

**SCHEME OF AMALGAMATION
OF
NILKAMAL STORAGE SYSTEMS PRIVATE LIMITED
(‘NSSPL’ OR ‘THE TRANSFEROR COMPANY’)
WITH
NILKAMAL LIMITED
(‘NILKAMAL’ OR ‘THE TRANSFEREE COMPANY’)
AND
THEIR RESPECTIVE SHAREHOLDERS**

(A) PREAMBLE

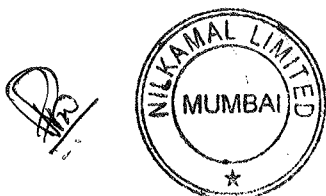
The Scheme of Amalgamation (hereinafter referred to as ‘Scheme’) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the extent notified (‘the Act’), for amalgamation of Nilkamal Storage Systems Private Limited (‘NSSPL’ or ‘the Transferor Company’) (*formerly known as Nilkamal Bito Storage Systems Private Limited*) with Nilkamal Limited (‘Nilkamal’ or ‘the Transferee Company’). This Scheme also provides for various other matters consequential to amalgamation or otherwise integrally connected herewith.

(B) BACKGROUND AND DESCRIPTION OF THE COMPANIES

- 1) Nilkamal Limited (‘Nilkamal’) is a public quoted company limited by shares. The Shares of Nilkamal are listed on National Stock Exchange of India Limited and the BSE.

Nilkamal *interalia* is into the business of manufacturing and selling of diversified product portfolio across plastic and retail segments such as crates, bins, pallets, waste management products, material handling products, various kind of furniture’s for household and institution(s), mattresses, bubble-guard, material handling storage system etc. involving various kind of manufacturing processes and into retail business of furniture & accessories etc.

- 2) Nilkamal Storage Systems Private Limited (‘NSSPL’) (*formerly known as Nilkamal Bito Storage Systems Private Limited*) is an unlisted private company limited by shares. NSSPL is a 100% Subsidiary of Nilkamal. NSSPL is in the business of manufacturing and selling of various products of material handling storage systems.



(C) **OBJECTIVE AND RATIONALE FOR THE SCHEME**

As a part of the business consolidation strategy of Nilkamal, it is desired to merge NSSPL with its 100% holding company Nilkamal. The amalgamation of NSSPL with Nilkamal would *interalia* have the following benefits:

- Consolidation of similar line of businesses of manufacturing of material handling storage products and enhancement of business opportunities;
- Ease of Business operations, *interalia*:
 - ✓ Material procurement and sale synergies
 - ✓ Vendor coordination
 - ✓ Enhanced tendering and bidding track record
- Elimination of intra Company transactions;
- Reduction in time and efforts of the management and operating team on financials, administration, legal and regulatory compliances of multiple Companies;
- Elimination of duplicative communication and co-ordination efforts;
- Rationalisation of administrative and compliance costs.

(D) **PARTS OF THE SCHEME**

This Scheme of Amalgamation is divided into the following parts:

Part A deals with the definitions and share capital;

Part B deals with amalgamation of NSSPL with Nilkamal;

Part C deals with other terms and conditions applicable to this Scheme.

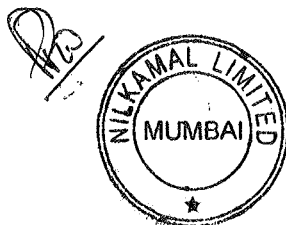
PART A

DEFINITIONS AND SHARE CAPITAL

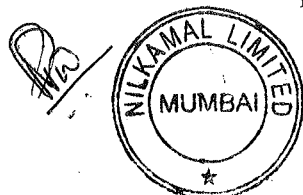
1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

- 1.1 “Act” or “the Act” means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force;



- 1.2 **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;
- 1.3 **“Appointed Date”** means April 1, 2021;
- 1.4 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies and National Company Law Tribunal;
- 1.5 **“Board of Directors”** or **“Board”** in relation to NSSPL and Nilkamal, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee thereof;
- 1.6 **“Effective Date”** or **“coming into effect of this Scheme”** or **“upon the scheme becoming effective”** or **“effectiveness of the scheme”** means the last of the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by NSSPL and Nilkamal with the jurisdictional Registrar of Companies;
- 1.7 **“NCLT”** means the Ahmedabad Bench of the National Company Law Tribunal and / or the Mumbai Bench of the National Company Law Tribunal and the respective National Company Law Appellate Tribunal and or any Court as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013;
- 1.8 **“Nilkamal”** or **“the Transferee Company”** means Nilkamal Limited (CIN: L25209DN1985PLC000162), a company incorporated under the provisions of Companies Act, 1956 with its registered office at Survey No.354/2 and 354/3, Near Rakholi Bridge, Silvassa Khanvel Road, Vasona, Silvassa - 396 230;



- 1.9 “NSSPL” or “the Transferor Company” means Nilkamal Storage Systems Private Limited (CIN: U63020MH2006PTC161327) (formerly known as Nilkamal Bito Storage Systems Private Limited), a company incorporated under the provisions of Companies Act, 2013 with its registered office at 77/78, Nilkamal House, Road No.13/14, Midc, Andheri East, Mumbai, Maharashtra – 400 093;
- 1.10 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 16 of this Scheme as approved or directed by the NCLT(s) or such other competent authority, as may be applicable;
- 1.11 “Stock Exchanges” means the BSE Limited (‘BSE’) and/ or wherever applicable, the National Stock Exchange of India Limited (‘NSE’).

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

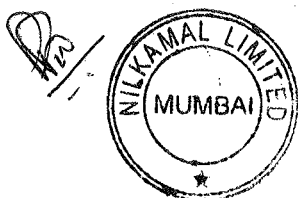
2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or directed by the Hon’ble NCLT(s) or any amendment(s) made under Clause 16 of this Scheme shall be effective from the Appointed Date but shall become operative upon coming into effect of this Scheme.

3. SHARE CAPITAL

- 3.1 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on latest audited Balance Sheet dated March 31, 2020 is as under:

Particulars	Rs in crores
Authorized Share Capital	
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000
TOTAL	5,00,00,000
Issued, Subscribed and Paid-up Share Capital	
44,40,000 of Equity Shares of Rs. 10 each	4,44,00,000
TOTAL	4,44,00,000



Subsequent to above, there has been no change in the issued, subscribed and paid up capital of the Transferor Company. As on date, the entire issued, subscribed and paid up capital of the Transferor Company is held by the Transferee Company and its nominee.

- 3.2 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2020 is as under:

Particulars	Rs.
Authorized Share Capital	
2,20,00,000 Equity Shares of 10/- each	22,00,00,000
30,00,000 Preference Shares of 10/- each	3,00,00,000
TOTAL	25,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,49,22,525 Equity Shares of 10/- each	14,92,25,250
TOTAL	14,92,25,250

The shares of the Transferee Company are currently listed on BSE Limited and the National Stock Exchange of India Limited.

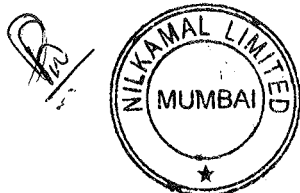
PART B

AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEEE COMPANY

4. TRANSFER AND VESTING OF UNDERTAKING

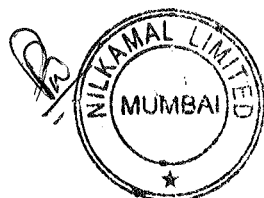
Subject to the provisions of this Scheme as specified hereinafter and upon the Scheme becoming Effective, with effect from the Appointed Date:

- 4.1 The entire business and the undertaking of the Transferor Company including all their properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the receivables, advances, deposits etc. and assets of the Transferor Company comprising amongst others all plant and machinery, investments, and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, copy rights, lease, tenancy rights, statutory permissions, consents and registrations

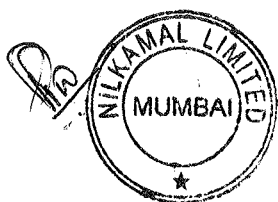


or approvals obtained from any authorities including but not limited to approval from any District Industries center, Industrial Development Corporation, Chief Fire Officer, Environment Clearance Certificate, Pollution control board, Power development department, Title Clearance Certificate issued by any Competent Authority, all rights and /or titles and /or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, permits, authorizations, if any, rights and benefits of all agreements, subsidies, grants, concessions and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, benefits under income tax and indirect tax (including but not limited to benefits of tax relief under Income Tax Act, 1961 such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc., credit, incentives, benefits for excise duty, service tax, sales tax / value added tax / goods and service tax and / or any other statues, incentives under indirect taxes, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry etc, if any, the brought forward losses and unabsorbed depreciation as per the books of accounts and the tax losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961) and all other rights, title, interest, contracts, consent, approvals or powers of every kind and description, agreements shall, pursuant to the order of NCLT(s) and pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the assets of the Transferee Company with all rights, title, interest or obligations of the Transferor Company therein.

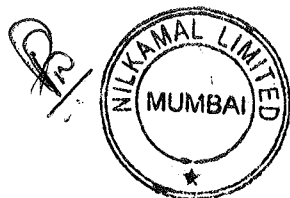
- 4.2 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company.



- 4.3 All immovable properties of the Transferor Company, including land together with buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in the Transferee Company, without any further act, instrument or deed. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable fulfil all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy such transferred immovable properties in accordance with applicable law. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company without requirement of execution of any further documents for registering the name of Nilkamal Limited as owner thereof and the regulatory authorities, including sub-registrar(s), Talati, Tehsildar, industrial development corporation etc. may rely on the Scheme along with the copy of the Order passed by the NCLT(s), to make necessary mutation entries and changes in the land / lease or revenue records to reflect the name of Nilkamal as owner / lessee of the properties.
- 4.4 In respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 and 4.3 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind, bank balances and deposits including deposits paid in relation to outstanding litigations, if any with Government, semi-Government, local and other authorities, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of the Transferee Company. The Transferee Company, may issue notices in such form as the Transferee Company deems fit and proper stating that pursuant to the Hon'ble NCLT(s) having sanctioned this Scheme between the Transferor Company and the Transferee Company under Sections 230 to 232 of the Companies Act 2013, the relevant debt, loan, advance or other asset, 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 realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

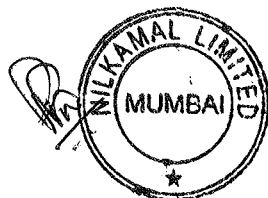


- 4.5 All the assets, investments and properties which are acquired by the Transferor Company on or after the Appointed Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Sections 230 to 232 and all other applicable provisions if any of the Act, without any further act or execution of any instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.6 All consents, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, schemes, policies, tax deferrals, exemptions and benefits (including excise, sales tax, service tax, goods and service tax), subsidies, refunds, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, with effect from the Appointed Date including income tax and other tax benefits and exemptions shall, under the provisions of Section 230 to Section 232 and other applicable provisions of the Act shall, without any act, instrument or deed stand transferred to and vest in and be available to the Transferee Company so as to become the consents, licenses, permits, entitlements, quotas, approvals, permissions, registrations, incentives, schemes, policies, tax deferrals, exemptions and benefits (including excise, sales tax, service tax, goods and service tax), subsidies, refunds, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall be in full force be valid effective and enforceable in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme.
- 4.7 The Transferee Company will be entitled to all the trade and service names and marks, brands, patents, copyrights, licenses, marketing authorisations, approvals and marketing tangibles of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including those attached to goodwill, title, interest, labels and brands registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature.
- 4.8 All debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, whether provided for or not in the books of accounts of the Transferor



Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the Hon'ble NCLT(s) or such other competent authority as may be applicable under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

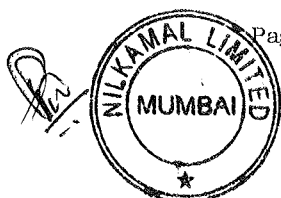
- 4.9 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date.
- 4.10 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company has been discharged by the Transferor Company, after the Appointed Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 4.11 Without prejudice to the provisions of the foregoing Clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to the above provisions, if required.
- 4.12 Upon the Scheme being sanctioned and taking effect, the Transferee Company shall be entitled to operate all bank accounts (including demat accounts) related to the Transferor Company and all cheques, drafts, pay orders, instruction slips, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the bank / depository participant of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.



- 4.13 All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income Tax, Minimum Alternate Tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), Equalisation Levy, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax etc. or any tax deduction/collection at source, relating to the period after the Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.
- 4.14 The Transferee Company shall be entitled to avail various benefits under industrial development incentive schemes and policies of the Government that were being availed or were available to the Transferor Company. It is declared that pursuant to this Scheme, all the benefits under such incentive schemes and policies shall stand transferred and vested to the Transferee Company.
- 4.15 The provisions of this Scheme as they relate to the merger of the Transferor Company into Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification shall, however, be subject to the approval of NCLT(s).

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in

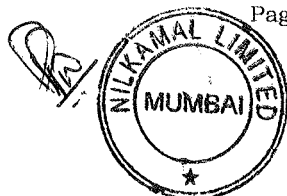


favour of Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, Transferee Company had been the party thereof.

- 5.2 The Transferee Company shall, if so required or become necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 5.3 Upon the effectiveness of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and 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.

6. STAFF, WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming effective, permanent staff and employees, if any of Transferor Company in service on the Effective Date, shall be deemed to have become staff and employees of Transferee Company without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting.
- 6.2 It is expressly provided that, upon the Scheme becoming effective, the Provident Fund, Gratuity Fund, Pension Fund, Superannuation Fund or any other Special Fund or Trusts (hereinafter referred to as Fund or Funds) created or existing for the benefit of the staff, workmen and employees of Transferor Company, if any, shall become trusts/funds of Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof 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 Transferor Company in relation to such Fund or Funds shall become those of Transferee Company. It is

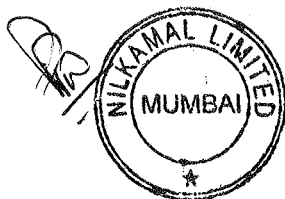


clarified that the services of the staff and employees of Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

- 6.3 In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund, Employee State Insurance Corporation ("ESIC") or such other funds, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, such that all the rights, duties, powers and obligations of the Transferor Company in relation to such provident fund trust shall become those of the Transferee Company. .
- 6.4 In relation to any other fund, created or existing for the benefit of the employees engaged of the Transferor Company, the Transferee Company shall stand substituted for all purposes whatsoever, including those relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.
- 6.5 The Transferee Company agrees that, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such employees of the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable under applicable law.

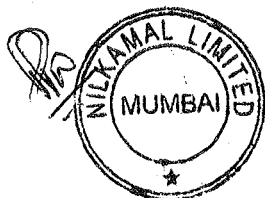
7. LEGAL PROCEEDINGS

- 7.1 If any suit, appeal or other legal proceedings of whatever nature is pending by or against Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against 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 Transferor Company, as if this Scheme had not been made.
- 7.2 On and from the Effective Date, Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.



8. TAXES

- 8.1 Any liabilities including all liabilities under the Income Tax Act, 1961, Excise Laws, Service Tax Laws, Central Sales Tax Laws, applicable State Value Added Tax Laws, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Jammu and Kashmir Goods and Services Tax Act, 2017, Gujarat Goods and Services Tax Act, 2017 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 8.2 All taxes (including income tax, wealth tax, minimum alternate tax, dividend distribution tax, buyback tax, equalisation levy, sales tax, excise duty, customs duty, service tax, goods and service tax and value added tax etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, minimum alternate tax, dividend distribution tax, buyback tax, equalisation levy, sales tax, excise duty, customs duty, service tax, goods and service tax and value added tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 8.3 Any refund, benefits, budgetary support under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company or in any manner whatsoever and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 8.4 The Transferee Company shall be entitled to carry forward, avail or set-off any unutilized CENVAT credit, value added tax credit, Entry tax, unutilised input tax credit of goods and service tax etc. lying unutilized in the Transferor Company on and from the Effective Date.



8.5 Further, any tax holiday/deduction/exemption/benefits/ carry forward losses (including loss as per books of accounts) and unabsorbed depreciation (including unabsorbed depreciation as per books of accounts) entitled to / enjoyed/availed by the Transferor Company under the provisions of Income Tax Act, 1961 or Goods and Service Tax, 2017 or Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry or any such other law or policy shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company and be entitled to/enjoyed/availed/utilized/claim by the Transferee Company on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized/claimed by the Transferee Company before implementation of this Scheme.

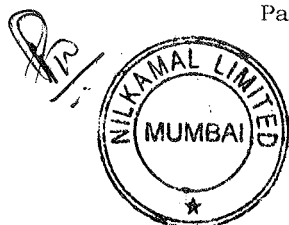
8.6 Without prejudice to the generality of the above, all benefits including under the income tax, excise duty, service tax, applicable state value added tax laws, goods and service tax, etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8.7 The Transferee Company shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, goods and service tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credits of all taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

9. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

9.1 With effect from the Appointed Date and upto and including the Effective Date, Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for Transferee Company. Further, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising to or incurred by Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of Transferee Company, as the case may be.

9.2 With effect from the Appointed Date and upto and including the Effective Date, any statutory payment of provident fund, Employee state insurance etc. or any payment related to any taxes/duties/cess etc. is made within the due date prescribed as per the



relevant law by the Transferor Company, the same will be treated as payment made by the Transferee Company within the prescribed due dates.

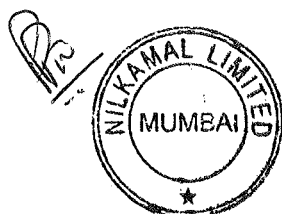
9.3 With effect from the date of approval of this Scheme by the Board of Directors of Transferee Company upto and including the Effective Date:

- (a) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business;
- (b) The Transferor Company shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Board of Directors of the Transferee Company; and
- (c) The Transferor Company shall not declare or pay any dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period prior to the Effective Date, except with the prior approval of the Board of Directors of Transferee Company.

9.4 Notwithstanding anything contained in this Scheme, subject to applicable law, the Board of the Transferee Company shall be entitled to consider, pursue, manage, undertake and conduct the business of the Transferee Company including any corporate actions, dividends, issue of securities and bonus shares, buy back of securities, reorganization, restructuring of its business, strategic acquisition or sale of any business, joint ventures, business combinations as it may deemed pursuant and necessary in the interest of the Transferee Company or to give effect to obligations under applicable law.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the undertaking under Clause 4 and the continuance of legal proceedings by or against Transferor Company as per Clause 7 shall not affect



any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.

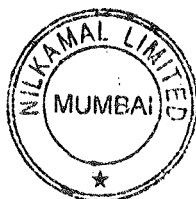
11. CONSIDERATION

The entire issued, subscribed and paid-up share capital of Transferor Company is directly held by Transferee Company. Upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the holding in Transferor Company and, investment in the share capital of Transferor Company, if any shall stand cancelled in the books of the Transferee Company. Upon the coming into effect of this Scheme, the share certificates, if any, held by the Transferee Company and its nominee, in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company, and shall cease to be in existence accordingly.

12. ACCOUNTING TREATMENT

12.1. Upon the coming into effect 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 of entities under common control) and / or any other applicable Ind AS, as the case may be. It would *interalia* include the following as under:

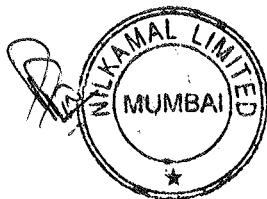
- (a) All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the books of the Transferee Company, pursuant to the Scheme and shall be recorded by the Transferee Company, at their respective book values as appearing in the books of Transferor Company.
- (b) The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, prior to this Scheme becoming effective.



- (c) The investments in the equity share capital of Transferor Company as appearing in the books of accounts of Transferee Company, if any shall stand cancelled.
 - (d) Inter-Company balances, loans and advances, if any, will stand cancelled.
 - (e) The difference, if any, being excess/deficit arising pursuant to the Scheme shall be accounted based on the accounting principles prescribed under the Ind AS-103.
- 12.2 In case of any differences in accounting policy between Transferor Company and Transferee Company, the accounting policies followed by Transferee Company will prevail and the difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

13. COMBINATION OF AUTHORISED CAPITAL

- 13.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees paid to Registrar of Companies, by the authorised share capital of the Transferor Company i.e. Rs. 5,00,00,000 (Rupees Five Crores only) to Rs.30,00,00,000/- (Rupees Thirty Crores only).
- 13.2 Consequently, 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, be and stand altered, modified, amended and the approval of this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61 and 64 and other applicable provisions of the Companies Act 2013 would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorised capital of the Transferor Company shall be utilized and applied to increase the authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.



13.3 The aforesaid combination of authorized share capital shall become operative on the scheme becoming effective.

13.4 Consequent upon the amalgamation of the Transferor Company with the Transferee Company, the authorised share capital of the Transferee Company will be as under:

Particulars	Amount (In Rs.)
Authorized Share Capital	
2,70,00,000 Equity Shares of Re 10/- each	27,00,00,000
30,00,000 Preference Shares of Rs. 10/- each	3,00,00,000
TOTAL	30,00,00,000

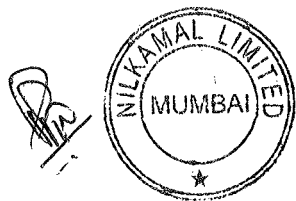
Upon the scheme becoming effective, Clause V of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company:

“V. The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees Thirty Crores Only) divided into 2,70,00,000 (Two Crores and Seventy Lakhs) equity shares of Re. 10/- (Rupees Ten Only) and 30,00,000 (Thirty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten only). The Company will have the powers from time to time to increase, reduce or modify the Capital and to divide all or any of the Shares in the Capital of the Company, for the time being and to classify and reclassify such Shares of one class into Shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for the time being in force in that behalf..”

14. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.



PART C

OTHER TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

15. APPLICATION TO THE NCLT(s) OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and Transferee Company shall make all necessary applications and/or petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the said Act to the respective jurisdictional NCLT(s) for sanction of this Scheme.

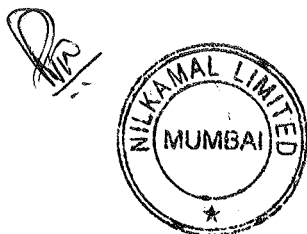
16. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

The Transferor Company and Transferee Company with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the NCLT(s) or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of Transferor Company and Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the NCLT(s) or any other authorities under the applicable law to such modification / amendments to the Scheme.

17. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) The requisite intimation, consent, approval or permission of the Stock Exchange(s) and/or Securities and Exchange Board of India, if any, which by law may be applicable / required the implementation of this Scheme;
- (b) The Scheme being approved by the respective requisite majorities of the shareholders and / or creditors of Transferor Company and Transferee Company as required if any and as may be directed by the jurisdictional NCLT(s);



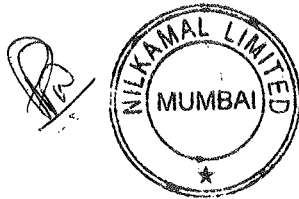
- (c) Obtaining the sanction of the respective jurisdictional Hon'ble NCLT(s) by Transferor Company and Transferee Company under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act.
- (d) The last of the certified copies of the orders of the Hon'ble NCLT(s) sanctioning the Scheme, are filed with the respective jurisdictional Registrar of Companies by the Transferor Company and the Transferee Company.

18. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 18.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and/or the Scheme not being sanctioned by the NCLT(s) or such other competent authority, if applicable and/or the order not being passed as aforesaid before December 31, 2022 or such other date as the Board of Directors of Transferee Company and Transferor Company may determine, the Scheme shall become null and void, 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 right, liability, or obligations which 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 Transferee Company shall bear the charges and expenses in connection with the Scheme unless otherwise mutually agreed.
- 18.2. In the event of this Scheme failing to take effect or it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred *inter-se* to or by the parties to the Scheme or any of them.

19. COSTS

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



For NILKAMAL LIMITED

PREETI DAVE
COMPANY SECRETARY