giving effect to all the provisions of this Scheme.

22. POWER TO AMEND THE SCHEME

Notwithstanding the other provisions of the Scheme, but subject to Applicable Laws, the power to make amendments / modifications to the Scheme (without changing the essence thereof), as may become necessary, whether before or after the Effective Date, shall vest with the Board of Directors of the Amalgamating Companies and their stakeholders.

23. WITHDRAWAL OF THIS SCHEME

Either of the Amalgamating Companies shall be at liberty to withdraw the Scheme, any time before the Scheme is effective. In the event of withdrawal of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred amongst the Amalgamating Companies and/or their respective shareholders or creditors or employees or any other person.



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24. INTERPRETATION

If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of Applicable Laws at a later date, whether as a result of any amendment of any Applicable Laws or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the Applicable Laws shall prevail. Subject to obtaining the sanction of the Competent Authority, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/ modifications as may be necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the Competent Authority (if necessary), vest with the Board of Directors of the Amalgamating Companies, which power shall be exercised reasonably in the best interests of the Amalgamating and their respective shareholders.

25. DIVIDEND

Each of the Amalgamating Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date. The shareholders of each of the Amalgamating Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends. It is clarified that the aforesaid provision in respect of declaration of dividend is only an enabling provision and shall not be deemed to confer any right on any shareholder of any of the Amalgamating Companies to demand or claim any dividend.

26. REMOVAL OF DIFFICULTIES

The Amalgamating Companies may, by mutual consent and acting through their respective authorised representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Competent Authority or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

27. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities and the continuance of proceedings by or against the Transferor Company under Clause 8.2 of this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed Date until the Effective Date, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.



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28. COSTS, CHARGES AND EXPENSES

28.1. All other costs, charges, taxes, stamp duty including duties, levies and all other expenses, if any, in connection with the Scheme and matters incidental thereto, up to the Effective Date, shall be borne and paid by the Transferee Company (save as expressly agreed otherwise), and such expenses shall be entitled to be amortised in terms of Applicable Laws.

29. REPEAL AND SAVINGS

The provisions of the Act shall not be required to be separately complied with, in relation to the acts done by the Transferor Company and/or the Transferee Company as per direction or order of the Competent Authority sanctioning this Scheme.



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