

# SCHEME OF AMALGAMATION

BETWEEN

**SANGAM LIFESTYLE VENTURES LIMITED**

....Transferor Company

AND

**SANGAM (INDIA) LIMITED**

.... Transferee Company

AND

**THEIR RESPECTIVE SHAREHOLDERS**

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

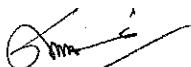
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## 1. PREAMBLE

This Scheme of Amalgamation (hereinafter referred as "The Scheme" or "Scheme") pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modification(s) and/or re-enactment(s) or amendment(s) thereof for the time being in force) for amalgamation of **Sangam Lifestyle Ventures Limited with Sangam (India) Limited.**

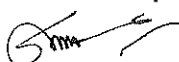
## 2. DESCRIPTION OF THE COMPANIES

A. **Sangam Lifestyle Ventures Limited** [CIN: U52609RJ2016PLC055219] is a public limited company incorporated on 14th June 2016 under the Companies Act, 2013, having its Registered Office at Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan) (hereinafter referred as "Transferor Company" or "SLVL")



The main objects as per Memorandum of Association of the Transferor Company are as under:

1. To carry on business of manufacturers, importers and exporters, whole sale and through retail formats and including but not limited to hyper markets, super markets, mega stores/discount stores, cash & carry, departmental stores, shoppers plaza, direct to home, phone order and mail order, catalogue, through internet and other forms and multi-level channels for all products and services, dealing in all kind of goods, materials and items including but not limited to men's, women's and children clothing and wearing apparel of every kind, nature and description including sportswear, Yoga wear, maternity wear, leisure wear, night wear, medical wear, accessories - belt, shoes, purses, wallets, spectacles, perfumes, shirts, bush - shirts, pyjama suits, vests, underwears, suits, foundation garments for ladies dresses, all type of brassieres and panties, maternity belts, knee caps, coats, nighties and ready-made garments and hosiery made of cotton, silk, rayon, wool, nylon, man-made fabrics, polyester, canvas, jute, leather, wearing attire and mantle, tailors, silk, mercers, makers and trimmings of every kind, corset makers, furriers, general drapers, hosiers, gloves, lac makers and dealers, feather dressers and merchants, hatters, any other fabric coated with any chemical or not, or other preparation and other fabric and any other business of manufacturing, processing, dyeing, bleaching, buying, selling, exchanging, importing, exporting of otherwise dealing in yarns and textiles made of cotton, silk, rayon, wool, nylon, man-made fibers, polyester, canvas or any other substances.
2. To carry on business of all kind of goods, materials and items including but not limited to food & provisions, house hold goods, consumer durables, jewellery, home improvement products, footwears, luggage, books & stationery, health care and beauty products, toys and music, computer systems, computer peripherals, computer parts and computer consumables, all types of mobiles and tablets and its accessories, telecom



products, agri input products, furniture & furnishings, automobile & accessories, acquiring and running food as may be conveniently carried on with the above business.

**B. Sangam (India) Limited** [CIN:L17118RJ1984PLC003173], is a public limited company incorporated in 29th December, 1984 under the Companies Act, 1956 having its registered office at Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan) ("Transferee Company" or "SIL").

The Transferee Company is a Public Listed Company and its shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (together referred to as the "Stock Exchanges").

The main objects as per Memorandum of Association of the Transferee Company are as under:

1. To manufacture, sell, purchase, export, import or otherwise deal in Cotton, Synthetics and Blended Yarn, Cloth, Synthetic Fibre, Textile materials, and/or any product from such raw materials or Textile material.
2. To process, weave, comb, spin, due, bleach, finish, laminate and or make marketable any fibre (Cotton or Synthetic), cloth, thread, yarn and more specifically Jute, hemp, silk, cotton, wool, mesta, nylon, terene, staple and or synthetic fibre or any description and varieties.
3. To manufacture, sell, purchase, export, import and or otherwise deal in all types of textile chemicals, textile colours and other Chemicals, including Acids of all varieties and description.
- 3a. To undertake the business of manufacturing, trading, dealing, import, export, for its own use or for others as sellers, traders, dealers, exporters, importers, developers, agents, stockists, distributors,



processors, franchise holders, designers, repairers, maintainers, consultants of computer systems, computer peripherals and accessories, computer compounds, computer consumables like floppy disks, diskettes, hard disks, ribbons, computer stationery, computer hardware and software packages, computer education, computerized job work like multimedia, internet services, web site, email, e-commerce etc. and telecommunication systems, electrical and electronic items considered as integral part or supplement of computer systems.

- 3b. To set up and run College/University, electronic data processing centers and to carry on business of data/word processors, development of management information system, computerization feasibility study and to conduct, run or sponsor training, programs, courses, seminars for imparting or spreading the knowledge and use of computers, research and development computer programs and publishing and distributions of books, journals and course materials and to purchase, sell these products both in India and abroad.
- 3c. To impart general engineering and computer education, research and training to any individual or body or firm or company or association or authority and to open one or more centers for the purposes and to employ necessary personnels to run the same and to do all sort of data processing jobs and to supply, arrange, provide and meet the requirements of computer personnels of any individual or body or firm or company or association or authority, whether in India or anywhere in the world."
- 3d. To invest in/acquire/manage/assist overseas software companies for the fulfillment of above objectives and to develop, design, own T.V. Channel, media company.

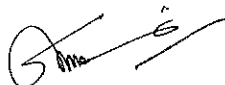


- 3e. To carry on business as manufacturer, distributor & trader of power & electricity, telecommunication services etc.
- 3f. To carry on business as manufacturer, importers, exporters, dealers, traders, agents, stockists of Diamond, Stones and Jewellery of any metal and all types of commercial merchandise.
- 3g. To carry on the business as contractor or constructor providing all types of infrastructure facilities including construction of Road, Bridges, Dams, Canals etc.
- 3h. To carry on the business as manufacturer, trader, distributor, agent, stockists of Dyes and Chemical.
- 3i. To carry on the business of Horticulture, Floriculture, Sericulture, Agriculture and Marketing of Bio-Products etc.

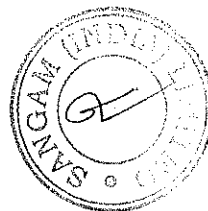

The Transferor Company is an unlisted wholly owned subsidiary of the Transferee Company and the Transferee Company acquired the Transferor Company in order to meet to consolidate the business and market share.

### 3. RATIONALE OF THE SCHEME

- 1. With a view to maintain a simple corporate structure and eliminate duplicate corporate procedure it is desirable to amalgamate the Transferor Company with the Transferee Company and simplify decision making, regulatory compliances;
- 2. The amalgamation shall facilitate consolidation of the Transferor Company with the Transferee Company, in order to enable effective management;



3. The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and would create economies in administrative costs;
4. The amalgamation of SLVL with SIL would inter alia have the benefits of consolidation of operations, namely cost saving from economies of scale, pooling of resources and increased efficiency of operations.
5. This Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferor Company and the Transferee Company. The shareholding and the rights of the members remain unaffected as no new shares are proposed to be issued by the Transferee Company and there is no change in the capital structure. There is no compromise or arrangement with any of the creditors of the Transferor Company and the Transferee Company and the rights of the creditors are not affected, all the Secured and Unsecured Creditors would be paid off in the ordinary course of business. Also, the net worth of the Transferee company is and will remain same post the merger.
6. This Scheme is presented under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 and Rules made thereunder, if any, for amalgamation of the Transferor Company with the Transferee Company; and
7. Accordingly, this Scheme provides for the amalgamation of the Transferor Company with the Transferee Company.



### **Parts of the Scheme:**

The Scheme of Amalgamation by absorption is divided into following three parts:-

- i. Part I - Deals with the definitions, interpretations and share capital
- ii. Part II - Deals with Amalgamation of Sangam Lifestyle Ventures Limited with Sangam (India) Limited; and
- iii. Part III - Deals with the other Terms and Conditions applicable to the Scheme.

### **Part I - Definitions, Interpretation and Share Capital**

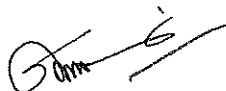
#### **1. Definitions and Interpretation**

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

1.1 '**Act**' or '**the Act**' means the Companies Act, 2013 of India and Rules issued thereunder, including any statutory modification(s), reenactment(s) or amendment(s), 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 law 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**' For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means 1st April, 2020 or such other date



as may be approved by the National Company Law Tribunal, Jaipur Bench.

1.4 **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidator and the National Company Law Tribunal

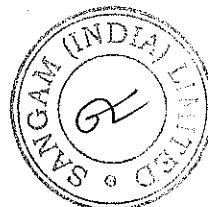
1.5 **"Board of Directors" or 'Board'** in relation to the Transferor Company and the Transferee Company, as the case may be, means the Board of Directors of such company, and shall include a committee duly constituted and authorised or individuals authorised for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;

1.6 **'Effective Date'** means the last of the following dates, namely:

- a. That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 16 shall be obtained or passed; or
- b. That on which all necessary certified copies of orders under the applicable section(s) of the Act shall be duly filed with the concerned Registrar of Companies, Jaipur, at Rajasthan.

1.7 **'Scheme' or 'the Scheme' or 'this Scheme'** means this Scheme of Amalgamation in its present form as submitted to the Tribunal or any other appropriate authority in relevant jurisdictions with any modification(s) thereof as approved or directed by the Tribunal or such other competent authority, as may be applicable

1.8 **'SEBI'** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;





1.9 '**Stock Exchanges**' means the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

1.10 '**Tribunal**' means the National Company Law Tribunal, Jaipur Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable

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 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

The headings herein shall not affect the construction of this Scheme.

Unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders;
- ii. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint Ventures, association, partnership, works council or employee representatives' body (whether or not having separate legal personality);



- iii. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

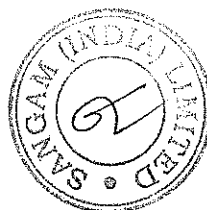
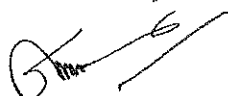
## 3. SHARE CAPITAL

3.1 The share capital of Transferor Company as at March 31, 2020 is as under:

Particulars	Amount (Rs.)
<u>Authorised Capital</u>	
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<u>Issued, Subscribed and Paid up Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>

The equity shares of the Transferor Company are not listed on any Stock Exchange.

Subsequent to March 31, 2020 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the authorized, issued and subscribed capital of Transferor Company. The entire



share capital of the Transferor Company is held by the Transferee Company. The Transferor Company is wholly owned subsidiary of the Transferee Company.

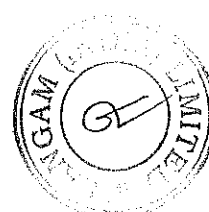
There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

3.2 The share capital of Transferee Company as at March 31, 2020 is as under:

Particulars	Amount (Rs.)
<u>Authorised Capital</u>	
6,40,00,000 Equity Shares of Rs. 10/- each	64,00,00,000
1,85,00,000 Non-cumulative Redeemable Preference Share of Rs.10/- each	18,50,00,000
<b>Total</b>	<b>82,50,00,000</b>
<u>Issued, Subscribed and Paid up Capital</u>	
3,94,21,559 Equity Shares of Rs. 10/- each	39,42,15,590
<b>Total</b>	<b>39,42,15,590</b>

The Equity Shares of the Transferee Company are listed with BSE and NSE. Subsequent to March 31, 2020 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities.

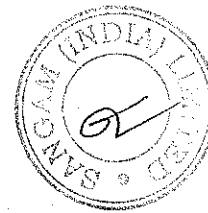
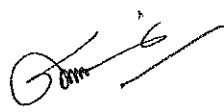



## **Part II - Amalgamation of Sangam Lifestyle Ventures Limited with Sangam (India) Limited**

### **Section 1 - Transfer and vesting**

#### **4. Transfer and vesting of Business of the Transferor Company**

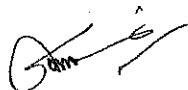
4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and Rules made thereunder, the entire business of the Transferor Company including all its properties and assets (whether movable or immovable, tangible or intangible including development rights, if any), 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 receivables, advances, deposits, etc., including, without limitation all the movables and immovable properties and assets of the Transferor Company comprising amongst other business licenses, permits, authorizations, if any, right 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, lease, tenancy rights, statutory permissions, consents and registrations or approvals received from any authorities including but not limited to approvals from any Chief Fire officer, environment Clearance Certificates, all rights and /or titles and /or interest in properties by virtue of any order, all records files, papers, contracts, Intimation of Disapproval (IOD), Approved Building Plan, Development Right Certificate (DRC) and any amendments thereto, No-objection certificate from any authority, including Municipal Authorities, competent authority under the Urban Land Ceiling Act, 1976, letters of intents, including Development Agreements, Conveyance, etc., in accordance with the provisions of the Act and pursuant to the Order of the Tribunal



sanctioning this Scheme, shall be transferred and /or deemed to be transferred to and stand vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the business of the Transferee Company by virtue of and in the manner provided in this Scheme.

#### **4.2 Vesting of Assets**

- a. Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Transferor Company, of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- b. Without prejudice to the provisions of Clause 4.2(a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.

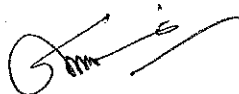


- c. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- d. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 234 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act
- e. All the profits or income taxes, GST, any other taxes, or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor



Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely Advance tax, Tax deducted at source & Foreign Tax Credits), tax losses, MAT Credit, income costs, charges, expenditure or losses of Transferee Company, as the case may be.

- f. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, 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, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions
- g. In so far as the various incentives, entertainment tax exemption and benefits, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by Sangam Lifestyle Ventures Limited are concerned, the same shall, without any further act or deed, vest with and be available to Transferee Company on the same terms and conditions on and from the Effective Date.



## **5. Contracts, Deeds etc.**

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the assets occur by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

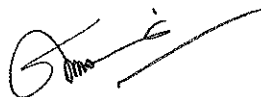




- c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

#### **6. Transfer and Vesting of Liabilities**

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such



Liabilities have arisen in order to give effect to this Scheme.

- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

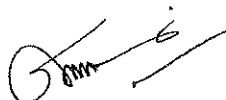


## **7. Employees of Transferor Company**

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- b. The Board of Directors of each the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the permissions of this Clause.

## **8. Legal, Taxation and other Proceedings**

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other



legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.
- d. Without prejudice to other clauses within this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

## **Section 2 - Conduct of Business**

### **9. Conduct of Business till effective date**

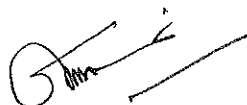
9.1 From the date on which the Boards of Directors of the Transferor Company and the Transferee Company approve this Scheme until the Effective Date:

- a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- b. the Transferor Company shall carry on their business and activities with due business prudence and diligence and shall not, without prior



written consent of the Transferee Company or pursuant to any pre-existing obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.

- c. All profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
- d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
- e. all taxes (including, without limitation, income tax, GST or any other taxes) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax or any other taxes), 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 Transferor Company with effect 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.

- f. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares/ convertible debentures to the Transferee Company, increase their capital (by fresh issue of shares, convertible debentures or otherwise).

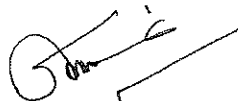
#### **10. Consideration and Cancellation of share capital of Transferor Company**

10.1 As Sangam Lifestyle Ventures Limited is a wholly owned subsidiary of Sangam (India) Limited, the entire Issued, Subscribed and Paid-up Share Capital of Sangam Lifestyle Ventures Limited is held by Sangam (India) Limited. Upon this Scheme becoming effective, Sangam (India) Limited would not be required to issue and allot any shares to the shareholders of Sangam Lifestyle Ventures limited.

10.2 Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the wholly owned subsidiary of the Transferee Company in the Transferor Company and the stated capital/issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date. The said cancellation of existing share capital of the Transferor Company shall be affected as an integral part of this Scheme.

#### **11. Dividends**

- a. Sangam Lifestyle Ventures Limited and Sangam (India) Limited shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.



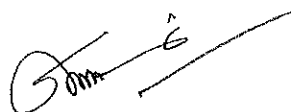
- b. On and from the Effective Date the profits/ losses of Sangam Lifestyle Ventures Limited, for the period beginning from the Appointed Date, shall belong to and be the profits/losses of Sangam (India) Limited and will be available to Sangam (India) Limited for being disposed of in any manner as it thinks fit.
- c. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Sangam Lifestyle Ventures Limited and/or Sangam (India) Limited to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of Transferee Company, subject to such approval of the shareholders, as may be required.

### **Part III - Other terms and Conditions applicable to the Scheme**

#### **12. Accounting and Tax Treatment**

##### **12.1 Taxation**

12.1.1 The Scheme has been drawn up to comply with and fall within the definition and conditions relating to "Amalgamation" as specified under Section 2(18) and other applicable provision of Income Tax Act, 1961, as amended, 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 Scheme shall stand modified/amended/alterd to the extent determined necessary to comply with and fall within definition and conditions relating to " Amalgamation" as specified in Income Tax Act, 1961. In such an event, the Clauses which are inconsistent shall be read down or if the need arises, be deemed to be deleted and such modification/ reading down or deemed deletion

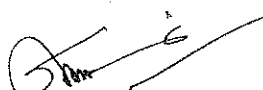


shall however not affect the other parts of the Scheme.

12.1.2 Upon the Scheme becoming effective, the Transferee Company is expressly permitted and shall be entitled to revise its financial Statements and Returns along with prescribed Forms, filings and annexure under the Income Tax Act, 1961, as amended, (including for minimum alternate tax purposes and tax benefits,) GST law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act, 1961 and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

12.1.3 The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.

12.1.4 The Transferor and Transferee company shall be entitled to, amongst others, file / or revise its income tax returns, TDS/TCS returns, GST returns or any other statutory returns, if required, credit for advance tax paid, TDS, claim for sum prescribed u/s 438 of the Income Tax Act on payment basis, claim for deduction of provision written back which was previously disallowed, credit for tax u/s 115J8 read with section 115JAA of the Income Tax Act, credit of foreign taxes paid\ withheld etc., if any, as may be required



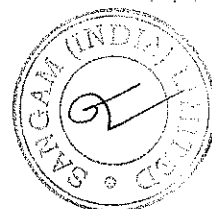


consequent to implementation of this Scheme and wherever necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The transferee company shall have right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it by virtue of this Scheme with effect from Appointed Date.

## **12.2 Accounting Treatment**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

- a. The Transferee Company shall account for the amalgamation in its books in accordance with applicable Accounting Standards and generally accepted accounting principles adopted in India to reflect the substance of the transaction.
- b. The Transferee Company, shall upon the Scheme coming into effect, record all the assets, liabilities, retained earnings and Scheme liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, in the same form as appearing in the consolidated financial statements of the Transferee Company.
- c. Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in



the books of the Transferee Company shall stand cancelled.

- d. The Amalgamated Company shall account for the Amalgamation of the Amalgamating Company as per the Ind AS - 103 Pooling of interest method.
- e. The Amalgamated Company shall record all the assets and liabilities including reserves of the Amalgamating Company transferred to and vested in the Amalgamated Company pursuant to this Scheme, at their respective book values as appearing in the books of Amalgamating Company.

### **13. Resolutions**

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which 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 the said limits 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.

### **14. Savings of concluded transactions**

The transfer and vesting of assets and liabilities under Clauses 4 & 6 above and the continuance of proceedings by or against the Transferee Company under clause 8 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf



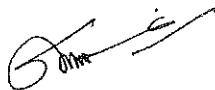
## **15. Dissolution of the Transferor Company**

- a. Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.
- b. Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Company to the Transferee Company under this scheme is formally effected by the parties concerned.

## **16. Conditionality**

The effectiveness of the Scheme is conditional upon and subject to:

- a. The requisite sanction or approval of the Appropriate Regulatory Authorities from India being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required.
- b. this Scheme being approved by the respective requisite majorities of shareholders of the Transferor Company and the Transferee Company (as may be required and/or to the extent not dispensed with by the Appropriate Authorities) and the requisite orders of the Tribunal being obtained.
- c. The certified copy of the order of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies, Rajasthan at Jaipur by the Transferor Company and the Transferee Company;



- d. such other approvals and sanctions as may be required by Applicable Law in respect of this Scheme being obtained.

#### **17. Effect of Non-Receipt of Approvals/Sanctions**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and/ or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as it is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

The Board of Directors of the Transferor Company and Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

The Board of Directors of the Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implication on the combined entity post-amalgamation.

#### **18. Applications/Petitions**

Transferor Company and the Transferee Company, if required shall, with



all reasonable dispatch, make applications/ petitions to the Tribunal under Section 230 to 232 and other applicable provisions, of the Act and Rules made thereunder, for sanctioning of this Scheme.


#### **19. Modifications or amendments to the Scheme**

19.1 Subject to approval of NCLT, the Transferor Company and the Transferee Company, through their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect.

19.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

#### **20. Dissolution of the Transferor Company**

On the Scheme becoming effective, the Transferor Company will be



struck off the register maintained by the Registrar of Companies, Jaipur at Rajasthan and shall stand dissolved without any further act or deed or without being wound-up.

## **21. Costs, Charges and Expenses**

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

Sangam Lifestyle Ventures Limited and/or Sangam (India) Limited acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person is unacceptable to any of them.

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