

SCHEME OF AMALGAMATION
OF
CLEAN COATS PRIVATE LIMITED
("TRANSFEROR COMPANY")
WITH
BIRLANU LIMITED
("TRANSFeree COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

(A) DESCRIPTION OF COMPANIES

1. **Clean Coats Private Limited ("Transferor Company")** is incorporated under the provisions of Companies Act, 1956. The Transferor Company is engaged in the manufacturing of specialty coatings products including elastomeric PU, tank link coating, epoxy / PU flooring, water proofing systems, construction chemicals & its application/contracting. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
2. **BirlaNu Limited ("Transferee Company")** is incorporated under the provisions of the Companies Act, 1956. The Transferee Company is engaged in the business of manufacturing and sale of fiber cement, humid cure roofing sheets, autoclaved aerated concrete blocks (fly ash blocks), fiber cement board and panels and a wide range of plumbing solutions, including CPVC, UPVC, column pipes, SWR and pressure pipes & fittings ideal for household, industrial, and commercial applications and wall care putty. The equity shares of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*).

(B) OVERVIEW OF THE SCHEME

This scheme of amalgamation of the Transferor Company with the Transferee Company and their respective shareholders ("**Scheme**"), is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme provides for various other matters consequent and incidental thereto.

(C) RATIONALE

The rationale and the benefits of the amalgamation of the Transferor Company with the Transferee Company are as follows:

- (i) By combining manufacturing facilities, administrative operations, and distribution networks, the Transferee Company will have the ability to reduce redundancies, enhance productivity, and will allow pooling of resources across manufacturing, procurement, and supply chain management, ensuring that both raw material costs and operational expenses are minimized through more efficient utilization of assets;
- (ii) The merger will result in a simplified management structure, with the leadership team of the Transferee Company overseeing the unified operations. This will improve decision-making speed, foster a cohesive corporate culture, and optimize governance across all business units;

Certified True Copy
For BirlaNu Limited



Company Secretary

- (iii) The employees of the Transferor Company will have the opportunity to work within a larger, more robust organization, which is expected to create greater career growth opportunities;
- (iv) The shareholders of the Transferee Company will benefit from the operational synergies arising pursuant to the merger; and
- (v) The customers of the Transferor Company will benefit from an expanded product portfolio, improved service delivery, and access to a larger network of distribution channels, positioning the Company as a more competitive player in the market.

Accordingly, the Scheme is in the interest of the Parties involved and their respective stakeholders.

(D) PARTS OF THE SCHEME

PART I deals with the definitions and interpretations, share capital of the Parties (*as defined hereinafter*) and date of taking effect and implementation of this Scheme;

PART II deals with the amalgamation of the Transferor Company (*as defined hereinafter*) with the Transferee Company and matters incidental thereto; and

PART III deals with the general terms and conditions applicable to this Scheme.

PART - I DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and / or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;

“Applicable Law” or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all: (i) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (ii) Permits; and (iii) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties in each case having the force of law and that is binding or applicable to a Person as may be in force from time to time;

“Appointed Date” means opening business hours of November 11, 2025, or such other date as may be approved by the Board of the Parties;

“Appropriate Authority” means: (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and

any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; and (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 Tribunal; and (iii) any Stock Exchange;

"Board" in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

"Effective Date" means the day on which all conditions precedent set forth in Clause 16 (Conditions Precedent) are complied with or otherwise duly waived. Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

"Income Tax Act" means the Income Tax Act, 1961, and shall include any rules, regulations, circulars, guidelines, statutory modifications, re-enactment or amendments thereof for the time being in force;

"INR" or **"Rupee(s)"** means Indian Rupee, the lawful currency of the Republic of India;

"New Income Tax Act" means the Income Tax Act, 2025, and shall include any rules, regulations, circulars, guidelines, statutory modifications, re-enactment or amendments thereof for the time being in force;

"Parties" means the Transferor Company and the Transferee Company, collectively and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory or regulatory as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a company, an association, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"RoC" means the relevant Registrar of Companies having jurisdiction over the Parties;

"Scheme" means this scheme of amalgamation as modified from time to time;

"SEBI" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

"SEBI LODR Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Stock Exchanges" means National Stock Exchange of India Limited and BSE Limited, collectively;

“**Tax Laws**” means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, dividend distribution tax, buyback distribution tax, equalization levy, advance tax, self-assessment tax, regular assessment taxes, goods and services tax or otherwise or attributable directly or indirectly to any of the Parties and all penalties, surcharge, cess, charges, costs and interest relating thereto;

“**Transferor Company**” means Clean Coats Private Limited, a private limited company incorporated under the provisions of the Companies Act, 1956, having corporate identity number U28920MH1999PTC123428 and its registered office at K 30/1, Addl Ambernath Industrial Area, M.I.D.C., Anand Nagar, Ambernath (East), Thane - 421506, Maharashtra, India;

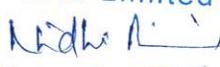
“**Transferee Company**” means BirlaNu Limited (formerly HIL Limited), a public limited company incorporated under the provisions of the Companies Act, 1956, having corporate identity number L74999TG1955PLC000656 and its registered office at office No 1 & 2, L7 Floor, SLN Terminus, Survey no. 133, Near Botanical Gardens, Gachibowli, Hyderabad - 500 032, Telangana, India;

“**Tribunal**” means the Hon’ble National Company Law Tribunal having jurisdiction over the Transferor Company and the Transferee Company, as the case may be.

1.2 Interpretation

In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting the singular shall include the plural and *vice versa*;
- 1.2.2 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same;
- 1.2.3 all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other applicable laws, rules, regulations, bye laws, as the case may be including any statutory modification or re-enactment thereof from time to time; and
- 1.2.4 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder.

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For BirlaNu Limited

Company Secretary

2. SHARE CAPITAL¹

- 2.1 The share capital structure of the Transferor Company as on the date of its Board approving the Scheme is as follows:

Particulars	Amount in INR
Authorized share capital	
2,00,000 equity shares of INR 100 each	2,00,00,000
Total	2,00,00,000
Issued, Subscribed and paid-up share capital	
1,67,300 equity shares of INR 100 each fully paid up	1,67,30,000
Total	1,67,30,000

- 2.2 The share capital structure of the Transferee Company as on the date of its Board meeting approving the Scheme is as follows:

Particulars	Amount in INR
Authorized share capital	
95,00,000 equity shares of INR 10 each	9,50,00,000
50,000 preference shares of INR 100 each	50,00,000
Total	10,00,00,000
Issued, Subscribed and paid-up share capital	
75,40,899 equity shares of INR 10 each fully paid up	7,54,08,990
Add: forfeited shares (amount originally paid-up)	2,71,401
Total	7,56,80,391

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART – II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY

- 4.1 Upon coming into effect of Part II of this Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act and Section 2(3) of the New Income Tax Act, as applicable, the Transferor Company shall stand amalgamated with the Transferee Company as a *going concern* and all assets and liabilities of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the assets and liabilities of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.
- 4.2 With respect to the assets and properties of the Transferor Company which are movable in nature (including but not limited to plant and machinery and intangible assets) or are

¹ KCO Note: Share capital details of the companies to be confirmed.

otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same.

- 4.3 With respect to the assets and properties of the Transferor Company other than those referred to in Clause 4.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties, if any), investments, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date by operation of law as transmission in favour of the Transferee Company. With regard to assets such as leases or licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.
- 4.4 In respect of such of the assets and properties of the Transferor Company which are movable in nature, whether or not recorded in the books of the Transferor Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and / or the Transferee Company.
- 4.5 For the avoidance of doubt and without prejudice to the generality of Clause 4.4 above, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Transferor Company and/ or the Transferee Company shall register the true copy of the orders of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. It is clarified that any document executed pursuant to this Clause 4.5 will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any asset of the Transferor Company takes place and all assets of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.
- 4.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Company and/or the Transferee Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment or deeds of confirmation, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 4.7 Upon effectiveness of Part II of this Scheme, all debts, liabilities, loans, obligations and duties of the Transferor Company as on the Appointed Date shall, without any further act or deed,

be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding as on the Appointed Date and the Transferee Company shall meet, discharge and satisfy the same.

- 4.8 Unless otherwise agreed between the Transferor Company and the Transferee Company, the vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting on and no such encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) related to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over the assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.
- 4.9 If Transferor Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation, book loss and book depreciation, minimum alternate tax credit, withholding tax, advance tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and service tax, other incentives), benefits under the state or central fiscal/ investment incentive schemes and policies or concessions under any Tax law or Applicable Law, any subsidies, special status, benefits, privileges granted by Appropriate Authority or by any other Person, the Transferee Company shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits as the case may be, in accordance with the Applicable Laws without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax and value added tax of the Transferor Company, if any, the same shall be transferred to the Transferee Company in accordance with the Applicable Law.
- 4.10 With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to the Transferor Company, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by or issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever.
- 4.11 On coming into effect of Part II of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, engagements, arrangements and other instruments (including all licences and other assurances in favour of Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, or under which the Transferor Company has any obligations to discharge and which are subsisting or having effect shall, without any further act, instrument or deed, continue in full force and effect in favour of or against 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 obligee or obligor thereto or thereunder.

- 4.12 On and from the Effective Date and till such time that the name(s) in the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferee Company for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or 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 account of the Transferee Company, if presented by the Transferee Company.
- 4.13 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of Part II of this Scheme, the Transferee Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person. For avoidance of doubt, any procedural obligation required to be fulfilled solely by the Transferor Company upon Part II of the Scheme becoming effective, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall, in accordance with Applicable Laws, take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company either transferred to the Transferee Company or otherwise to the extent relevant get such Permits and/or contracts reissued/ re-executed /reinstated and/or registered in the name of the Transferee Company.

5. EMPLOYEES

- 5.1 Upon coming into effect of Part II of the Scheme, all employees of the Transferor Company shall become employees of the Transferee Company on terms and conditions no less favourable than those on which they are engaged by the Transferor Company without interruption in service.
- 5.2 The accumulated balances, if any, standing to the credit of and in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund, national pension scheme and any other fund of which they are members, as the case may be, will be transferred to the funds of the Transferee Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Transferee Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund, national pension scheme account and other fund respectively of the Transferor Company and such funds shall be held for the benefit of the employees transferred under this Scheme.

6. LEGAL PROCEEDINGS

- 6.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings, all tax assessment proceedings / appeals of whatever nature (hereinafter called the "Proceedings of the Transferor Company") by or against the Transferor Company are pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Transferor Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date,

the Transferee Company may initiate any legal proceeding(s) for and on behalf of the Transferor Company.

6.2 From the Appointed Date and until the Effective Date, the Transferee Company shall defend all legal proceedings, other than in the ordinary course of business.

7. TAXES / DUTIES / CESS

7.1 Part II of this Scheme has been drawn up to comply with the conditions as specified under Section 2(1B) and other relevant sections of the Income Tax Act and Section 2(3) of the New Income Tax Act, as applicable. If any of the terms or provisions of Part II of this Scheme are found or interpreted to be inconsistent with the provisions of the said sections at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time this Scheme becomes effective, the provisions of the said sections of the Income Tax Act and New Income Tax Act, as applicable, shall prevail and Part II of this Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant sections of the Income Tax Act and Section 2(3) of the New Income Tax Act, as applicable. Upon the effectiveness of the Scheme, by operation of law pursuant to the order of the Tribunal.

7.2 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, minimum alternative tax, if any, paid by the Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable notwithstanding that challans or records may be in the name of the Transferor Company. Further, any tax deducted at source by the Transferor Company / the Transferee Company on payables to the Transferee Company / the Transferor Company, respectively, which income shall not be accrued in the books pursuant to this Scheme, shall also be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

7.3 The Transferee Company / the Transferor Company are expressly permitted to revise and file their income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including but not limited to tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, etc. if any, as may be required for the purposes of/ consequent to implementation of this Scheme. All compliances undertaken by the Transferor Company from the Appointed Date till the Effective Date will be considered as compliances undertaken by the Transferee Company. The Transferee Company shall be entitled to credit of the tax paid including, but not limited to, credit of the advance tax, self-assessment tax, tax deducted at source, tax collected at source and credit under GST law, in relation to the Transferor Company, for the period between the Appointed Date and the Effective Date.

7.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, rebate, etc., the Transferee Company, if so required, shall issue notice in the name of the Transferor Company or in such form as it may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 and other applicable provisions of the Act, the relevant refund, benefit, incentive, grant, subsidies, rebate, etc. granted by any Government body, local authority or by any other person under the Tax Laws due to the Transferor Company shall stand vested in the Transferee Company and the above benefits be paid or made good or held on account of the Transferee Company, as the person entitled

thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.

- 7.5 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company, under Tax Laws or other applicable laws/ regulations dealing with Taxes/ duties/ levies duly complied by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

8. CONSIDERATION

- 8.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon amalgamation of the Transferor Company with the Transferee Company, no consideration shall be issued by the Transferee Company.
- 8.2 Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall stand cancelled without any further application, act, or deed.

9. ACCOUNTING TREATMENT²

- 9.1 In the books of the Transferee Company:

On the Scheme taking effect, the Transferee Company shall account for amalgamation in its books of account with effect from the Appointed Date as under:

- 9.1.1 Notwithstanding anything contrary contained in any other clause in the Scheme, the Transferee Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standards (Ind AS) 103 'Business Combinations notified under Section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India. Accordingly, the financial information in the financial statements of the Transferee Company in respect of prior period will be restated as if the business combination had occurred from the beginning of the preceding period presented in the financial statements, irrespective of the actual date of the combination and such restatement shall not be considered or treated to be a revision of financial statements in terms of the provisions of Section 131 of the Act. However, if business combination had occurred after that date, the prior period information shall be restated only from that date on which business combination had occurred i.e., appointed date;
- 9.1.2 The Transferee Company, upon this Scheme becoming effective, shall record the assets and liabilities including reserves and goodwill of the Transferor Company at their carrying amounts as appearing in the consolidated books of accounts as on effective date of the Transferee Company in accordance with Appendix C to Ind AS 103 "Business Combinations" and relevant clarifications issued by Ind AS Transition Facilitation Group;
- 9.1.3 The identity of reserves of the transferor company shall be preserved and Reserves shall appear in the financial statements of the Transferee Company in the same form and at the same values as they appear in the consolidated financial statements of the Transferee Company prior to the merger;

² KCO Note: To be confirmed and provided by the Statutory Auditors of the Transferee Company.

- 9.1.4 The inter-company balances, if any, between the Transferor Company and the Transferee Company shall stand cancelled upon this Scheme becoming effective and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company;
- 9.1.5 The financial statements of the Transferee Company will reflect the financial position on the basis of consistent accounting policies. In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and impact of the same as on the Appointed Date will be quantified and adjusted in the reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy; and
- 9.1.6 The value of all investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation and there shall be no further rights and obligations in that behalf. Difference between investment in the Transferor Company and the net assets and reserves of the Transferor Company (as per Clause 9.1.2 above) shall be transferred / adjusted to the capital reserve account (if credit) in the financial statements of the Amalgamated Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes or adjusted against the retained earnings (if debit) in the financial statements of the Transferee Company.
- 9.2 As the Transferor Company shall stand dissolved without being wound up, upon the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company.

10. COMBINATION OF AUTHORISED SHARE CAPITAL

- 10.1 Upon Part II of the Scheme coming into effect, the authorised share capital of the Transferor Company as on the Effective Date will be combined with the authorised share capital of the Transferee Company and accordingly the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees to RoC.
- 10.2 The Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, stand altered, modified and amended, and the consent of 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, Section 14, Section 61 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been paid by the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.
- 10.3 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 10.1 above, pursuant to Section 13, 14, 61, 64 and other applicable provisions of the Act.

- 10.4 It is clarified that the approval members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

11. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon this Scheme coming into effect, the the resolutions and power of attorney of/ executed by the Transferor Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

12. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and the Board and any committees thereof shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be deemed to be struck off from the records of the RoC.

PART - III GENERAL TERMS & CONDITIONS

13. FACILITATION PROVISION³

- 13.1 Notwithstanding anything contained in this Scheme, on and after the Effective Date, until any property, asset, license, Permit, contract, agreement and rights and benefits arising therefrom pertaining to the Transferor Company are recorded, effected and / or perfected, in the records of any Appropriate Authority or otherwise, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, Permit, contract or agreement as if they were the owner of such property or asset or as if they were the original party to the license, Permit, contract or agreement.
- 13.2 Upon the Scheme being effective, all contracts, agreements (including joint venture agreements, memorandum of understandings, consortium agreements), undertaking of whatsoever nature, whether written or otherwise, deeds, bonds, arrangements, service agreements, or other instruments, executed between the Transferor Company and the subsidiaries of the Transferee Company, shall stand transferred to and vested in the Transferee Company, pursuant to this Scheme, and approval as required under Section 188 of the Act and Regulation 23 of the SEBI LODR Regulations shall be deemed to be obtained by the Transferee Company.
- 13.3 The Board of Transferee Company shall always be deemed to have been authorized to do all the acts, deeds and things as may be required for and on behalf the Board of the Transferor Company to give effect and implement the provisions of this Scheme, including executing any pleadings, applications, instruments, forms, policies, schemes, filing of necessary particulars relating to mutation and/or substitution of the ownership or the title to or interest in the

³ Note: Clients to check whether the MOA of the Transferee Company authorizes the Transferee Company to carry on the business of the Transferor Company.

immovable properties of the Transferor Company and/ or modifications of charge, fulfilling statutory obligations, approving, etc.

14. SAVING OF CONCLUDED TRANSACTIONS AND PROPERTY IN TRUST

- 14.1 Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Transferor Company until the Effective Date, to the end and intent that the Transferee Company, shall 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.
- 14.2 Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, Permit, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Transferor Company are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.

15. BUSINESS UNTIL EFFECTIVE DATE

- 15.1 With effect from the date when the Board of the Transferor Company and the Transferee Company approve this Scheme and up to and including the Effective Date, the Transferor Company shall carry on its business in the ordinary course consistent with past practice.
- 15.2 With effect from the Appointed Date and up to and including the Effective Date:
- 15.2.1 the Transferor Company shall be deemed to have been carrying on its business and activities and shall be deemed to have held and stood possessed of its assets and liabilities for and on account of and in trust for the Transferee Company;
- 15.2.2 all profits or income arising or accruing to the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses of the Transferee Company; and
- 15.2.3 all loans raised and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company.
- 15.3 Without prejudice to the aforesaid, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders, whether interim or final.
- 15.4 The Transferor Company and the Transferee Company, as the case may be, shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the

Transferor Company and the Transferee Company may require and to give effect to this Scheme.

16. CONDITIONS PRECEDENT

16.1 Unless otherwise decided (or waived) by the Parties, the Scheme is conditional upon and subject to the following conditions precedent:

16.1.1 the Scheme being approved by the requisite majorities in number and value of such classes of the members of the Transferor Company and the Transferee Company and such other classes of persons, if any, as may be directed by the Tribunal pursuant to Sections 230 to 232 of the Act;

16.1.2 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and

16.1.3 the certified copies of the order of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties.

16.2 It is hereby clarified that submission of this Scheme to the Tribunal to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Laws.

16.3 On the approval of this Scheme by the respective requisite majorities of the shareholders of each of the Parties as required under Applicable Law, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the arrangement set out in this Scheme, related matters and this Scheme itself and shall not cause or required to pass separate resolutions to that effect.

17. APPLICATIONS / PETITIONS TO THE TRIBUNAL

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

18. MODIFICATION OR AMENDMENTS TO THIS SCHEME

18.1 The Board of the Parties acting jointly may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

18.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.

19. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

19.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

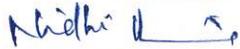
19.2 It is clarified that, the Transferor Company shall at the liberty to withdraw from the Scheme subject to prior approval of the Transferee Company and suitable modifications will be carried out in the Scheme.

- 19.3 In the event of withdrawal of the Scheme under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.
- 19.4 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.
- 19.5 In the event the Effective Date does not occur on or before such date as may be agreed by the Parties, this Scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* by the Parties or their shareholders or creditors or employees or any other person in terms of this Scheme.

20. COSTS AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of in relation to or in connection with the Scheme and incidental to the completion of transactions contemplated under this Scheme shall be borne and paid by the Transferee Company.

Certified True Copy
For BirlaNu Limited


Company Secretary