

## SCHEME OF AMALGAMATION

### BETWEEN

**VIBURNUM TAPES PRIVATE LIMITED (VTPL)**  
(Transferor Company)

### AND

**LOTUS TAPES (INDIA) PRIVATE LIMITED (LTIPL)**  
(Transferee Company)

### AND

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013**

## 1. PREAMBLE

- 1.1 This Scheme of Amalgamation (Merger) (the “**Scheme**”) is presented under Sections 230 - 232 of the Companies Act, 2013 (the “**Act**”) and other relevant provisions of the Act as applicable from time to time, for the amalgamation of Viburnum Tapes Private Limited with Lotus Tapes (India) Private Limited with effect from the appointed date (hereinafter defined), and upon the occurrence of the Effective Date (hereinafter defined). In addition, this scheme of amalgamation also provides for various other matters consequential or otherwise integrally connected herewith.
- 1.2 The Scheme is divided into the following parts:
- (i) **Part I** deals with Definitions, Interpretations and Share Capital
  - (ii) **Part II** deals with Amalgamation of Viburnum Tapes Private Limited with Lotus Tapes (India) Private Limited
  - (iii) **Part III** deals with Consideration and Reduction of Share Capital
  - (iv) **Part IV** deals with Accounting Treatment
  - (v) **Part V** deal with General Terms and Conditions

## 2. DESCRIPTION OF COMPANIES

- 2.1 **Viburnum Tapes Private Limited**, a Private Limited Company incorporated under the Companies Act, 2013 on 04<sup>th</sup> September, 2021, has its registered office at WACO House, Masrani Lane Kurla West, Mumbai – 400070, Maharashtra (“**VTPL**” or “**Transferor Company**”). The Corporate Identity Number (CIN) of the Transferor Company is U29190MH2021PTC366996. The Transferor was incorporated to carry on the business of adhesives, adhesive tapes, label stocks, and labels, leaflets, anticorrosive coatings, etc.
- 2.2 **Lotus Tapes (India) Private Limited**, a Private Limited Company incorporated under the Companies Act, 1956 on 08<sup>th</sup> March, 2004, has its registered office at Sr. No. 300, Ambadvet, Gadadawanewadi Behind Datta Temple, At Post Paud, Tal. Mulshi, Pune-412108, Maharashtra (“**LTIPL**” or “**Transferee Company**”). The Corporate Identity Number (CIN) of the Transferee Company is U29299PN2004PTC018988. The Transferee Company is engaged in the business of manufacturing of various types of Labels, Die cuts, Sliced rolls & Sub-assemblies made of Adhesive tape, Fabric & Films and predominantly specializes in conversion of adhesive tapes, labels, fabrics, films & papers, rules & foams used in auto-ancillary industry and telecom equipment industry.

## 3. RATIONALE & PURPOSE OF THE SCHEME

The background and circumstances which justify the said arrangement are inter alia as follows:

- 3.1 VTPL being a Special Purpose Vehicle (SPV) was looking for investments and strategic alliances in entities engaged in business of manufacturing of various types of labels, die cuts, Sliced rolls made of adhesive

tapes, Fabric & Films. In line with this objective, the Transferor Company identified and entered into discussion with the Transferee Company for acquisition of its tapes business. Post discussions and negotiations, management of VTPL agreed to acquire 100% stake in LTIPL vide Share Purchase Agreement (SPA) dated 07<sup>th</sup> October, 2021.

3.2 Management of Companies envisaged to integrate the activities of VTPL and LTIPL to achieve various benefits including inter-alia, business synergies, market access, unified platform for growth, access to LTIPL's customers and cost effectiveness. Further, the integration of businesses would help to achieve the below objectives:

- (a) LTIPL is a wholly owned subsidiary of VTPL, so consolidation would lead to more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;
- (b) It is expected that such consolidation of entities will provide operational synergies which in turn will eliminate inefficiencies and will streamline corporate structure and cash flows;
- (c) A single operating entity will result in better centralized management and oversight, cost efficiencies and supporting the group competitive growth;
- (d) The proposed amalgamation shall result into elimination of duplication of work, rationalization of expenses, economies of scale;
- (e) The proposed amalgamation will eliminate a multi-layered structure and reduce managerial overlap, which are necessarily involved in running multiple entities. LTIPL is a wholly owned subsidiary of VTPL, and all the shares of LTIPL are presently held by VTPL in its own name and as such this Scheme envisages transfer of the entire undertaking of Transferor Company to the Transferee Company;

#### **4. TREATMENT OF SCHEME FOR THE PURPOSE OF INCOME TAX ACT, 1961**

- 4.1 The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income tax Act, 1961 ("IT Act"). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modifications will however not affect the other provisions of the Scheme.
- 4.2 The Amalgamation under this Scheme will be affected under the provisions of Sections 230 to 232 and other relevant provisions of the Act. The Amalgamation of the Transferor Company with the Transferee Company shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961 (the "**Section**") such that:
- (i) The provision of Part II, Part III and Part IV of this Scheme have been drawn up, to comply with the conditions relating to "Amalgamation" as defined under the Section;
  - (ii) All the properties of the Transferor Company, as on the Appointed Date shall become the properties of the Transferee Company by virtue of this Scheme;
  - (iii) All the liabilities of the Transferor Company, as on the Appointed Date shall become the liabilities of the Transferee Company by virtue of this Scheme;
  - (iv) The properties and the liabilities relating to the Transferor Company shall be transferred to the Transferee Company at values appearing in the books of account of the Transferee Company immediately before the Amalgamation;
  - (v) The transfer of the Transferor Company shall be on a going concern basis.

## PART I

### DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

#### 5. DEFINITIONS AND INTERPRETATIONS

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

- (i) **“Act”** shall mean reference to the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder, as amended from time to time and to the extent in force;
- (ii) **“Transferee Company”** means Lotus Tapes (India) Private Limited (or “LTIPL”);
- (iii) **“Transferor Company”** means Viburnum Tapes Private Limited (or “VTPL”).
- (iv) **“Undertaking”** shall mean all the undertakings and entire business of the Transferor Company as a going concern and shall include (without limitation) to the extent applicable:
  - a. all assets (whether movable or immovable, real or personal corporeal or incorporeal, present or future, contingent or definite, tangible or intangible) including plant and machinery, furniture, fixtures, equipment’s, accessories, vehicles, leasehold assets in relation to the Business Undertaking, investments, letters of intent, registrations, settlements, rights, credits, title, interest, benefits, advantages, sundry debtors, deposits, provisions, advances, receivables, funds, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licenses registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements, and all the rights, titles, interests, goodwill, benefit entitlements and advantages, contingent rights or benefit belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company as on the Appointed Date;
  - b. all present secured or unsecured, asserted or unasserted debts, duties, obligations, guarantees, assurances, and liabilities, in respect of the Transferor Company and also including all other debts, liabilities, duties and obligations of the Transferee Company relating to the Transferor Company which may accrue or arise after the Appointed Date but which is related to the period up to the Appointed Date; and
  - c. The loans and borrowing raised, incurred and utilized for the activities and operations of the Transferor Company;
  - d. all permanent employees of the Transferor Company;
  - e. all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company;
  - f. all intellectual property rights, including trademarks, trade names and the goodwill associated therewith, patents, patent rights, copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how, or any applications for the above, assignments and grants in respect thereof of the Transferor Company as on the Appointed Date;
  - g. cash, bank balance and deposits of the Transferor Company with banks, government, semi-government, local and other authorities and bodies;
  - h. all books, records, files, papers, information, software, computer programs along with their licenses, drawings, manual, data, catalogues, quotations, sales and advertising

materials, list of present and former clients, and any other record whether in physical or electronic form of the Transferor Company as on the Appointed date;

- i. all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company;
- (v) **“Appointed Date”** shall mean the opening of the business hours as on 07th October, 2021 or if the Board of Directors of the Transferor Company and the Transferee Company require any other date or the Central Government or other competent authority modifies the appointed date to such other date, then the same shall be the appointed date;
- (vi) **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority of the Jurisdiction of Mumbai and Pune, including Registrar of Company (RoC), Official Liquidators (OL), National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT);
- (vii) **“Board of Directors” or “Board”** in relation to Transferor Company and Transferee Company, as the case may be, shall mean the board of directors of such company and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Proposed Amalgamation, the Scheme and/or any other matter relating thereto;
- (viii) **“Book Value”** shall mean the value(s) of assets and liabilities of the Transferor Company, as appearing in its books of accounts at the opening of business hours as on the Appointed Date;
- (ix) **“OCPS of VTPL”** means all the outstanding 6,00,000 Optionally Convertible Preference Shares issued by the Transferor Company at Face Value of Rs.100 each, carrying a coupon rate of 7.5% payable cumulatively on redemption of OCPS.
- (x) **“OCPS of LTIPL”** means the 7.5% Optionally Convertible Preference Shares issued by the Transferee Company at Face Value of Rs.100 each.
- (xi) **“Effective Date”** shall mean the day on which the certified/authenticated copy of the order of the NCLT sanctioning the proposed Scheme after obtaining the relevant approvals, is filed with the Registrar of Companies by VTPL and LTIPL. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” or “upon the scheme becoming effective” shall mean the Effective Date;
- (xii) **“NCLT” or “Tribunal”** means the National Company Law Tribunal, Mumbai Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of Company under Section 230 to 232 of the Companies Act, 2013, if applicable;
- (xiii) **“IT Act”** shall mean the Income Tax Act, 1961, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof for the time being in force;
- (xiv) **“ROC”** means Registrar of Companies, Mumbai and Pune
- (xv) **“Scheme” or “The Scheme” or “This Scheme” or “Scheme of Amalgamation”** shall mean this Scheme of Amalgamation (Merger) among the Transferor Company, Transferee Company and their respective shareholders & Creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act for amalgamation of Viburnum Tapes Private Limited (VTPL) with Lotus Tapes (India) Private Limited (LTIPL);

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Income Tax Act, 1961 and other applicable laws,

rules, regulations, byelaws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 6. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 7. SHARE CAPITAL

7.1 The share capital of the Transferor Company "VTPL", as on 31<sup>st</sup> January, 2022 is as under:

Particulars	Amount (in Rs.)
<b><u>Authorized Share Capital</u></b>	
15,00,000 Equity Shares of Rs.10/- each.	1,50,00,000
6,00,000 7.5% Optionally Convertible Preference Shares of Rs. 100/- each	6,00,00,000
<b>Total</b>	<b>7,50,00,000</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
15,00,000 Equity Shares of Rs.10/- each.	1,50,00,000
6,00,000 7.5% Optionally Convertible Preference Shares of Rs. 100/- each	6,00,00,000
<b>Total</b>	<b>7,50,00,000</b>

Since incorporation on 04<sup>th</sup> September, 2021, there has been no change in the authorised, issued, subscribed and paid-up capital of Transferor Company.

7.2 The share capital of the Transferee Company "LTIPL" as on 31<sup>st</sup> March, 2021 is as under:

Particulars	Amount (in Rs.)
<b><u>Authorized Share Capital</u></b>	
40,000 Equity Shares of Rs.100/- each	40,00,000/-
<b>Total</b>	<b>40,00,000/-</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
39,050 Equity Shares of Rs.100/- each	39,05,000/-
<b>Total</b>	<b>39,05,000/-</b>

7.3 The share capital of the Transferee Company "LTIPL" as on 31<sup>st</sup> January, 2022 is as under:

Particulars	Amount (in Rs.)
<b><u>Authorized Share Capital</u></b>	
40,000 Equity Shares of Rs.100/- each.	40,00,000/-
<b>Total</b>	<b>40,00,000/-</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
39,050 Equity Shares of Rs.100/- each.	39,05,000/-
<b>Total</b>	<b>39,05,000/-</b>

Subsequent to 31<sup>st</sup> January, 2022, there has been no change in the authorised, issued, subscribed and paid-up capital of the Transferee Company.

## PART II

### AMALGAMATION OF VIBURNUM TAPES PRIVATE LIMITED WITH LOTUS TAPES (INDIA) PRIVATE LIMITED

#### 8. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY

- 8.1 With effect from the Appointed Date and upon the Scheme becoming effective, VTPL shall stand amalgamated with and be vested in LTIPL and the entire business of VTPL shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the order of the NCLT or other Appropriate Authority, if any, sanctioning the Scheme, shall without any further act, deed, matter or thing, stand transferred to and vested in and/ or deemed to be transferred to and vested in LTIPL, as a going concern, so as to become the properties and liabilities of LTIPL within the meaning of section 2(1B) of the Income Tax Act, 1961.
- 8.2 Without prejudice to the generality of the above said Clause:
- 8.2.1. With effect from the Appointed Date, all the assets, rights and properties of VTPL (whether movable or immovable, tangible or intangible) of whatsoever nature including but not limited to computers and servers, computer software, investments, office premises, office equipment, electrical installations, telephones, telex, facsimile, other communication facilities, any registrations whether under Central, State or other laws, copyrights, permits, approvals, all rights or title or interest in property by virtue of any court order or decree, contractual arrangement, allotment, grant, lease, possession or otherwise, memorandum of understandings, tenancy rights, hire purchase contracts, lending contracts, permissions, incentives, tax registrations, granted to the subsidiary companies by the State Government, subsidies, grants, tax credits (including MODVAT or CENVAT, Input credits of Goods & Service Tax, Minimum Alternate Tax ('MAT') credit), deferred tax, advance tax credit, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by VTPL, industrial and other licenses, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, all records, files, papers, computer programs, manuals, data, quotations, list of present and former vendors and suppliers, and all other rights, title, lease, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, shall under the provisions of Sections 230 to 232 of the Act and pursuant to the order of the NCLT or any other Appropriate Authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred to and / or deemed to be transferred to and vested in LTIPL, so as to become the properties and assets of LTIPL.
- 8.2.2. With respect to such assets and properties of VTPL as on the Effective Date, as are movable in nature and are capable of transfer by physical delivery or endorsement and delivery or novation and delivery, including cash in hand, the same shall be so transferred to LTIPL and deemed to have been handed over by physical delivery or by endorsement and delivery or novation and delivery, as the case may be, to LTIPL to the end and intent that the property and benefit therein passes to LTIPL with effect from the Appointed Date.
- 8.2.3. In respect of the movable assets owned by VTPL as on the Effective Date, other than those mentioned in Clause 8.2.2 above, including actionable claims, sundry debtors, outstanding loans, advances, whether recoverable in cash or kind or for value to be received and deposits, if any, with the local and other authorities, body corporate(s), customers etc., VTPL shall, if so required by LTIPL, and / or LTIPL may, issue notices or intimations in such form as LTIPL may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the debt, loan, advance or other asset, be paid or made good or held on account of LTIPL, as the person entitled thereto, to the end and intent that the right of VTPL to recover or realize the same stands transferred to LTIPL and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 8.2.4. All assets and liabilities of VTPL as on the Appointed Date, and all assets and properties which are acquired by VTPL 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 LTIPL and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to be transferred to and vested in LTIPL upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act, provided however that no onerous asset shall have been acquired by VTPL after the Appointed Date without the prior written consent of LTIPL.
- 8.3 With effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of VTPL shall be transferred or be deemed to have been transferred to LTIPL, to the extent they are outstanding on the Effective Date, without any further act, deed, matter or thing and the same shall be assumed by LTIPL so as to become, on and from the Appointed Date, the liabilities and obligations of LTIPL on same terms and conditions as were applicable to VTPL. LTIPL shall undertake to meet, discharge and satisfy the same and further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.
- 8.4 In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute the necessary documents, as and when required.
- 8.5 The transfer and vesting of the business of the Transferor Company as aforesaid shall be subject to the existing securities, liens, charges and mortgages, if any, subsisting, over or in respect of the properties and assets or any part thereof of the Transferor Company. Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the properties and assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligation, shall be construed as reference only to the assets pertaining to the business of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, liens, charge and mortgage shall not extend or be deemed to extend, to any of the other properties and assets of the Transferor Company or any of the properties and assets of the Transferee Company. Provided further that the securities, liens, charges and mortgages (if any subsisting) over and in respect of the properties and assets or any part thereof of the Transferee Company shall continue with respect to such properties and assets or part thereof and this Scheme shall not operate to enlarge such securities, liens, charges or mortgages to the end and intent that such securities, liens, charges and mortgages shall not extend or be deemed to extend, to any of the properties and assets of the Transferor Company vested in the Transferee Company. Provided always that this Scheme shall not operate to enlarge such securities, liens, charges or mortgages for any financial assistance or obligation created by the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.
- 8.6 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, interest, penalty etc.) 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, including unabsorbed depreciation as would have been available to Transferor Company, shall pursuant to the Scheme becoming effective, be available to the Transferee Company. All and any credits or entitlements to set off taxes and duties such as CENVAT, Input Goods & Service Tax Credit by whatever name called to the extent available to the Transferor Company shall also be transferred to and vest in the Transferee company as if it were of the Transferor Company.

- 8.7 Loans, advances and other obligations (including any guarantee, letter of credit, letter of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between VTPL and LTIPL, shall stand discharged with effect from Appointed Date and there shall be no liability in that behalf on either party.

## **9. ALTERATION TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY**

### **9.1 Combination of Authorized Share Capital:**

Upon scheme becoming effective, the authorized share capital of LTIPL, in terms of its Memorandum of Association and Articles of Association, shall automatically stand enhanced without any further act, instrument or deed on the part of LTIPL, by the authorized share capital of VTPL, and the Memorandum of Association and Articles of Association of LTIPL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of all the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 13, 14, 61, 230 - 232 of Companies Act, 2013 and other applicable provisions of the Act would be required to be separately passed and for this purpose the stamp duty and fee paid on the authorized share capital of VTPL shall be utilized and applied to the increased authorized share capital of LTIPL and no extra stamp duty and/or fee shall be payable by LTIPL for increase in the authorised share capital to that extent.

- 9.2 The Authorised Share Capital of the Transferee shall stand increased to Rs. 7,90,00,000/- (Rupees Seven Crores Ninety Lakhs only) divided into 1,90,000 (One lakh ninety thousand) equity shares of Rs. 100/- (Rupees Hundred only) each aggregating to Rs. 1,90,00,000 (Rupees One crore ninety lakhs) and 6,00,000 (Six Lakhs) Optionally Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each aggregating to Rs. 6,00,00,000 (Six Crores only), and Clause V (Capital Clause) of the Memorandum of Association of the Transferee shall be as under:

“The Authorised Share Capital of the Company is Rs. 7,90,00,000/- (Rupees Seven Crores Ninety Lakhs only) divided into 1,90,000 (One lakh ninety thousand) equity shares of Rs. 100/- (Rupees Hundred only) each aggregating to Rs. 1,90,00,000 (Rupees One crore ninety lakhs) and 6,00,000 (Six Lakhs) Optionally Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each aggregating to Rs. 6,00,00,000 (Six Crores only)”

## **10. DISSOLUTION OF THE TRANSFEROR COMPANY**

On the scheme coming into effect, the Transferor company i.e Viburnum Tapes Private Limited (VTPL) shall, without any further act or deed, stand dissolved without going through the process of winding up.

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

- 11.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance policies, indemnities, guarantees and other instruments of whatsoever nature in relation to VTPL, or to the benefit of which VTPL may be eligible, and which are subsisting or having effect on or immediately before the Effective Date, shall be in full force and effect, on or against or in favour of LTIPL and may be enforced as fully and effectually as if, instead of VTPL, LTIPL had been a party or beneficiary or obligee thereto.
- 11.2 LTIPL shall be entitled to the benefit of all insurance policies which have been issued in respect of VTPL and the name of LTIPL shall be substituted as "Insured" in the policies as if LTIPL was initially a party.
- 11.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, exemption schemes, or consents required to carry on operations in VTPL, respectively, shall stand vested in or transferred to LTIPL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of LTIPL. The benefit of



all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of VTPL shall vest in and become available to LTIPL pursuant to the Scheme.

- 11.4 LTIPL at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to VTPL to which VTPL is a party in order to give formal effect to the above provisions. LTIPL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of VTPL and to carry out or perform all such formalities or compliances, referred to above, on behalf of VTPL.

## **12. LEGAL, TAXATION AND OTHER PROCEEDINGS**

- 12.1 All legal proceedings of whatsoever nature by or against VTPL, pending and/or arising on or after the Appointed Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and enforced by or against LTIPL as the case may be, in the manner and to the same extent as would or might have been continued and enforced by or against VTPL.
- 12.2 LTIPL undertakes to have all legal and/or other proceedings initiated by or against VTPL referred to in Clause 12.1 above, transferred in its name and to have the same continued, prosecuted and enforced by or against LTIPL, to the exclusion of VTPL.

## **13. TAX TREATMENT**

- 13.1 Any tax loss including unabsorbed depreciation or surplus in the provision for taxation/ duties/ levies account including but not limited to advance tax, tax deducted at source by the customers, MAT credit, CENVAT credit, MODVAT credit on capital goods and raw material, Input Goods & Service Tax Credit as on the date immediately preceding the Appointed Date will also be transferred to Transferee Company. Any refund under the Income Tax Act, 1961 or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of Transferor Company, consequent to the assessment made in respect of Transferor Company, for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received by Transferee Company.
- 13.2 The tax payments (including without limitation income tax, tax on distribution of dividends, service tax, excise duty, central sales tax, applicable state value added tax, Goods & Service Tax etc. whether by way of tax deducted at source by the customers, advance tax or otherwise howsoever, by Transferor Company after the Appointed Date, shall be deemed to be paid by Transferee Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Transferor Company or the Transferee Company on account of inter-company transactions between Transferee Company and Transferor Company post the Appointed Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 13.3 Upon the Scheme becoming effective, with effect from the Appointed Date, Transferor Company and Transferee Company are expressly permitted to prepare and/or revise, as the case may be, their Financial Statements and returns along with the prescribed forms, fillings and annexure under the Income Tax Act, 1961, Goods & Services Tax Act, 2017 and other tax laws, if required, to give effects to provisions of the Scheme.
- 13.4 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 Transferor Company shall be continued and/or enforced until the Effective Date as desired by Transferee Company. As and from the Effective Date, the tax proceedings/appeals shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Transferor Company with Transferee Company or anything contained in the Scheme.

- 13.5 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

#### **14. EMPLOYEES**

- 14.1 On the Scheme becoming effective, all staff, workmen and employees of VTPL in service on the Effective Date shall be deemed to have become staff, workmen and employees of LTIPL with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with LTIPL shall be the same as their existing terms of employment in VTPL on the Effective Date.
- 14.2 It is expressly provided that, on the Scheme becoming effective, Provident Fund, Gratuity Account, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of VTPL shall be transferred to and shall get consolidated with the corresponding funds or account of LTIPL. LTIPL shall have the obligation to make contributions to the said Fund or account or Funds or accounts in accordance with the provisions thereof or as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of VTPL in relation to such Fund or account or Funds or accounts shall become those of LTIPL. It is clarified that the services of the staff, workmen and employees of VTPL will be treated as having been continuous for the purpose of the said Fund or account or Funds or accounts. Until such time that LTIPL creates or arranges for its own funds or accounts, LTIPL may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of VTPL to the relevant fund or accounts of VTPL. Such contributions and other balances pertaining to the employees of VTPL shall be transferred to the funds or accounts created by LTIPL on creation of relevant funds or arrangements or accounts by LTIPL.

#### **15. CONDUCT OF BUSINESS TILL EFFECTIVE DATE:**

With effect from the Appointed Date and up to and including the Effective Date:

- 15.1 VTPL undertake to preserve and carry on the business with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any asset or any part thereof save and except in each case:
- (a) If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT or
  - (b) If the same is expressly permitted by this Scheme; or
  - (c) If the prior written consent of the Board of Directors of LTIPL has been obtained.
- 15.2 VTPL shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of VTPL for and on account of, and in trust for LTIPL.
- 15.3 All profits and cash accruing to or losses arising or incurred (including the effect of taxes, if any, thereon), by VTPL, shall for all purposes, be treated as the profits or cash or losses, of LTIPL.
- 15.4 All accretions and depletions to VTPL shall be for and on account of LTIPL.
- 15.5 Any of the rights, powers, authorities, privileges attached, related or pertaining to or exercised by VTPL shall be deemed to have been exercised by VTPL for and on behalf of, and in trust for and as an agent of LTIPL. Similarly, any of the obligations, duties and commitments attached, related or pertaining to VTPL that have been undertaken or discharged by VTPL, shall be deemed to have been undertaken for and on behalf of and as an agent for LTIPL. As and from the Appointed Date and till the Effective Date:
- 15.5.1 All assets and properties of VTPL as on the date immediately preceding the Appointed Date, whether or not included in the books of VTPL and all assets and properties relating thereto,

which are acquired by VTPL on or after the Appointed Date, in accordance with this Scheme, shall without any further act or deed be deemed to be the assets and properties of LTIPL.

15.5.2 All reserves, debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the Appointed Date, whether or not provided in the books of VTPL, and all reserves, debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to VTPL, on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the reserves, debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of LTIPL.

## **16. IMPACT OF THE SCHEME ON CREDITORS**

The Scheme shall not affect any of the Companies' creditors. The Scheme does not provide any compromise or arrangement with the creditors except as provided in the Scheme.

## **17. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 8 above and the continuance of proceedings by or against the Transferee Company under Clause 12 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## PART III

### 18. CONSIDERATION

- 18.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking of Transferor Company in the Transferee Company, in terms of this Scheme, the shareholders of Transferor Company would be allotted the shares of the Transferee Company, whose names appear in the Register of Members of the said Transferor Company on a date to be fixed by the Board of Directors of the Transferee Company 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 Directors or committee of the Transferee Company, as per below details:

#### **To Equity Shareholders of VTPL:**

100% shares of Transferee Company are held by Transferor Company. Upon merger, the shares held by Transferor Company in the Transferee Company shall stand cancelled. It has been decided that Transferee Company shall issue and allot 3(Three) fully paid equity share of face value Rs. 100/- (Hundred) each against every 1,000(Thousand) fully paid equity shares of Rs. 10/- (Ten) each to the shareholders of the Transferor Company.

On basis of the above exchange ratio, 4,500 (Four thousand five hundred) fully paid-up equity shares of Rs. 100/- each in Transferee Company shall be issued for 15,00,000 (Fifteen Lakhs) fully paid-up equity shares of Rs. 10/- (Ten) each in Transferor Company.

#### **To Optionally Convertible Preference Shares (OCPS) Holders of VTPL:**

It has been decided that Transferee Company shall issue and allot 3(Three) fully paid-up 7.5% Optionally Convertible Preference Shares of face value Rs 100/- (Hundred) each against every 100(Hundred) 7.5% Optionally Convertible Preference Shares of Face Value Rs 100/- (Hundred) each to the shareholders of the Transferor Company.

On the basis of the above exchange ratio, 18,000 (Eighteen Thousand) 7.5% Optionally Convertible Preference Shares of Rs. 100/- (Hundred) each in Transferee Company shall be issued for 6,00,000 (Six Lakhs) 7.5% Optionally Convertible Preference Shares of Rs. 100/- (Hundred) each in Transferor Company.

- 18.2. The share capital of Transferee Company to the extent held by the Transferor Company as on the Appointed Date or any further share capital held by the Transferor Company in the Transferee company thereafter shall stand cancelled.
- 18.3. Upon allotment of shares pursuant to Clause 18.1 above, the shares or the share certificates of Transferor Company in relation to the shares held by its shareholders shall, without any further application, act, instrument or deed be deemed to have automatically cancelled and be of no effect on and from the Effective Date.
- 18.4. The shares to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank pari-passu in all respects with the existing shares of Transferee Company.
- 18.5. The approval of this Scheme by the shareholders of both the Companies under Section 230-232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and any other consents and approvals required in this regard.
- 18.6. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance with the provisions of Section 62 and Section 42 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for issue and allotment of shares pursuant to Clause 18.1 by

Transferee Company to Transferor Company's Equity Shareholders and OCPS holders, as provided in this Scheme.

**19. CANCELLATION OF EXISTING PAID-UP SHARE CAPITAL OF THE TRANSFEEE COMPANY**

- 19.1. Upon the Scheme becoming effective, 39,050 Equity shares of Rs. 100/- each of the Transferee Company held by the Transferor Company, shall without any application or deed, stand cancelled without any payments to the Transferor Company. This cancellation shall amount to reduction of the capital of the Transferee Company to this limited extent.
- 19.2. There will be an automatic reduction of capital of the Transferee Company pursuant to this Scheme which shall be given effect as an integral part of the Scheme and the consent given to the Scheme by the shareholders and the creditors of the Transferor Company shall be deemed to be their consent, as required under Section 66 of the Act to such reduction of capital of the Transferee Company and the Transferee Company shall not be required to convene any separate meeting for the purpose. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act. Notwithstanding the reduction of subscribed and paid-up share capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as a suffix to its name.

## PART – IV

### ACCOUNTING TREATMENT

#### 20. ACCOUNTING TREATMENT:

- 20.1 Upon the effectiveness of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS 103 "Business Combinations") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS 103 Business Combinations");
- 20.2 Consolidated financial statements prepared following a reverse acquisition are issued under the name of the accounting acquiree but described in the notes as a continuation of the financial statements of the accounting acquirer, with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. That adjustment is required to reflect the capital of the the accounting acquiree. Comparative information presented in those consolidated financial statements also is retroactively adjusted to reflect the legal capital of accounting acquiree.
- 20.3 The consolidated financial statements would reflect:
- (a) the assets and liabilities of the accounting acquirer recognised and measured at their pre-combination carrying amounts.
  - (b) the assets and liabilities of the accounting acquiree recognised and measured in accordance with this Ind AS.
  - (c) the retained earnings and other equity balances of the accounting acquirer before the business combination.
  - (d) the amount recognised as issued equity interests in the consolidated financial statements determined by adding the issued equity interest of the accounting acquirer outstanding immediately before the business combination to the fair value of the accounting acquiree.  
However, the equity structure (ie the number and type of equity interests issued) reflects the equity structure of the accounting acquiree, including the equity interests the accounting acquiree issued to effect the combination. Accordingly, the equity structure of the accounting acquirer is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the accounting acquiree issued in the reverse acquisition.
- 20.4. In addition, Transferee Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- 20.5. Notwithstanding the above, to comply with the relevant laws, the Income Tax Act, 1961 and applicable Accounting Standards, the Transferee Company (by its Board of Directors) in consultation with the statutory auditors may alter or modify the provisions of the Clauses 20.1 to 20.4, as they may deem fit and consider necessary, to settle any question arising out of the Scheme.

## PART V

### GENERAL TERMS AND CONDITIONS

#### 21. APPLICATION TO NCLT

- 21.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/petitions to the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/or creditors of each of the Transferor Company and the Transferee Company as may be directed by the NCLT or such other appropriate authority;
- 21.2 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/or creditors of the Transferor Company and the Transferee Company or such requirement being dispensed with as directed by the NCLT or such other appropriate authority, the Transferor Companies and the Transferee Company shall, with all reasonable dispatch, apply to the NCLT for sanctioning the Scheme of Amalgamation under Sections 230-232 of the Act, and for such other order or orders, as the said NCLT or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding-up.

#### 22. CONDITIONALITY OF THE SCHEME

- 22.1 The Scheme is and shall be conditional upon and subject to:
- (i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members of VTPL, as prescribed under the Act and as may be directed by the NCLT.
  - (ii) The sanction of this Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any of the Act in favour of VTPL.
  - (iii) Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by VTPL.
  - (iv) The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

#### 23. Effect of Non-Receipt of Approvals/Sanctions

In the event of any of the said sanctions and approvals referred to in Clause 21 not being obtained and/or the Scheme not being sanctioned by the NCLT or such other Appropriate Authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

The Scheme although will come into operation from the Appointed Date, as the case may be, but shall not become effective till the date on which all necessary certified copies of orders under Sections 230 to 232 of the Act are duly filed with the Registrar of Companies at Mumbai, Maharashtra.

#### 24. MODIFICATION OR AMENDMENT TO THE SCHEME

VTPL & LTIPL, acting through its Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate

by them (i.e. the Board of Directors). VTPL & LTIPL, by its Board of Directors, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. All modification / amendments in pursuant to this clause shall be subject to approval of NCLT.

24.4. Without prejudice to the generality of the foregoing, the Transferor Company and the Transferee Company by their respective Boards of Directors or such person or persons, as the respective Board of Directors may authorize) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

**25. SEVERABILITY:**

If any part of this Scheme is found invalid, unworkable for any reason whatsoever, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

**26. EXPENSES CONNECTED WITH THE SCHEME**

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

**27. FILING/ AMENDMENT OF RETURNS**

Both, the Transferor Company and the Transferee Company are expressly permitted to file/ revise their respective Income Tax, Goods and Service Tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. The Companies are expressly permitted to amend tax deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/transactions from the Appointed Date.