

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONGST**

**TATA MOTORS LIMITED  
(DEMERGED COMPANY / AMALGAMATED COMPANY)**

**AND**

**TML COMMERCIAL VEHICLES LIMITED  
(RESULTING COMPANY)**

**AND**

**TATA MOTORS PASSENGER VEHICLES LIMITED  
(AMALGAMATING COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS  
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**



**(A) DESCRIPTION OF COMPANIES**

1. **TATA MOTORS LIMITED** is a public limited company incorporated under the laws of India bearing corporate identification number L28920MH1945PLC004520 and having its registered office at Bombay House, 24 Homi Mody Street, Mumbai 400001 ("**Tata Motors**"), and for the purpose of demerger set out in the Scheme, the "**Demerged Company**" and for the purpose of amalgamation set out in the Scheme, the "**Amalgamated Company**". The shares of the Demerged Company and the Demerged Company NCDs (*as defined below*) are listed on the NSE (*as defined below*) and BSE (*as defined below*).
2. **TATA MOTORS PASSENGER VEHICLES LIMITED** is a public limited company incorporated under the laws of India bearing corporate identification number U72900MH2020PLC339230 and having its registered office at Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai 400001 ("**Amalgamating Company**"). The Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company.
3. **TML COMMERCIAL VEHICLES LIMITED** is a public limited company incorporated under the laws of India bearing corporate identification number U29102MH2024PLC427506 and having its registered office at Bombay House, 24 Homi Modi Street, Stock Exchange, Mumbai, Maharashtra, India 400001 ("**Resulting Company**"). The Resulting Company is a wholly owned subsidiary of the Demerged Company.

**(B) RATIONALE AND OVERVIEW OF THE SCHEME**

1. Tata Motors is directly and indirectly through its subsidiaries and joint ventures, engaged *inter alia* in the business of design, development, manufacture, and sale of a wide range of commercial, passenger and electric vehicles (including offering an extensive range of integrated, smart and e-mobility solutions), within India and abroad.
2. Over the past few years, the Commercial Vehicles Business (*as defined hereinafter*) and the Passenger Vehicles Business (*as defined hereinafter*) have delivered a strong performance by successfully implementing distinct strategies. The Scheme (*as defined hereinafter*) is being proposed to, amongst others, separate the Commercial Vehicles Business from the Passenger Vehicles Business through:
  - (i) Demerger of Commercial Vehicles Business from the Demerged Company to the Resulting Company; and
  - (ii) Merger of the Amalgamating Company undertaking the Passenger Vehicles Business (*as defined hereinafter*) with the Amalgamated Company.
3. The effectiveness of the Scheme would result in creation of two listed companies, forming part of the Tata Group, with identical shareholding (including common promoters) with the Resulting Company housing the Commercial Vehicles Business and the Amalgamated Company housing the Passenger Vehicles Business. This will empower the respective businesses to pursue their respective strategies to deliver higher growth with greater agility while reinforcing accountability.
4. The proposed Scheme would be in the best interests of the Amalgamated Company, the Resulting Company, the Amalgamating Company and, their respective shareholders, employees, creditors and other stakeholders for the below reasons:
  - (i) The distinctive profile and established business model of the Commercial Vehicles Business and Passenger Vehicles Business makes it suitable to be housed in separately listed entities, allowing sharper strategic focus in pursuit of their independent value creation trajectories;





- (ii) The Scheme would result in better and efficient control and management for the Commercial Vehicles Business and the Passenger Vehicles Business and would further empower the respective businesses to pursue their respective strategies to deliver growth with greater agility while reinforcing accountability;
  - (iii) The Scheme would unlock value for the overall-business portfolio through price-discovery of the Amalgamated Company and the Resulting Company for existing shareholders and shall entail direct holding of marketable securities therein;
  - (iv) The Scheme could lead to the right operating architecture for both companies with sharper focus on their individual business strategies and clear capital allocation, in alignment with their respective value creation journeys; and
  - (v) Separately listed companies will attract specific set of investors for their business profile, and consequently, encourage focused capital market outcomes.
5. Accordingly, this Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and *inter alia* provides for the following:
- (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*), comprising of the Commercial Vehicles Business, from the Demerged Company into the Resulting Company on a *going concern* basis, and issue of shares by the Resulting Company to the shareholders of the Demerged Company, in accordance with Share Entitlement Ratio (*as defined hereinafter*) in consideration thereof, in accordance with the provisions of Section 2(19AA) and other relevant provisions of the Income Tax Act (*as defined hereinafter*); and
  - (ii) amalgamation of the Amalgamating Company with the Amalgamated Company with an objective of consolidating the Passenger Vehicles Business with the Amalgamated Company in accordance with the provisions of Section 2(1B) and other relevant provisions of the Income Tax Act and consequent dissolution of the Amalgamating Company without being wound up; and
  - (iii) various other matters consequential or otherwise integrally connected therewith in the manner set out in this Scheme.

#### (C) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect, implementation and sequencing of this Scheme;
2. **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis, issue of Resulting Company New Shares (*as defined hereinafter*) by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof and matters incidental thereto;
3. **PART III** deals with the amalgamation of the Amalgamating Company with the Amalgamated Company; the consequent dissolution without being wound up of the Amalgamating Company and matters incidental thereto; and
4. **PART IV** deals with the general terms and conditions applicable to this Scheme.



## PART I

### DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF TAKING EFFECT, IMPLEMENTATION AND SEQUENCING OF THIS SCHEME

#### 1. DEFINITIONS

1.1 In this Scheme, unless the context of meaning otherwise requires: (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 introductory paragraphs above), shall have the meanings ascribed hereunder:

1.1.1 **"Act"** means the Companies Act, 2013 and any rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;

1.1.2 **"Amalgamating Company Employees"** means the employees of the Amalgamating Company as on the Effective Date;

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

1.1.4 **"Appointed Date"** means opening of business hours on July 1, 2025;

1.1.5 **"Appropriate Authority"** means: (i) the government of any jurisdiction (including any national, provincial, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, arbitrator, alternative dispute resolution body, Tribunal, central bank, commission or other authority thereof; (ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; (iii) governmental, administrative, quasi-governmental or private body or agency, whether in India or overseas, lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, Regional Director, Ministry of Corporate Affairs, Registrar of Companies, SEBI, ARAI, Ministry of Road Transport & Highways, Regional or State Transport offices, Bureau of Indian Standards, SAE International; and (iv) any stock exchange;

1.1.6 **"ARAI"** means Automotive Research Association of India;

1.1.7 **"Board"** in relation to a Party means the board of directors of such Party, and shall include a committee (existing or to be constituted subsequently by the Board) or any other delegate(s) / officers authorised for the purposes of the matters relating to this Scheme and / or to take decisions prescribed under the Scheme and / or to decide or act on any other matter relating thereto;





- 1.1.8 **"BSE"** means BSE Limited;
- 1.1.9 **"Commercial Vehicles Business"** means all business activities carried out, directly or indirectly, by the Demerged Company and / or through any of its subsidiaries / joint ventures / associates, and in each case, relating to (a) development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of commercial vehicles (including new and/or refurbished vehicles), and sale of related parts and accessories, (b) commercial vehicle related digital businesses including FleetEdge, E-Dukaan, Fleet Verse, etc., (c) offering an extensive range of integrated, smart and e-mobility solutions in the commercial vehicles space, and (d) other related businesses including equipment business (construction, earth-moving machinery etc.), commercial vehicle finance and contract manufacturing of commercial vehicles and parts under any subsisting arrangement, in each case, in India and / or abroad;
- 1.1.10 **"Demerged Company Incentive Scheme"** means (i) Tata Motors Limited Share-based Long Term Incentive Scheme 2021; (ii) Tata Motors Limited Share-based Long Term Incentive Scheme 2024; and/or (ii) any other share-based incentive schemes to be introduced by the Demerged Company;
- 1.1.11 **"Demerged Company NCDs"** means the outstanding non-convertible debentures of the Demerged Company listed on the Stock Exchanges from time to time including the non-convertible debentures of the Demerged Company as listed in **Annexure A**;
- 1.1.12 **"Demerged Liabilities"** means the liabilities as defined in Clause 6.2 of the Scheme;
- 1.1.13 **"Demerged Undertaking"** means the undertaking of the Demerged Company relating to the Commercial Vehicles Business as a going concern as on the Appointed Date and shall include (without limitation):
- (i) all assets as are movable properties of the Demerged Company in relation to the Commercial Vehicles Business including hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, and associated capital costs, plant and equipment, machinery, furniture and fixtures, office equipment, vehicles, capital work in progress, trade receivables, advances, derivative contracts, earnest moneys and/or security deposits, inventories and stock in trade, merchandise (including, raw materials, supplies, finished goods, supply, advertisement, promotional and packing material) wherever lying, actionable claims, current assets, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, deposits (including interests thereto), benefits of any bank guarantee, performance guarantee and letters of credit, security deposits, prepaid expenses, contract assets, research and development assets, capitalized vehicles, furniture, electrical fittings, power lines, water and sanitation systems, appliances, vehicles, office equipment, computers, communication facilities, installations, accessories, air conditioners, properties, tooling equipment, tools, instruments, diagnostic kits, title, interest, cash and bank balances, bills of exchange, or other financial or non-financial assets, funds including mutual funds, and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company relating to the Commercial Vehicle Business;





- (ii) all immovable properties of the Demerged Company of whatever nature in relation to the Commercial Vehicles Business including land, buildings and structures (as applicable) standing thereon, including but not limited to immovable properties allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities including Uttar Pradesh State Industrial Development Corporation, State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd, Government of Gujarat, Karnataka Industrial Areas Development Board, Pimpri – Chinchwad Municipal Corporation, State of Jharkhand, Maharashtra Industrial Development Corporation (whether leasehold, freehold, leave and license, rights of way, tenancies or otherwise), offices, townships, hospitals, guest houses, warehouse, workshops, sheds, stores, storages, cooling stations, etc., benefits of any rental agreement for any use of premises which immovable properties are currently in use for the purpose of conducting Commercial Vehicles Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties. It is clarified that, in so far as the immovable property(ies) of the Demerged Company is used for carrying out both, the Remaining Business as well as the Commercial Vehicles Business, then the appropriation / utilisation of such immovable property (including appropriate leases/licenses) shall be as mutually agreed between the Boards of the Demerged Company and the Resulting Company;
- (iii) investments in subsidiaries/ step down subsidiaries, associates and joint ventures or any other securities/ investments in any other Person, whether in India or abroad engaged in /related to Commercial Vehicles Business;
- (iv) branches, liaison offices and representative offices abroad, engaged in and/or relating to the Commercial Vehicles Business, if any;
- (v) Demerged Liabilities;
- (vi) all obligations and duties, both present and future (including obligations under any licenses or Permits or schemes) of every kind, nature and description whatsoever and howsoever arising, relating to the Commercial Vehicles Business;
- (vii) all rights to use and avail telephones, domain name, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company and relating to the Commercial Vehicle Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company and relating to the Commercial Vehicle Business;
- (viii) all books, records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations,





marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information, databases containing market information, vouchers, registers, ledgers, documents and other books and records of, or to the extent relating to, the Commercial Vehicles Business, in any media or format including machine readable or electronic media/ format and other records relating to the Commercial Vehicles Business;

- (ix) all contracts and agreements relating to the Commercial Vehicles Business including without limitation any service contracts, warranty contracts, consultant contracts, contracts with vendors and suppliers, technology contracts, outsourcing agreements, offshore development contracts, assignment agreements, license agreements (including for Intellectual Property), deeds, bonds, insurance policies, information technology related agreements, schemes, investment agreements, joint venture agreements, shareholder agreements, long term concession agreements, agreements for contract manufacturing by the Demerged Company for commercial vehicles or parts, arrangements, bids, tenders including contracts / arrangements with state transport authorities, expression of interest, service orders, purchase orders (either with or without a general purchase agreement), memoranda of understanding, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, any option agreement, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits, dealer contracts / networks, non-disclosure undertakings, letter of intent and other commitments, whether written or unwritten, entered into by or on behalf of, or the benefit of which is held in trust for or has been assigned to, the Demerged Company, each of which belongs to or relating to the Commercial Vehicles Business;
- (x) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, all tax credits, including CENVAT credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), goods and service tax (GST), purchase tax, sales tax, receivables under Customs Act, 1962 or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, tax collected at source right to carry forward and set-off unabsorbed losses, and depreciation alternate tax credits, if any and exemptions, deductions, benefits and incentives under the Income Tax Act or any other Taxation statute or schemes of Union, State, and local governments/ bodies and/or otherwise in respect of business, activities, research and development units and operations relating to the Commercial Vehicle Business;
- (xi) all Permits relating to Commercial Vehicles Business including those as listed in **Annexure B**, grants (including government grants), rights, credits, certification and licenses from Central Board of Indirect Taxes & Customs such as Authorised Economic Operator, Star Trading House, awards, sanctions, privileges, memberships, allotments, quotas, exemptions, pre-qualifications, bid acceptances, concessions (including export and tax incentives/ concessions such as under export promotion capital goods (EPCG) scheme), incentives (including production linked incentive (PLI) schemes, incentive under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Scheme ("FAME"), Department of Scientific and Industrial Research





("DSIR"), any other incentives eligible from state government including Maharashtra, Karnataka and Uttar Pradesh or central government), subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits and exemptions including the right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available under Applicable Law, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Appropriate Authority, organizations or companies, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that relate to the Commercial Vehicle Business;

- (xii) all Intellectual Property including patents, brands, logos, designs, labels, tradenames and trademarks of the Demerged Company arising out of or relating to the Commercial Vehicles Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form relating to Commercial Vehicles Business and all such rights of whatsoever description and nature, and whether subsisting now or in the future, having equivalent or similar effect to the rights referred to above, in each case relating to the Commercial Vehicle Business;
- (xiii) the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Demerged Company (acquired by reason of its operations in the past) in relation to the Commercial Vehicles Business including without limitation, the profitability, net worth, past financial parameters, incorporation history, turnover, goodwill and market share for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients;
- (xiv) all Transferring Employees along with their employee benefit funds (whether managed through trusts, funds or otherwise) including those relating to provident fund, pensions, gratuity etc.; and
- (xv) all legal or other proceedings of whatsoever nature arising out of or relating to the Commercial Vehicles Business;

Any question that may arise as to whether a specific asset (tangible or intangible), liability, litigation, employee, real estate, contracts, Intellectual Property pertains or does not relate to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

1.1.14 "Direct Tax Laws" shall means all Applicable Laws dealing with all forms of direct taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, dividend, net wealth, asset values, or otherwise including Income Tax Act (as defined





hereinafter), Wealth Tax Act, 1957, Interest Tax Act, 1974, Fringe Benefit Tax, or any other levy of similar nature;

- 1.1.15 **"Effective Date"** means the date on which the last of the approvals or events specified in Clause 44 of the Scheme are satisfied or have occurred or obtained or the requirement of which have been waived (in writing) in accordance with this Scheme; References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** or **"upon effectiveness of the Scheme"** or **"upon effectiveness of this Scheme"** or **"upon this Scheme becoming effective"** or **"this Scheme coming into effect"** shall mean the Effective Date;
- 1.1.16 **"Encumbrance"** means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right granted by a transaction or other type of preferential arrangement or interest of any nature whatsoever which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law), outstanding Taxes (which have become due and payable), option, pre-emptive right, proxy, power of attorney, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executory attachment, trust (other title exception of whatsoever nature), any agreement to create any of the foregoing or any adverse claim as to title, possession or use and the term **"Encumber"** shall be construed accordingly;
- 1.1.17 **"GST"** means the goods and services tax levied under Central Goods and Services Tax Act, 2017 and the respective States Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 and shall include any statutory modifications, re-enactments or amendments thereof and the rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder, for the time being in force;
- 1.1.18 **"Income Tax Act"** means the Income-tax Act, 1961 and rules, regulations, circulars, notifications, clarifications, orders or guidelines issued thereunder and as amended from time to time and include any statutory replacement or re-enactment thereof, if the context so requires and as may be applicable;
- 1.1.19 **"Indirect Tax Laws"** shall mean all Applicable Laws dealing with all forms of indirect taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to turnover, added value, goods and services or otherwise including GST, the States Value Added Tax, The Central Sales Tax Act, 1956, The Customs Act, 1962, Central Excise Act, 1944 or any other levy of similar nature;
- 1.1.20 **"INR" or "Rupee(s)"** means Indian Rupee(s), the lawful currency of the Republic of India;
- 1.1.21 **"Intellectual Property"** means all intellectual property rights of any nature whatsoever, past, present, and future rights of the following types whether recorded in the books or not, which may exist or be created under the laws of any jurisdiction including:



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- (a) rights in information (including know-how, confidential processes, confidential information and trade secrets), database rights and the right to use, and protect the confidentiality of, confidential information;
  - (b) trademarks, service marks, patents, inventions, rights in logos, brand names, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;
  - (c) copyright, moral rights and related rights, rights in computer software, software codes, database rights, and rights in designs;
  - (d) marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, drawings, designs, research and studies;
  - (e) digital platforms, algorithms, domain names, applications (including hardware, software, licenses and scripts);
  - (f) lists of present and former customers and suppliers, other customer information, copies of employment information, including but not limited to personnel files (including hiring documents, reference checks, existing employment contracts, policies, handbooks and documents reflecting changes in an employee's position, compensation, benefits, or other terms of employment), payroll records, documents relating to past or ongoing leave of absence, on the job injuries or illness, or fitness for work examinations, disciplinary records, related supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities and all other records and documents;
  - (g) any other intellectual property rights; and
  - (h) all rights or forms of protection, subsisting now or in the future and all current or pending applications with respect to the rights referred to in paragraphs (a) to (g) above;
- 1.1.22 **"Liabilities"** means all debts (whether in Rupees or foreign currency), liabilities (including contingent liabilities, and obligations under any Permits or schemes or claims from customers), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever, whether or not recorded in the books of accounts or disclosed in the balance sheet, whether present or future, and howsoever raised or incurred or utilized along with any charge, Encumbrance, lien or security thereon;
- 1.1.23 **"NCD"** means non-convertible debentures;
- 1.1.24 **"NSE"** means National Stock Exchange of India Limited;
- 1.1.25 **"Parties"** shall collectively mean the Amalgamating Company, Amalgamated Company and the Resulting Company; and **"Party"** means each of them, individually;
- 1.1.26 **"Passenger Vehicles Business"** means all business activities carried out, directly or indirectly, by the Amalgamated Company and / or through any of its subsidiaries / joint ventures /





associates, and in each case, relating to (a) development, design, manufacture, procurement, assembly, sale, services, annual maintenance contracts and distribution of passenger vehicles and electric passenger vehicles (including new and/or refurbished vehicles) and sale of related parts and accessories, (b) passenger vehicle related digital businesses, (c) offering an extensive range of integrated, smart, and e-mobility solutions in the passenger vehicles space, and (d) other related businesses including contract manufacturing of passenger vehicles and parts carried out under any subsisting arrangement, in each case, in India and /or abroad;

- 1.1.27 **"Permits"** means all consents, licences (including factory licenses), certifications, permits, login credentials for the account maintained with the websites of Ministry of Road Transport & Highways including VAHAN/ Parivahan website(s), benefits (including benefit of all transferable statutory and regulatory permissions, environmental approval and consents, statutory licenses, permissions or approvals, consents), world manufacturer identifier code, certificates, permissions, privileges, tenancy rights, incentives, recognitions, authorisations, registrations, enrolments, powers of attorney, concessions, entitlements, subsidies, liberties including consents and authorisations, clarifications, approvals, clearances, confirmations, declarations, right of way, entitlements, waivers, exemptions, registrations (by whatever name called), filings, credits, allotments, no objections, in each case from any Person / Appropriate Authority including ARAI, Ministry of Road Transport & Highways, Regional or State Transport offices, Bureau of Indian Standards, SAE International, etc.;
- 1.1.28 **"Person"** means any individual, (including in his capacity as trustee), entity, a corporation, a partnership (whether limited or unlimited) a company, an association, a trust a joint venture, proprietorship, or other enterprise (whether incorporated or not), an unincorporated organization, Hindu undivided family, trust, union, association of persons or any governmental authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- 1.1.29 **"Record Date"** means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company New Shares;
- 1.1.30 **"Remaining Business"** means all the business (including foundry business at Chinchwad, Maharashtra), units, divisions, undertakings, and assets (including in subsidiaries, associates, joint ventures, whether in India or abroad), and liabilities of the Demerged Company other than the Demerged Undertaking;
- 1.1.31 **"Resulting Company New Shares"** shall have the meaning as set out in Clause 17.1;
- 1.1.32 **"Retained NCDs"** means the Demerged Company NCDs other than the Transferring NCDs;
- 1.1.33 **"RoC"** means relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;
- 1.1.34 **"Sanction Order"** means the order(s) of the Tribunal approving the Scheme;
- 1.1.35 **"Scheme" or "this Scheme"** means this composite scheme of arrangement in its present form or as amended or with any modification(s) approved or imposed or directed by the Tribunal





or any other Appropriate Authority, pursuant to the provisions of Sections 230 to Section 232 and other applicable provisions, if any, of the Act;

- 1.1.36 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.1.37 **"SEBI LODR Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all circulars and notifications issued thereunder, as amended from time to time;
- 1.1.38 **"SEBI Scheme Debt Circular"** means Chapter XII of the Master Circular no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024 issued by SEBI, as amended from time to time;
- 1.1.39 **"SEBI Schemes Master Circular"** means Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- 1.1.40 **"Share Entitlement Ratio"** shall have the meaning as set out in Clause 17.1;
- 1.1.41 **"Stock Exchanges"** means BSE and NSE collectively and Stock Exchange shall mean each of them individually;
- 1.1.42 **"Tax Laws"** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;
- 1.1.43 **"Taxation"** or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, dividend, net wealth, asset values, turnover, added value, manufacture, import, export, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, goods and services tax, securities transaction tax or any other transfer taxes or otherwise, in each case attributable directly or primarily to the Party or any other Person and all surcharge, cess penalties, charges, costs and interest relating thereto;
- 1.1.44 **"Transferring Employees"** means all the employees of the Demerged Company who are engaged in and/ or relate to the Demerged Undertaking as on the Effective Date;
- 1.1.45 **"Transferring NCDs"** means such NCDs, if any, forming part of the Demerged Company NCDs as determined by the Demerged Company and the Resulting Company which will be transferred to the Resulting Company as part of the Scheme; and
- 1.1.46 **"Tribunal"** means the National Company Law Tribunal, Mumbai having jurisdiction over the Parties and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable.





1.2 In this Scheme, unless the context otherwise requires:

1.2.1 References to clauses, unless otherwise provided, are to the clauses to this Scheme;

1.2.2 Headings, subheadings, titles, subtitles to clauses and sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same;

1.2.3 All references in this Scheme to statutory provisions shall be construed as meaning and including references to:

- (a) any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board and for the time being in force;
- (b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
- (c) all statutory instruments or orders made pursuant to a statutory provision; and
- (d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

1.2.4 Unless this context otherwise requires:

- (a) the singular shall include the plural and vice versa, and references to one gender include all genders;
- (b) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership or employee representative's body (whether or not having separate legal personality);
- (c) reference to days, months and years are to calendar days, calendar months and calendar years, respectively;
- (d) in the event there is an ambiguity or conflict relating to the interpretation of any particular matter in this Scheme between a specific clause and a general clause, the interpretation of the specific clause in this Scheme dealing with such matter will take precedence and govern the interpretation and application of such matter;
- (e) any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form; the words "include" and "including" are to be construed without limitation and
- (f) where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

1.2.5 All terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 or any other Applicable Laws, rules, regulations, bye laws, as the case may be.



*Handwritten signature in blue ink.*

## 2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on July 26, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
4,000,000,000 Ordinary Shares of ₹2/- each	8,000,000,000
1,000,000,000 'A' Ordinary Shares of ₹2/- each <sup>^</sup>	2,000,000,000
300,000,000 Convertible Cumulative Preference Shares of ₹100/- each	30,000,000,000
<b>Total</b>	<b>40,000,000,000</b>
<b>Issued Share Capital</b>	
3,325,151,087 Ordinary Shares of ₹2/- each	6,650,302,174
508,736,110 'A' Ordinary Shares of ₹2/- each <sup>^</sup>	1,017,472,220
<b>Total</b>	<b>7,667,774,394</b>
<b>Subscribed Share Capital</b>	
3,324,658,528 Ordinary Shares of ₹2/- each <sup>@</sup>	6,649,317,056
508,502,896 'A' Ordinary Shares of ₹2/- each <sup>^</sup>	1,017,005,792
<b>Total</b>	<b>7,666,322,848</b>
<b>Paid-up Share Capital</b>	
3,324,658,528 Ordinary Shares of ₹2/- each <sup>@</sup>	6,649,794,561*
508,502,896 'A' Ordinary Shares of ₹2/- each <sup>^</sup>	1,017,005,792
<b>Total</b>	<b>7,666,800,353</b>

\*Considering the amount of subscribed share capital plus shares forfeited less calls in arrears

<sup>^</sup> Since cancelled and extinguished in terms of the Order dated August 02, 2024 of the Hon'ble NCLT, Mumbai Bench sanctioning the Scheme of Arrangement of the Company.

<sup>@</sup> Includes 570 partly paid-up shares

The Demerged Company has outstanding stock options and performance share units under the Demerged Company Incentive Scheme, the exercise of which may result in increase in its number of shares and its issued and paid-up capital from time to time.

2.2 The share capital of the Amalgamating Company as on July 26, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
20,000,000,000 equity shares of ₹10/- each	200,000,000,000
<b>Total</b>	<b>200,000,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
9,417,150,000 equity shares of ₹10/- each	94,171,500,000
<b>Total</b>	<b>94,171,500,000</b>

2.3 The share capital of the Resulting Company as on July 26, 2024 is as follows:

Particulars	Amount (in INR)
<b>Authorised Share Capital</b>	
2,500,000 equity shares of ₹2/- each	5,000,000
<b>Total</b>	<b>5,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
500,000 equity shares of ₹2/- each	1,000,000
<b>Total</b>	<b>1,000,000</b>



**3. DATE OF TAKING EFFECT, IMPLEMENTATION AND SEQUENCING OF THIS SCHEME**

- 3.1 This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal shall become effective from the Appointed Date but shall become operative from the Effective Date.
- 3.2 Upon the Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:
- 3.2.1 demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company in accordance with Part II of this Scheme; and
- 3.2.2 amalgamation of the Amalgamating Company into and with the Amalgamated Company in accordance with Part III of this Scheme.

**PART II**

**TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY**

**4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

- 4.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2(19AA) and other applicable provisions of the Income Tax Act and pursuant to Sections 230 to 232 and other applicable provisions of the Act, and pursuant to the Sanction Order, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern, so as to become the business undertaking, assets, Liabilities, properties, Permits, contracts, right, title, interest and authorities of the Resulting Company by virtue of operation of law or otherwise and in the manner provided in this Scheme.

**5. VESTING OF ASSETS**

- 5.1 Upon the Scheme becoming effective and with effect from the Appointed Date, without prejudice to the generality of the above:
- 5.1.1 In respect of the assets of the Demerged Undertaking that are movable in nature or incorporeal property and/or otherwise capable of transfer by manual or constructive delivery and/or by endorsement, including cash and bank balances, liquid and other investments including shares/ securities in subsidiaries/ step down subsidiaries, associates and joint ventures or any other securities / investments in any other Person, whether in India or abroad engaged in / related to the Commercial Vehicles Business and forming part of the Demerged Undertaking, the same shall stand vested in the Resulting Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law or be deemed to be transferred and vested by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer and vesting of the same, and shall become the property of the Resulting Company subject to the provisions of this Scheme in relation to Encumbrances.
- 5.1.2 In respect of movable assets other than those dealt with in Clause 5.1.1 above (including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/or customers or any other Person, if any, forming part of the Demerged Undertaking, whether





recoverable in cash or in kind or for value to be received, etc.), the same shall become the assets of, and be vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and other applicable provisions of Applicable Law to the end and intent that the right of the Demerged Company to recover or realize the same becomes a right of, and stands vested in the Resulting Company, without any notice or other intimation to such debtors, depositors or persons as the case may be.

- 5.1.3 All assets, estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws.
- 5.1.4 All immovable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold or licensed properties (including but not limited to capital works in progress, land, buildings, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded to the land) forming part of the Demerged Undertaking, allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities including but not limited to Uttar Pradesh State Industrial Development Corporation, State Infrastructure and Industrial Development Corporation of Uttarakhand Limited, Government of Gujarat, Karnataka Industrial Areas Development Board, State of Jharkhand, Maharashtra Industrial Development Corporation, etc. and all documents of title, right, security deposits and easements in relation thereto shall become the property of the Resulting Company and be vested in the Resulting Company or be deemed to have been so, automatically without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. Consequent to the foregoing, all lease or license or rent agreements forming part of the Demerged Undertaking, entered into by the Demerged Company with various landlords, owners and lessors including the Appropriate Authorities in connection with the use of the assets of the Demerged Company, together with security deposits, shall stand automatically vested in favour of the Resulting Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Resulting Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Demerged Company. Any transfer/ assignment of lease or license or any tenancy rights by the Demerged Company in favour of the Resulting Company shall continue for the balance period of time will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. It is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings (whether such immovable properties are situated in the state of Maharashtra or in other States), the Demerged Company and the Resulting Company may register the true copy of the Sanction Order with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property or may execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 5.1.4 or Clause 5.1.5 below will be for the limited purpose of meeting the regulatory requirements and shall not be deemed to be a document under which the conveyance of immovable property takes place and the immovable property shall be transferred solely pursuant to and in terms of this Scheme and the Sanction Order. All Permits, if any, required





for enabling the Resulting Company to absolutely own and enjoy the immovable properties comprised in the Demerged Undertaking in accordance with Applicable Law are deemed to be granted as part of this Scheme. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.

- 5.1.5 For the purpose of giving effect to the Sanction Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and shall be liable to fulfil all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes of this Clause, the Boards of the relevant Parties may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including of conveyance, assignment, transfer or rectification, deed of confirmation, in order to give effect to the objectives of the Scheme.
- 5.1.6 All Intellectual Property and rights thereto of the Demerged Company that relate to the Commercial Vehicles Business, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators, designs, research and studies and all such other industrial or intellectual rights of whatsoever nature, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information whether in physical or electronic form; and all other interests relating to the goods or services being dealt with by the Demerged Company, shall become the property of and/or stand vested in, the Resulting Company. Further, the Demerged Company and the Resulting Company shall both be entitled to joint ownership of, and have collective equal interest in, the word mark 'Tata Motors' and shall, along with their respective subsidiaries, be entitled to use this word mark for their respective businesses as per the applicable brand usage guidelines prescribed by Tata Sons.
- 5.1.7 All bank / demat accounts operated or entitled to be operated by the Demerged Company relating to the Demerged Undertaking shall be deemed to have been transferred and shall stand transferred to the Resulting Company and where applicable, name of the Demerged Company shall be substituted by the name of the Resulting Company in the bank's records and the Resulting Company shall be entitled to operate all such bank / demat accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Resulting Company to the extent necessary until the transfer of rights and obligations of the Demerged Company relating to the Demerged Undertaking to the Resulting Company under the Scheme is formally accepted and completed by the parties concerned.





- 5.1.8 In so far as various incentives (including under FAME Scheme, DSIR, PLI), subsidies, exemptions, remissions, reductions, export benefits, FAME incentive, any other incentives eligible from state government including Maharashtra, Karnataka and Uttar Pradesh or central government, all indirect tax related benefits, including GST benefits, service tax benefits, central excise duty exemptions / concessions / benefits, customs duty exemptions / concessions, all indirect tax related assets/credits, including but not limited to GST input credits, sales tax/entry tax credits or set-off, tax deducted at source ("TDS")/ tax collected at source ("TCS") credits or set-off (to the extent remaining unutilized on the Effective Date and if transferrable), income tax holiday/benefit/losses/ and other benefits or exemptions or privileges enjoyed (to the extent remaining unutilized on the Appointed Date), granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, together with any corresponding obligations, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company to recover or realize the same, shall become the right of the Resulting Company and/or stands vested in the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 5.1.9 In relation to assets, if any, which, under Applicable Law, require separate documents for vesting in the Resulting Company, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 5.1.10 On and from the Effective Date, all cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are (a) in the name of the Demerged Company and in relation to or in connection with the Demerged Undertaking, or (b) in the name of the Resulting Company prior to the change of name of the Resulting Company, in each case, after the Effective Date shall be accepted by the bankers of the Demerged Company and/or the Resulting Company as the case may be and credited to the account of the Resulting Company, if presented by the Resulting Company. Similarly, the banker of the Resulting Company shall honour all cheques issued by the Demerged Company, with respect to the Demerged Undertaking, for payment after the Effective Date.
- 5.1.11 Third party or Appropriate Authority (including ARAI, Ministry of Road Transport & Highways, Regional or State Transport offices, Bureau of Indian Standards, SAE International) to take on record the Sanction Order on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the Tribunal, without any further act, matter or deed by the Demerged Company or the Resulting Company. There shall be no break in the validity and enforceability of the Permits for the purpose of carrying on its business or for any other purpose of whatsoever nature. Illustratively, the benefits of the certifications, registrations, recognitions, login credentials issued by / with ARAI, Ministry of Road Transport & Highways, Regional or State Transport offices, Bureau of Indian Standards, VAHAN, SAE International of the Demerged Company relating to the Demerged Undertaking shall continue to be enjoyed by the Resulting Company from the Effective Date without any further action.
- 5.1.12 The past track record of the Demerged Company in relation to the Demerged Undertaking, including without limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties,





contracts with clients and with vendors of the Demerged Company (acquired by reason of its operations in the past) in relation to or in connection with the Commercial Vehicles Business including without limitation, the profitability, past record, goodwill and market share for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients.

- 5.1.13 The Resulting Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking have been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Resulting Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Demerged Undertaking.
- 5.1.14 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Permits, consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Demerged Undertaking in favour of the Resulting Company, the Board of Directors of the Demerged Company and the Resulting Company shall be deemed to be authorized to execute or enter into necessary documentations with any Appropriate Authority or third party, if applicable and the same shall be considered as giving effect to the Sanction Order and shall be considered as an integral part of this Scheme.
- 5.1.15 All books, records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records, any media or format including machine readable or electronic media/ format and other records of the Demerged Company relating to the Demerged Undertaking shall be transferred to the Resulting Company.
- 5.1.16 For avoidance of doubt, in order to ensure the smooth transition and sales of vehicles, products, spare parts and inventory of the Demerged Company branded and/ or labelled and/ or packed in the name of the Demerged Company prior to the Effective Date insofar as they relate to the Commercial Vehicle Business, the Resulting Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) relating to the Demerged Company at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents relating





to such products and inventory (including packing material) may be raised in the name of the Resulting Company after the Effective Date.

## **6. TRANSFER OF LIABILITIES**

- 6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the Demerged Liabilities, whether or not provided in the books of the Demerged Company shall without any further act, instrument or deed be and stand transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date, so as to become the debts, duties, obligations, and Liabilities of the Resulting Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Demerged Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Demerged Liabilities.
- 6.2 The term "**Demerged Liabilities**" shall include:
- 6.2.1 the Liabilities of the Demerged Company including the loans/ borrowings / debentures which specifically / directly arise out of the activities or operations of the Commercial Vehicles Business; and
- 6.2.2 in any other case, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- 6.3 Such Demerged Liabilities transferred to the Resulting Company in terms of Clause 6 hereof, shall, without any further act, instrument or deed, become the Liabilities of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall stand vested in and shall be exercised by or against the Resulting Company as if it had incurred such Liabilities. Thus, with effect from the Effective Date, the primary obligation to redeem or repay such Demerged Liabilities shall be that of the Resulting Company.
- 6.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable to perform all obligations in respect of all Liabilities pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the Liabilities of the Remaining Business. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Liabilities.
- 6.5 The provisions of this Clause and that of Clause 7 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/or superseded by the foregoing provisions.
- 6.6 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.





## **7. ENCUMBRANCES**

- 7.1 The vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- 7.2 In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking to which such Demerged Liability relates, which have already been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company. Provided that if any of the assets comprised in the Demerged Undertaking being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above.
- 7.3 Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Remaining Business of the Demerged Company, shall, as and from the Effective Date, without any further act, instrument or deed, stand released and discharged and shall no longer be available as Encumbrances in relation to those Liabilities of the Demerged Company relating to its Remaining Business (and which shall continue with the Demerged Company).
- 7.4 In so far as the assets of the Remaining Business are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the relevant Demerged Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a lender or trustee or third party in order to effect such release shall not affect the operation of Clauses 7.3 and this Clause 7.4.
- 7.5 In so far as the existing Encumbrances over the assets and other properties of the Resulting Company or any part thereof which relate to the Liabilities and obligations of the Resulting Company prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking vested in the Resulting Company by virtue of the Scheme.
- 7.6 Any reference to the Demerged Company and its assets and properties in any security documents or arrangements (to which the Demerged Company is a party), which relate to the Demerged Undertaking, shall be construed as a reference to the Resulting Company and the relevant assets and properties of the Demerged Company vested in the Resulting Company by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of the Scheme, the Demerged Company and the Resulting Company may enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the provisions of this Clause and foregoing Clauses, if required.





## 8. EMPLOYEES

- 8.1 Upon the Scheme becoming effective, all the Transferring Employees shall be deemed to have become employees of the Resulting Company on and from the Effective Date, without interruption of service, on terms and conditions of employment no less favourable than those applicable to them with reference to their employment in the Demerged Company. The Resulting Company shall abide by any subsisting agreement / settlement, entered into by the Demerged Company with any of the Transferring Employees or employee representative bodies / unions. The past services of all the Transferring Employees with the Demerged Company prior to the demerger of the Demerged Undertaking into the Resulting Company, shall be taken into account for the purposes of all benefits to which the Transferring Employees may be eligible, including for the purpose of payment of any retrenchment or redundancy compensation, leave encashment, gratuity and other terminal benefits.
- 8.2 Gratuity: Upon the Scheme becoming effective, the aggregate amount for the benefit of the Transferring Employees in the existing gratuity fund created by the Demerged Company for its employees shall be transferred either by way of investments or by way of cash or in any other manner as may be determined by the Board of the Resulting Company to the gratuity fund(s) / trust(s) to be set up by the Resulting Company and be caused to be recognized by the Appropriate Authorities in relation to the Transferring Employees where applicable. The transfer of such funds shall be effected on the basis of actuarial valuation of the liabilities towards the Transferring Employees as on the Effective Date. Further such fund shall be transferred by such trustees of the trust of the Demerged Company, in a manner determined by the Board of the Resulting Company, to a separate trust of the trustees of the Resulting Company or to any schemes set up through insurance companies or in any other manner determined by Resulting Company. In such cases, appropriate deeds of trusts and/or documents for transfer of trust properties shall be executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Demerged Company so as to continue the benefits of the Transferring Employees.
- 8.3 Provident Fund: Upon the Scheme becoming effective, the accumulated balances standing to the credit of the Transferring Employees in the existing provident fund accounts established by the Demerged Company with the Employees' Provident Fund Organization ("EPFO") shall be transferred to provident fund accounts established by the Resulting Company with the EPFO. Henceforth, in relation to provident fund contributions of the Transferring Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions in respect of such Transferring Employees to the EPFO in accordance with Applicable Law.
- 8.4 Pension Fund: The Demerged Company was an exempted establishment under Section 17(1C) of Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") in respect of Employees' Pension Scheme, 1995 ("EPS 1995"). As on date, the Demerged Company is no longer eligible for the exemption in terms of EPS 1995. Upon the Scheme becoming effective, the accumulated balances or contributions in respect of the Transferring Employees in the said exempted pension fund shall be transferred to the pension fund established by the Resulting Company with the EPFO or shall be provided for in such other manner as decided by the Board of the Resulting Company as per the provisions of EPS 1995 as may be amended from time to time. The transfer of such accumulated balances or contributions in respect of the Transferring Employees shall be undertaken based on the valuation of the liabilities towards the Transferring Employees as per the provisions of EPS 1995 as on the Effective Date. Any shortfall in the accumulated balances/ contributions as compared to the said valuation shall be the liability of the Resulting Company.
- 8.5 Superannuation: Upon the Scheme becoming effective, the accumulated balances (including any proportionate surplus) or contributions if any, standing to the credit of the Transferring Employees in





the existing superannuation fund established by the Demerged Company for its employees shall be transferred either by way of investments or by way of cash or in any other manner as may be determined by the Board of the Resulting Company to the superannuation fund(s) / trust(s) to be set up by the Resulting Company and be caused to be recognized by the Appropriate Authorities in relation to the Transferring Employees where applicable.

- 8.6 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and the Resulting Company shall have no Liability in respect thereof.
- 8.7 Subject to the provisions of Clause 9 below, in so far as existing employee benefit plans of the Demerged Company are concerned or in the event the Demerged Company approves or adopts any employee benefit plans, after the approval of the Scheme by the Boards of the Parties but prior to the Effective Date, such plans shall include appropriate provisions for the manner in which such benefits shall be available to the relevant employees.

## **9. EMPLOYEE STOCK OPTION SCHEME**

- 9.1 Upon the effectiveness of the Scheme, notwithstanding anything contained in the Demerged Company Incentive Scheme, for every unexercised performance share unit (whether vested or not) outstanding and granted to the participants under the Demerged Company Incentive Scheme(s) ("Participants"), as on the Record Date, such Participant shall be entitled to and be granted 1 (one) performance share unit by the Resulting Company under a new incentive scheme.
- 9.2 The performance share units already granted by the Demerged Company under the Demerged Company Incentive Scheme to the Participants would continue to be held by the Participants and, notwithstanding anything contained in the Demerged Company Incentive Scheme, the vesting and exercise of the same shall take place as per (i) Clauses 11 to Clause 14 of Tata Motors Limited Share-based Long Term Incentive Scheme 2021, and (ii) Clauses 10 to Clause 13 of Tata Motors Limited Share-based Long Term Incentive Scheme 2024.
- 9.3 The Resulting Company shall take into account the period during which the Participants held the performance share units granted by the Demerged Company prior to the issuance of the performance share units by the Resulting Company, for determining of minimum vesting period / exercise period required for performance share units, as the case may be, that may be granted by the Resulting Company.
- 9.4 The Boards of the Demerged Company and the Resulting Company shall take such actions and execute such further documents including making consequential amendments to the Demerged Company Incentive Scheme including drafting and implementation of necessary incentive schemes of Resulting Company, as may be necessary or desirable for the purpose of giving effect to the provisions of this clause, in a fair, equitable and reasonable manner.
- 9.5 The name of the 'Tata Motors Limited Share-based Long Term Incentive Scheme 2021' shall, on and from the Effective Date, be changed to "Tata Motors Passenger Vehicle Limited Share Based Long Term Incentive Scheme 2021". The name of the 'Tata Motors Limited Share-based Long Term Incentive Scheme 2024' shall, on and from the Effective Date, be changed to "Tata Motors Passenger Vehicle Limited - Share-based Long Term Incentive Scheme 2024".
- 9.6 The following clause shall be included as new Clause 15.7.3 of the Tata Motors Limited Share-based Long Term Incentive Scheme 2021:





"15.7.3 On transfer of Participants pursuant to a scheme of arrangement including a scheme of amalgamation or demerger or slump sale / business transfer or similar corporate actions

*Notwithstanding anything contained in this Scheme, in case the employment of the Participant with the Company or WOS of the Company is discontinued on account of a scheme of arrangement including a scheme of amalgamation or demerger or slump sale / business transfer or similar corporate actions, then the treatment of the options / performance share units including adjustments, vesting and the exercise price of the options/ performance share units granted to such Participants shall be determined by the NRC in a manner as NRC may deem fit. The adjustment to exercise price shall be subject to compliance with minimum face value subscription price as per Companies Act, 2013."*

- 9.7 The following clause shall be included as new Clause 14.2 of the Tata Motors Limited Share-based Long Term Incentive Scheme 2024:

"14.2 On transfer of Participants pursuant to a scheme of arrangement including a scheme of amalgamation or demerger or slump sale / business transfer or similar corporate actions

*Notwithstanding anything contained in this Scheme, in case the employment of the Participant with the Company or WOS of the Company is discontinued on account of a scheme of arrangement including a scheme of amalgamation or demerger or slump sale / business transfer or similar corporate actions, then the treatment of the performance share units including adjustments, vesting and the exercise price of the performance share units granted to such Participants shall be determined by the NRC in a manner as NRC may deem fit. The adjustment to exercise price shall be subject to compliance with minimum face value subscription price as per Companies Act, 2013."*

- 9.8 The grant of performance share units to the Participants and taking steps to make consequential changes to the Demerged Company Incentive Scheme, creation and adoption of appropriate long term incentive scheme by the Resulting Company including those specified in Clause 9 shall be effected as an integral part of the Scheme. The consent of the shareholders of the Resulting Company and Demerged Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to grant of performance share units set out in this Scheme, the modifications in the Demerged Company Incentive Scheme and creation and adoption of appropriate long term incentive schemes by the Resulting Company as contemplated in this Clause 9. No further approval of the shareholders of the Demerged Company or Resulting Company or resolution or action would be required in this connection under any applicable provisions of the Act and/or other Applicable Laws.

**10. PROCEEDINGS**

**NON-TAX PROCEEDINGS**

- 10.1 Upon the Scheme becoming effective, if any suit, appeal, legal, or other proceeding of whatever nature (excluding Tax proceedings), whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against the Demerged Company in relation to the Demerged Undertaking is pending on the Effective Date or is instituted any time thereafter, 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 shall be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.
- 10.2 The Resulting Company undertakes to have all legal or other proceedings (excluding Tax proceedings) initiated by or against the Demerged Company which are the responsibility of the Resulting Company





referred to in Clause 10 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Demerged Company undertakes to have all legal or other proceedings (excluding Tax proceedings) initiated by or against Resulting Company after the Effective Date which are the responsibility of the Demerged Company, referred to in Clause 10, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Demerged Company to the exclusion of the Resulting Company. The Demerged Company and the Resulting Company shall make relevant applications in that behalf. The Demerged Company shall extend co-operation and support to the Resulting Company for initiating or defending the proceedings referred in Clause 10, by providing requisite documents, information, records as may be required and execute documents such as affidavits, power of attorneys etc. as may be necessary.

- 10.3 In case of any litigation, suits, recovery proceedings etc. (excluding Tax proceedings), as referred to in this Clause 10 which are the responsibility of the Resulting Company, in relation to the Demerged Undertaking, the Demerged Company shall defend the same in accordance with the advice of the Resulting Company, at the cost of the Resulting Company and in the same manner as it would defend a litigation, suit or recovery proceeding which is the responsibility of the Demerged Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all Liabilities and obligations incurred by the Demerged Company in respect thereof. If any proceedings are taken against the Resulting Company after the Effective Date in respect of the matters referred to in this Clause 10, which are the responsibility of the Demerged Company, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all Liabilities incurred by the Resulting Company in respect thereof.

#### **DIRECT TAX LAWS**

##### **Understanding relating to the period prior to the Appointed Date:**

- 10.4 Notwithstanding anything to the contrary contained in this Scheme, upon the Scheme becoming effective:
- 10.4.1 the Demerged Company shall be liable for any tax payable to the Appropriate Authorities as per the applicable Direct Tax Laws and shall be entitled to any refunds of tax from the Appropriate Authorities under the applicable Direct Tax Laws pertaining to the period prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.
- 10.4.2 all liabilities under applicable Direct Tax Laws of the Demerged Company pertaining to the period prior to the Appointed Date shall remain the liabilities of the Demerged Company after the Effective Date, regardless of whether such liabilities arise on or after the Appointed Date.
- 10.4.3 any refund of tax paid under applicable Direct Tax Laws pertaining to period prior to the Appointed Date shall belong and be received by the Demerged Company, even if the prescribed time limit for claiming such refunds or credits have lapsed.
- 10.4.4 if the Resulting Company receives any refunds under applicable Direct Tax Laws that the Demerged Company is entitled to receive under above clause, the Resulting Company shall promptly pay the Demerged Company the amount of refund so received.





**Understanding relating to the period post the Appointed Date:**

- 10.5 Notwithstanding anything to the contrary contained in this Scheme, upon the Scheme becoming effective:
- 10.5.1 the Resulting Company shall be liable for any tax payable to the Appropriate Authorities under applicable Direct Tax Laws and shall be entitled to refunds of any tax from the Appropriate Authorities under applicable Direct Tax Laws, which in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on or after the Appointed Date.
  - 10.5.2 All liabilities under the applicable Direct Tax Laws which relate to the activities or operations of the Demerged Undertaking on or after the Appointed Date shall become the liabilities of the Resulting Company upon effectiveness of the Scheme.
  - 10.5.3 Any refund of tax paid under applicable Direct Tax Laws in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Resulting Company, even if the prescribed time limits for claiming such refunds or credits have lapsed.
  - 10.5.4 If the Demerged Company receives any refunds under applicable Direct Tax Laws that the Resulting Company is entitled to receive under above clause, the Demerged Company shall promptly pay the Resulting Company the amount of refund so received.
  - 10.5.5 If the Demerged Company makes any payment to discharge any liabilities under applicable Direct Tax Laws that relate to the activities or operations of the Demerged Undertaking on or after the Appointed Date, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment.

**INDIRECT TAX LAWS**

- 10.6 Upon the Scheme becoming effective, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under applicable Indirect Tax Laws, by or against the Demerged Company solely in relation to the Demerged Undertaking is pending on the Effective Date or is instituted any time thereafter against the Demerged Company, and if such proceeding is capable of being continued by or against the Resulting Company under Applicable Law, 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 shall be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.
- 10.7 The Resulting Company undertakes to have all proceedings referred to in Clause 10.6 above initiated by or against the Demerged Company which solely relates to the Demerged Undertaking transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Demerged Company and the Resulting Company shall make relevant applications in that behalf. The Demerged Company shall extend co-operation and support to the Resulting Company for initiating or defending the proceedings referred in Clause 10.6 above, by providing requisite





documents, information, records as may be required and execute documents such as affidavits, power of attorneys etc. as may be necessary.

- 10.8 In case of any litigation, suits, recovery proceedings etc., as referred to in Clause 10.6 above which solely relates to the Demerged Undertaking, which are initiated against the Demerged Company, the Demerged Company shall defend the same at the cost of the Resulting Company and in the same manner as it would defend a litigation, suit or recovery proceeding which is the responsibility of the Demerged Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all Liabilities and obligations incurred by the Demerged Company in respect thereof.
- 10.9 The Resulting Company shall be entitled to receive any refunds of tax from the Appropriate Authorities under the applicable Indirect Tax Laws arising out of matters which relates solely to the Demerged Undertaking, regardless of whether such receipts are provided or recorded in the books of the Demerged Company and whether such receipts are due or realised on, before or after the Appointed Date. If the Demerged Company receives any refunds under applicable Indirect Tax Laws that the Resulting Company is entitled to receive as per this clause, the Demerged Company shall promptly transfer the Resulting Company the amount of refund so received. If the Resulting Company receives any refunds under applicable Indirect Tax Laws that the Demerged Company is entitled to receive under this clause, the Resulting Company shall promptly transfer the Demerged Company the amount of refund so received.
- 10.10 If the Demerged Company makes any payment to discharge any liabilities under applicable Indirect Tax Laws post the Effective Date that solely relates to the activities or operations of the Demerged Undertaking, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment.
- 10.11 If any Tax proceedings are taken by or against the Resulting Company after the Effective Date, which pertains to the Demerged Company, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all Liabilities and obligations incurred by the Resulting Company in respect thereof. The Demerged Company undertakes to have all such Tax proceedings initiated by or against Resulting Company after the Effective Date which pertains to the Demerged Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Demerged Company to the exclusion of the Resulting Company. The Demerged Company and the Resulting Company shall make relevant applications in that behalf.

## **11. CONTRACTS**

- 11.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, long term concession agreements, tenders including contracts / arrangements with state transport authorities obtained or applied, bids, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature forming part of a Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other Person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 11 of the Scheme. The Resulting Company shall be the beneficiary of all the bank guarantees, deposits, bonds, security deposits, indemnities,





insurance contracts and any other benefit of whatsoever nature, relating to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Undertaking 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 Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto or thereunder. In respect of any matters where a claim could arise against a director, officer or management personnel of the Demerged Company (including his/her status as an occupier) in their individual capacity, pertaining to the period prior to the Effective Date, the Resulting Company and the Demerged Company shall take all necessary steps to provide adequate protection against liabilities (including through the directors' and officers' liability insurance policy to the maximum extent available) which may arise on such directors, officers or management personnel even if such persons cease to be directors, officers or management personnel of the Demerged Company.

- 11.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Board of the Demerged Company and the Resulting Company may at any time on or after the Effective Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and enter into and/or issue and/or execute such deeds (including deeds of adherence), instruments, confirmations, novations or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Resulting Company shall subject to the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company for the limited purpose of giving effect to the Scheme.
- 11.3 In the event any contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, are for the benefit of or applicable to or govern the operations of the Commercial Vehicles Business as well as the Remaining Business, then upon the Scheme coming into effect, and if so decided by the Boards of the Demerged Company and the Resulting Company, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Demerged Company or the Resulting Company so as to appropriately apply to or govern the operations of the Commercial Vehicles Business and the Remaining Business, separately without putting either of them to any disadvantage whatsoever nature.

## **12. PERMITS**

- 12.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the Permits including login credentials for the account maintained with the websites of Ministry of Road Transport & Highways including VAHAN/ Parivahan website(s), held or availed of by, and all rights and benefits that have accrued to, the Demerged Company, in relation to or in connection with the Demerged Undertaking shall be transferred to and vested in the Resulting Company or deemed to have transferred to and vested in the Resulting Company, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by or issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Company in relation to the Demerged Undertaking without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary substitution/ endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon





the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall, if required, file appropriate applications/ documents with relevant authorities concerned for information and record purposes. The Resulting Company shall be permitted to continue with the existing Permits of the Demerged Company till the aforementioned consent of any Person or Appropriate Authority is received / new Permit is received by the Resulting Company to give effect to the provisions of this Clause.

- 12.2 From the Effective Date and until the Permits are vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, for the purposes of the relevant Permit, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with and using the Permits and login credentials of Demerged Company relating to the Demerged Undertaking.

### **13. SAVING OF CONCLUDED TRANSACTIONS**

- 13.1 Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking into the Resulting Company under Clauses 5 to 12 above shall not affect any transaction or proceedings already concluded by the Demerged Company for the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.

### **14. TAXATION MATTERS**

- 14.1 This demerger under Part II of the Scheme complies with the definition of "demerger" as per Section 2(19AA) and other provisions of the Income Tax Act. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the relevant provisions of the Income Tax Act (including the conditions set out therein), at a later date, whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income Tax Act. Such modification will however not affect the other parts of the Scheme.
- 14.2 Upon effectiveness of this Scheme, all taxes paid or payable by the Demerged Company under the applicable Direct Tax Laws in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be to the account of the Resulting Company. Upon effectiveness of this Scheme, the payment of any tax under the applicable Direct Tax Laws, whether by way of deduction / collection of tax at source (including foreign tax credit), or otherwise howsoever, by the Demerged Company in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.
- 14.3 Any Tax incentives, subsidies, exemptions, special status, Tax benefits (including but not limited to export incentives (including export and tax incentives/ concessions such as under export promotion capital goods (EPCG) scheme), incentives in respect of income tax, sales tax, GST, turnover tax, excise duty, etc.), duty drawbacks, , and other benefits, credits, exemptions or privileges enjoyed, certificates (including certification and licenses from Central Board of Indirect Taxes & Customs such as Authorised Economic Operator), granted by an Appropriate Authority or availed of by the Demerged Company and/or benefits under incentive schemes (including production linked incentive (PLI) schemes, incentive under FAME scheme, any other incentives eligible from state government including Maharashtra, Karnataka, Jharkhand and Uttar Pradesh or central government) and policies relating to the Demerged Undertaking shall, without any further act or deed, in so far as they relate to or are





available for the operation and activities of the Demerged Undertaking and to the extent permissible under applicable Tax Laws, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been originally allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company. The Demerged Company and the Resulting Company shall take such actions as may be necessary under Applicable Laws to effect such transfers.

- 14.4 Any balances / obligations / credit / liability under export promotion capital goods (EPCG) scheme and other incentives eligible from state government including Maharashtra relating to the Demerged Undertaking shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking and to the extent permissible under applicable Indirect Tax Laws, vest with and be available to the Resulting Company on the same terms and conditions, as if the same had been originally allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company. The Demerged Company and the Resulting Company shall take such actions as may be necessary under Applicable Laws to effect such transfers.
- 14.5 Each of the Resulting Company and the Demerged Company shall be entitled to file/ revise withdraw /modify its income-tax returns, TDS/ TCS certificates, TDS/TCS returns, and other statutory returns, notwithstanding that the period for filing/ revising such returns may have lapsed and to obtain TDS/TCS certificates, including TDS/TCS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance tax credits, input Tax credit (if transferable), credits of all taxes paid/withheld/ collected, if any, to the extent permissible under applicable Direct Tax Laws as may be required consequent to implementation of this Scheme.
- 14.6 Any actions taken by the Demerged Company to comply with the applicable Direct Tax Laws (including payment of taxes, maintenance of records, payments, returns, tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date up to the Effective Date shall be considered as compliance by the Demerged Company with such requirements under applicable Direct Tax Laws and such actions shall be deemed to constitute compliance by the Resulting Company with the relevant obligations under such Direct Tax Laws.
- 14.7 Any unutilized GST credits pertaining to the Demerged Undertaking as on the Effective Date, shall, notwithstanding anything contained in this Clause, be transferred by the Demerged Company to the Resulting Company, in accordance with applicable Indirect Tax Laws. The Demerged Company and Resulting Company shall take such actions as may be necessary under applicable Indirect Tax Laws to effect such transfer. GST credits and GST liability pertaining to the activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall, notwithstanding anything contained in this Clause be dealt with in accordance with applicable Indirect Tax Laws.
- 14.8 Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Demerged Undertaking is received in the name of the Demerged Company, or Tax credit relating to the Demerged Undertaking is appearing in Form 26AS of the Demerged Company, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or collected or paid.
- 14.9 Benefit of all available accumulated tax losses including brought forward business loss, unabsorbed depreciation, etc., relating to the Demerged Undertaking as on and up to the Appointed Date, shall be available to the Resulting Company in terms of Section 72A of Income Tax Act. Where such loss or unabsorbed depreciation is not directly relatable to the Demerged Undertaking transferred to the Resulting Company, it shall be apportioned between the Demerged Company and the Resulting Company in accordance with the provisions of Income Tax Act. It is expressly clarified that all the





accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company.

- 14.10 All the expenses incurred by Demerged Company and/or the Resulting Company in relation to the Scheme, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the relevant provisions of the Income Tax Act.

## **15. VALIDITY OF EXISTING RESOLUTIONS**

- 15.1 Upon this Scheme coming into effect, the resolutions/ power of attorneys passed / executed by the Demerged Company relating to the Demerged Undertaking, as are considered necessary by the Board of the Resulting Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Resulting Company.

## **16. REMAINING BUSINESS OF THE DEMERGED COMPANY**

- 16.1 The Remaining Business and all the assets, employees, properties, rights, Liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's Liabilities (excluding the Demerged Liabilities).
- 16.2 All legal, taxation and other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company with respect to the Remaining Business, under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Appointed Date and relating to the Remaining Business, (including those relating to any property, right, power, Liability, obligation or duty of the Demerged Company in respect of the Remaining Business and any Tax related Liabilities to the extent not solely relating to Demerged Undertaking (including payments by way of reduction in credit / refund on suo-moto basis)) shall be continued and enforced by or against the Demerged Company, as applicable, even after the Appointed Date.

## **17. CONSIDERATION**

- 17.1 Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company in terms of this Scheme, each shareholder of the Demerged Company whose name is recorded in the register of members and records of the depository as a shareholder of the Demerged Company as on the Record Date shall be issued and allotted 1 (one) share of the Resulting Company (face value of INR 2/- each fully paid up), for every 1 (one) share of the Demerged Company (face value of INR 2/- each fully paid up) of the same class of shares outstanding and as held by such shareholder in the Demerged Company, without any further application, act or deed ("**Share Entitlement Ratio**"). The shares issued by the Resulting Company pursuant to this Clause 17 are hereinafter referred to as "**Resulting Company New Shares**". The allotment of the Resulting Company New Shares shall not extinguish the shareholding of the





shareholders in the Demerged Company.

- 17.2 The Resulting Company New Shares shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Law and shall rank *pari passu* with the existing shares of the Resulting Company.
- 17.3 The Resulting Company New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, including with respect to dividend, bonus, rights shares and voting rights attached to the Resulting Company New Shares.
- 17.4 Without prejudice to the generality of Clause 17.1, the Demerged Company and the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the Resulting Company New Shares.
- 17.5 The Resulting Company New Shares shall mandatorily be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Shares in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, the Resulting Company shall keep such shares in abeyance / escrow account / with a trustee nominated by the Board of the Resulting Company / held in trust for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.
- 17.6 The Resulting Company New Shares to be issued by the Resulting Company, pursuant to Clause 17 in respect of any shares of the Demerged Company which are held in abeyance under any provisions of Applicable Law including the provisions of Section 126 of the Act or pursuant to any process / requirements before Appropriate Authority or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or for any other reason shall, pending allotment or settlement of dispute by order of Tribunal or any court or otherwise, be held by the Resulting Company in escrow or shall be dealt with and issued to the concerned shareholder as provided under the Applicable Law. It is hereby clarified with respect to the existing 570 partly paid-up shares of the Demerged Company (wherein ₹1 is outstanding on 310 shares and ₹0.50 is outstanding on 260 shares, both of face value ₹2/- each), the Resulting Company shall issue 570 fully paid-up Resulting Company New Shares, but shall keep such Resulting Company New Shares in abeyance/suspense account till such time as the Demerged Company receives the balance amount towards calls-in-arrear pertaining to such partly paid shares and/or receipt of the appropriate judicial/regulatory direction in respect thereof. In case of a forfeiture of the said partly paid -up shares after the Record Date by the Demerged Company, the Resulting Company New Shares relating to such forfeited partly paid shares shall stand cancelled and the corresponding equity share capital of the Resulting Company shall stand automatically reduced without the requirements of any further consents or approvals. The Resulting Company New Shares to be issued by virtue of the shares of the Demerged Company held in investor education protection fund shall be issued to investor protection fund in favour of such shareholders of the Demerged Company. The Resulting Company New Shares





to be issued by virtue of the shares of the Demerged Company held in any escrow created from time to time shall be issued to or such escrows in favour of such shareholders of the Demerged Company.

- 17.7 All shares of the Resulting Company will be listed and/or admitted to trading on the BSE and NSE, which have nation-wide trading terminals. The Resulting Company shall apply for listing of its shares on the BSE and NSE and enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for the Resulting Company, including for seeking exemption from Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957. The shares of the Resulting Company shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme. The Resulting Company will not issue/reissue any shares, not covered under this Scheme, till the date of listing of the Resulting Company on the BSE and NSE pursuant to the Scheme.
- 17.8 Prior to the issuance of the Resulting Company New Shares, the Resulting Company shall increase its authorised share capital, if required so as to enable it to issue and allot the Resulting Company New Shares in the manner provided herein.
- 17.9 The issue and allotment of the Resulting Company New Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company New Shares under applicable provisions of the Act.
- 17.10 In the event the Demerged Company and/or the Resulting Company restructures their share capital by way of share split or consolidation or issue of bonus shares or any other corporate action before the Record Date, the Share Entitlement Ratio set out in Clause 17 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.

## **18. ACCOUNTING TREATMENT**

- 18.1 Accounting treatment in the books of the Demerged Company
- 18.1.1 The Demerged Company shall give effect to the Scheme in its books of accounts in accordance with Appendix A to the Indian Accounting Standards 10 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the generally accepted accounting principles in India.
- 18.1.2 Upon the Scheme becoming effective and from the Appointed Date, the Demerged Company shall transfer all the assets and liabilities, at their respective carrying amounts, pertaining to the Demerged Undertaking as appearing in the books of accounts of the Demerged Company, being transferred to and vested in the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the carrying amounts appearing on such date in accordance with the provisions of Section 2(19AA) of the Income Tax Act.
- 18.1.3 Upon the Scheme becoming effective and from the Appointed Date, the carrying value of Cost of Hedging Reserve and Hedging Reserve (forming part of "Other Components of Equity" in the Statement of Changes in Equity) pertaining to Demerged Undertaking as appearing in the





books of accounts of the Demerged Company, will be reclassified to profit or loss as a reclassification adjustment. The carrying value of fair value reserve in relation to equity instruments carried at fair value through Other Comprehensive Income shall be transferred to retained earnings.

18.1.4 Having recorded the transfer of the assets and liabilities and balances in Other Components of Equity, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A 'Distribution of Non cash assets to Owners', and shall create a liability at the fair value of the Demerged Undertaking with the corresponding debit to the Retained Earnings.

18.1.5 The book value of net assets derecognised will be adjusted against the liability recognised at Clause 18.1.4 above. The difference, if any, shall be recognised in the statement of profit and loss in accordance with Ind AS 10 Appendix A.

## 18.2 Accounting treatment in the books of the Resulting Company

18.2.1 The Resulting Company shall give effect to the Scheme in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the generally accepted accounting principles in India.

18.2.2 Upon the Scheme becoming effective, the Resulting Company, shall record all the assets, liabilities and Equity instruments through Other Comprehensive Income, Cost of Hedging Reserve and Hedging Reserve (forming part of "Other components of Equity" in the Statement of Changes in Equity) pertaining to Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of the Demerged Company.

18.2.3 The Resulting Company shall credit to its equity share capital, the aggregate of the face value of the Resulting Company New Shares issued and allotted by it pursuant to the Scheme. The difference between the face value of Resulting Company New Shares as issued by Resulting Company to the shareholders of the Demerged Company as consideration and the carrying values of the assets, liabilities and Other Components of Equity of the Demerged Undertaking received from the Demerged Company shall be credited or debited, as the case may be, to equity and classified as "capital reserve" or any other appropriate component of equity. The value of existing share capital held by the Demerged Company in the Resulting Company shall be cancelled pursuant to Clause 19 of the Scheme and the corresponding amount shall be credited to "capital reserve" or any other appropriate component of the equity.

18.2.4 The financial statements of the Resulting Company shall be restated from the date of incorporation of the Resulting Company to give effect to the Scheme.

## 19. REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

19.1 Upon allotment of the Resulting Company New Shares, the entire pre-scheme paid up share capital of the Resulting Company (held by the Demerged Company) shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section





66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

19.2 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.

19.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

## **20. WRONG POCKET ASSETS**

20.1 Subject to Clause 21 and unless otherwise specified in the terms of the Scheme, no part of the Demerged Undertaking (including but not limited to any asset, Liability, obligations, legal proceedings), shall be retained by the Demerged Company after the Effective Date pursuant to the Scheme. If any part of any of the Demerged Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Scheme, either on account of inadvertence or operation of law or requirements of Appropriate Authority or for any other reason, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Undertaking, as the case may be, is transferred to the Resulting Company and for no further consideration, and without any Tax implications or in such other manner as may be appropriate. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.

20.2 No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Scheme. If any part of the Remaining Business is held by the Resulting Company after the Effective Date, either on account of inadvertence or operation of law or requirements of Appropriate Authority or for any other reason, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business of the Demerged Company is transferred back to the Demerged Company, promptly and for no consideration, and without any Tax implications. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.

20.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Resulting Company for no additional consideration, and without any Tax implications. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business of the Demerged Company, the Resulting Company shall immediately pay such amounts to the Demerged Company. Similarly, if the Demerged Company discharges any Demerged Liability after the Effective Date, the Resulting Company shall make payment of such amounts to the Demerged Company. Any settlement under this clause should be considered as a part of and pursuant to this Scheme.

## **21. RESIDUAL PROVISIONS FOR DEMERGER**

21.1 Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, Permits, legal proceedings and rights and benefits arising therefrom relating to the Demerged Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting



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Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the Permit or legal proceedings as if it were the owner of the property or asset or as if it were the original party to the Permit or legal proceedings. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, the Demerged Company will continue to hold the property and/or the asset, Permit and rights and benefits arising therefrom or be named in any legal proceedings, in trust for or on behalf of the Resulting Company.

21.2 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or relating to such assets) or any contract, deeds, bonds, agreements, long term concession agreements, schemes, tenders including contracts / arrangements with state transport authorities, arrangements or other instruments or legal proceedings of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to or vested in the Resulting Company for any reason whatsoever:

21.2.1 The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, long term concession agreements, schemes, tenders including contracts / arrangements with state transport authorities, arrangements or other instruments or legal proceedings of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as their transfer or vesting in the Resulting Company is effected.

21.2.2 The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if all contracts, deeds, bonds, agreements, long term concession agreements, schemes, tenders including contracts / arrangements with state transport authorities, arrangements or other instruments or legal proceedings of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Resulting Company on the Effective Date.

21.2.3 The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, long term concession agreements, schemes, tenders including contracts / arrangements with state transport authorities, arrangements or other instruments of whatsoever nature or conduct the legal proceedings at the appropriate forum, to be discharged after the Effective Date.

21.2.4 It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions of this Clause 21 and that any such transfer under the provisions hereof shall be deemed to be with effect from the Appointed Date as an integral part of the Scheme.

21.2.5 The mechanism or arrangement between the Demerged Company and Resulting Company, pursuant to this Clause, after the Effective Date, shall be based on the following principles (i) the Demerged Company shall not be responsible for performance of any obligations or for any Demerged Liabilities and shall not be entitled to any rights or to receive any benefits whatsoever in relation to the Demerged Undertaking; (ii) the rights and liabilities in connection with the Demerged Undertaking, shall rest and be borne entirely and exclusively by Resulting Company, in each case, subject to any specific agreement(s) executed by the Parties in accordance with Clause 40 below.

## 22. BUSINESS UNTIL THE EFFECTIVE DATE

22.1 With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date ("Implementation Period"):





- 22.1.1 the Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto. It is hereby clarified that nothing in this clause shall prevent the Demerged Company from taking any action relating to the Demerged Undertaking which has already been decided prior to the commencement of the Implementation Period or which is in the interest of the Demerged Undertaking or required for the purposes of the Scheme; and
- 22.1.2 The Parties (with respect to the Demerged Undertaking) shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such Permits which the Resulting Company may require to carry on the Commercial Vehicles Business or to give effect to this Scheme.
- 22.2 With effect from the Appointed Date and up to and including the Effective Date:
- 22.2.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities of the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets of the Demerged Undertaking for and on account of, and in trust for the Resulting Company;
- 22.2.2 All profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of the Resulting Company; and
- 22.2.3 All Liabilities incurred by the Demerged Company with respect to the Demerged Undertaking, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the Liabilities of the Resulting Company.

### **PART III**

#### **AMALGAMATION OF THE AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY**

##### **23. TRANSFER AND VESTING**

- 23.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of Part III of this Scheme and pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to Sections 230 to 232 and other applicable provisions of the Act, the Amalgamating Company shall stand amalgamated with the Amalgamated Company as a *going concern* and all assets and liabilities of the Amalgamating Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, so as to become on and from the Appointed Date, the assets and liabilities of the Amalgamated Company by virtue of operation of law or otherwise, and in the manner provided in this Scheme.

##### **24. TRANSFER AND VESTING OF ASSETS**

- 24.1 Without prejudice to the generality of Clause 23 above, upon the Scheme becoming effective and with effect from the Appointed Date:





- 24.1.1 In respect of the assets of the Amalgamating Company that are movable in nature (including cash and bank balances, investment in shares and marketable securities including shares/securities in subsidiaries, associates and joint ventures, whether in India or abroad) or incorporeal property and/or otherwise capable of transfer by manual or constructive delivery, novation and/or by endorsement, or by vesting and recordal or by operation of law pursuant to this Scheme, the same shall stand transferred and vested in the Amalgamated Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law or be deemed to be transferred and vested by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer and vesting of the same, and shall become the property of the Amalgamated Company subject to the provisions of this Scheme in relation to Encumbrances, including under Clause 26 hereof.
- 24.1.2 In respect of movable assets of the Amalgamating Company other than those dealt with in Clause 24.1.1 above (including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/or customers or any other person, if any, whether recoverable in cash or in kind or for value to be received, bank balances, and stock in trade and merchandise (including, raw materials, supplies, finished goods, supply, advertisement, promotional and packing material) wherever lying, provisions, receivables, deposits (including interests thereto), benefits of any bank guarantee, performance guarantee and letters of credit etc.) with Appropriate Authority or any Person, the same shall without any further act, instrument or deed become the assets of, and be vested in the Amalgamated Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and other applicable provisions of Applicable Law to the end and intent that the right of the Amalgamating Company to recover or realize the same becomes a right of, and stands vested in the Amalgamated Company, without any notice or other intimation to such debtors, depositors or persons as the case may be.
- 24.1.3 All assets, estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Amalgamating Company, on the Appointed Date not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Amalgamated Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Laws.
- 24.1.4 All immovable property, whether or not included in the books of the Amalgamating Company, whether freehold or leasehold or licensed properties allotted, leased or licensed by various landlords, owners and lessors including Appropriate Authorities including Government of Gujarat, Maharashtra Industrial Development Corporation, Pimpri-Chinchwad Municipal Corporation (including but not limited to capital works in progress, land, buildings, structures standing on the land, and any other rights, titles, interests, rights of way and easements in relation thereto or embedded to the land) and all documents of title, right, security deposits and easements in relation thereto shall become the property of the Amalgamated Company and be vested in the Amalgamated Company or be deemed to have been so, automatically without any act or deed to be done or executed by the Amalgamating Company and/or the Amalgamated Company. Consequent to the foregoing, all lease or license or rent agreements executed by the Amalgamating Company, entered into by the Amalgamating Company with various landlords, owners and lessors including the Appropriate Authorities in connection with the use of the assets of the Amalgamating Company, together with security deposits, shall





stand automatically vested in favour of the Amalgamated Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the rent, license fees, taxes and fulfil all obligations in relation to or applicable to such immovable properties and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company. Any transfer/ assignment of lease or license or any tenancy rights by the Amalgamating Company in favour of the Amalgamated Company pursuant to this Scheme shall continue for the balance period of time will be deemed to have continued without any interruption or break, and it shall not be considered to be a new lease or license or tenancy right. It is clarified that, with respect to the immovable properties of the Amalgamating Company in the nature of land and buildings (whether such immovable properties are situated in the state of Maharashtra or in other States), the Amalgamated Company may register the true copy of the Sanction Order with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property or may execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 24.1.4 or Clause 24.1.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the conveyance of immovable property shall take place and the conveyance shall be undertaken solely pursuant to and in terms of this Scheme and the Sanction Order. All Permits, if any, required for enabling the Amalgamated Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law are deemed to be granted as part of this Scheme. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.

- 24.1.5 For the purpose of giving effect to the Sanction Order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Amalgamated Company shall be entitled to exercise all rights and privileges and shall be liable to fulfil all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Amalgamated Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Amalgamating Company and/or the Amalgamated Company. It is clarified that the Amalgamated Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes of this Clause, the Boards of the Amalgamating Company and/or the Amalgamated Company may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme.
- 24.1.6 All bank / demat accounts operated or entitled to be operated by the Amalgamating Company shall be deemed to have been transferred and shall stand transferred to the Amalgamated Company and name of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records and the Amalgamated Company shall be entitled to operate all bank / demat accounts, realise all monies and complete and enforce all





pending contracts and transactions in the name of the Amalgamated Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are (a) in the name of the Amalgamating Company, or (b) in the name of the Amalgamated Company prior to the change of name of Amalgamated Company, in each case after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the banker of the Amalgamated Company shall honour all cheques issued by the Amalgamating Company for payment after the Effective Date.

- 24.1.7 Third party or Appropriate Authority (including ARAI, Ministry of Road Transport & Highways, Regional or State Transport offices, Bureau of Indian Standards, SAE International) shall take on record the Sanction Order on its file and duly record the necessary substitution or endorsement in the name of the Amalgamated Company as successor in interest, pursuant to the sanction of this Scheme by the Tribunal, without any further act, matter or deed by the Amalgamating Company or the Amalgamated Company. There shall be no break in the validity and enforceability of the Permits for the purpose of carrying on its business or for any other purpose of whatsoever nature. Illustratively, the benefits of the certifications, registrations, recognitions, login credentials issued by / with ARAI, Ministry of Road Transport & Highways, Regional or State Transport offices, Bureau of Indian Standards, VAHAN, SAE International shall continue to be enjoyed by the Amalgamated Company from the Effective Date without any further action.
- 24.1.8 All Intellectual Property and rights thereto of the Amalgamating Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copy rights, moral rights and related rights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, geographical indicators, designs, research and studies and all such other industrial or intellectual rights of whatsoever nature, license for software and any other software licenses (whether proprietary or otherwise), research and studies, and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information whether in physical or electronic form; and all other interests relating to the goods or services being dealt with by the Amalgamating Company, shall become the property of and/or stand vested in, the Amalgamated Company.
- 24.1.9 All agreements and contracts of the Amalgamating Company including without limitation any service contracts, consultant contracts, contracts with vendors and suppliers), technology contracts, outsourcing agreements, offshore development contracts, assignment agreements, license agreements (including for Intellectual Property), deeds, bonds, policies, information technology related agreements, schemes, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder, arrangements, tenders including contracts / arrangements with state transport authorities, long term concession agreements, expression of interest, service orders, purchase orders





(either with or without a general purchase agreement), memoranda of understanding, non-disclosure undertakings, letter of intent and other commitments, whether written or unwritten, entered into by or on behalf of, or the benefit of which is held in trust for or has been assigned to, the Amalgamated Company.

24.1.10 All books, records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, databases containing market information, vouchers, registers, ledgers, documents and other books and records, any media or format including machine readable or electronic media/ format and other records of the Amalgamating Company shall be transferred to the Amalgamated Company.

24.1.11 All Permits, licenses (including license under Manufacturing and Other Operations in Warehouse Regulations (MOOWR)), grants (including government grants), permissions, right of way, approvals, authorizations, clearances, consents, benefits (including benefit of all transferable statutory and regulatory permissions, environmental approval and consents, statutory licenses, permissions or approvals, consents) registrations, rights, entitlements, credits, certificates, awards, sanctions, privileges, memberships, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, incentives / concessions (including export and tax incentives/ concessions or any other incentives eligible from state government including Maharashtra or central government), subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits and exemptions including the right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available under Applicable Law, if any, liberties and advantages, approval for commissioning of the Amalgamating Company shall become the property of and/or stand vested in, the Amalgamated Company.

24.1.12 All rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company shall become the property of and/or stand vested in, the Amalgamated Company.

24.1.13 In so far as various incentives (including under FAME Scheme), subsidies, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government including Maharashtra or central government, all indirect tax related benefits, Remission of Duties and Taxes on Export Products (RoDTEP) incentive, Merchandise Exports from India Scheme (MEIS), transport marketing assistance (TMA), GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to GST input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses / minimum alternative tax, unabsorbed depreciation and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by, the Appropriate Authority shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act,





instrument or deed, vest with and be available to the Amalgamated Company on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamating Company to the end and intent that the right of the Amalgamating Company to recover or realize the same, stands transferred to the Amalgamated Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

24.1.14 For avoidance of doubt, in order to ensure the smooth transition and sales of vehicles, products, spare parts and inventory of the Amalgamating Company branded and/ or labelled and/ or packed in the name of the Amalgamating Company prior to the Effective Date insofar as they relate to the Passenger Vehicles Business, the Amalgamated Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) relating to the Amalgamating Company at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents relating to such products and inventory (including packing material) may be raised in the name of the Amalgamated Company after the Effective Date.

24.1.15 The past track record of the Amalgamating Company including without limitation, the technical qualifications, right to use the accreditations/pre-qualifications, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Amalgamating Company (acquired by reason of its operations in the past), including without limitation, the profitability, experience, credentials, past record, goodwill and market share, of the Amalgamating Company shall for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients, be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders including contracts / arrangements with state transport authorities, long term concession agreements and contracts of all authorities, agencies and clients.

## **25. TRANSFER OF LIABILITIES**

25.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all Liabilities of the Amalgamating Company, whether or not provided in the books of the Amalgamating Company, shall without any further act, instrument or deed be and stand transferred to the Amalgamated Company to the extent that they are outstanding as on the Effective Date, so as to become the debts, duties, obligations, and Liabilities of the Amalgamated Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Amalgamated Company. The Amalgamated Company undertakes to meet, discharge and satisfy the same to the exclusion of the Amalgamating Company.

25.2 Such Liabilities of the Amalgamating Company transferred to the Amalgamated Company in terms of Clause 25 hereof, shall, without any further act, instrument or deed, become Liabilities of the Amalgamated Company, and all rights, powers, duties and obligations in relation thereto shall stand vested in and shall be exercised by or against the Amalgamated Company as if it had incurred such Liabilities. Thus, with effect from the Effective Date, the primary obligation to redeem or repay such Liabilities of the Amalgamating Company shall be that of the Amalgamated Company.





25.3 The provisions of this Clause and that of Clause 26 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/or superseded by the foregoing provisions.

25.4 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities of the Amalgamating Company transferred to the Amalgamated Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

## **26. ENCUMBRANCES**

26.1 The vesting of the assets comprised in the Amalgamating Company to and in the Amalgamated Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

26.2 In so far as the existing Encumbrances in respect of the Liabilities of the Amalgamating Company are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets of the Amalgamating Company to which such Liability relates, which have already been Encumbered in respect of the Liabilities of the Amalgamating Company as transferred to the Amalgamated Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Amalgamated Company. Provided that if any of the assets of the Amalgamating Company being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered in respect of the Liabilities of the Amalgamating Company, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Amalgamated Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender, trustee or third party shall not affect the operation of the above.

26.3 In so far as the existing Encumbrances over the assets and other properties of the Amalgamated Company or any part thereof which relate to the Liabilities and obligations of the Amalgamated Company prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company vested in the Amalgamated Company by virtue of the Scheme.

26.4 Any reference to the Amalgamating Company and its assets and properties in any security documents or arrangements (to which the Amalgamating Company is a party), shall be construed as a reference to the Amalgamated Company and the relevant assets and properties of the Amalgamating Company vested in the Amalgamated Company by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of the Scheme, the Amalgamated Company may enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

## **27. EMPLOYEES**

27.1 Upon the Scheme becoming effective, all Amalgamating Company Employees shall be deemed to have become employees of the Amalgamated Company on and from the Effective Date, without





interruption of service, on terms and conditions of employment no less favourable than those applicable to them with reference to their employment in the Amalgamated Company. The Amalgamated Company undertakes to abide by any subsisting agreement / settlement, entered into by the Amalgamating Company with any of the Amalgamating Company Employees or employee representative bodies / unions. The past services of all Amalgamating Company Employees with the Amalgamating Company prior to the Effective Date shall be taken into account for the purposes of all benefits to which the Amalgamating Company Employees may be eligible, including for the purpose of payment of any retrenchment or redundancy compensation, leave encashment, gratuity and other terminal benefits.

- 27.2 Gratuity: Upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company Employees in respect of the accrued liability for such employees in the existing gratuity fund.
- 27.3 Superannuation: Upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company Employees in respect of the accrued liability for such employees in the existing superannuation fund.
- 27.4 Provident fund: Upon the Scheme becoming effective, the accumulated balances or contributions, if any, which are for the benefit of the Amalgamating Company Employees in the existing provident fund accounts established by the Amalgamating Company with the EPFO shall be transferred to the Amalgamated Company and shall be dealt with in accordance with the provisions of the EPF Act and the Employees' Provident Funds Scheme, 1952. Henceforth, in relation to provident fund contributions of the Amalgamating Company Employees, the Amalgamated Company shall stand substituted for the Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make provident fund contributions in respect of the Amalgamating Company Employees to the EPFO in accordance with Applicable Law.
- 27.5 Pension fund: Upon the Scheme becoming effective, the accumulated balances or contributions, if any, which are for the benefit of the Amalgamating Company Employees in the existing pension fund accounts established by the Amalgamating Company with the EPFO shall be transferred to the Amalgamated Company and shall be dealt with in accordance with the provisions of the EPF Act and EPS 1995. The transfer of such accumulated balances or contributions in respect of the Amalgamating Company Employees shall be made based on the valuation as per the provisions of EPS 1995 as on the Effective Date.
- 27.6 In relation to all other employee benefits that are unfunded, i.e. liability is accounted, and payments occur directly from the Amalgamating Company, actuarial valuations shall be carried out as on the Effective Date, before such liabilities are transferred to the Amalgamated Company.
- 27.7 Such Amalgamating Company Employees that are Participants shall be entitled to be granted employee stock options and performance share units, as the case may be, in accordance with the provisions of Clause 9 of this Scheme.

## 28. LEGAL PROCEEDINGS

- 28.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings, including Tax assessment proceedings/appeals, of whatever nature (hereinafter called the "**Proceedings of the Amalgamating Company**") by or against the Amalgamating Company are pending and/or arising on the Effective Date and relate to the Amalgamating Company, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Amalgamating Company may be





continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company as if this Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate any legal proceeding for and on behalf of the Amalgamating Company. The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating Company, which are capable of being continued by or against the Amalgamated Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

## **29. CONTRACTS**

- 29.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, memoranda of understandings, memoranda of agreements, bids, letters of intent, undertakings, engagements, arrangements and other instruments (including all licenses and other assurances in favour of the Amalgamating Company or powers or authorities granted by or to it) of whatsoever nature, whether written or otherwise, insurance policies, and other instruments to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible, or under which the Amalgamating Company has any obligations to discharge and which are subsisting or having effect on the Effective Date shall, without any further act, instrument or deed, continue in full force and effect in favour of or against the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto or thereunder. If the Amalgamated Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite agreements, confirmations or novations, the Amalgamating Company will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it is duly constituted attorney of the Amalgamating Company.
- 29.2 On and from the Effective Date, and thereafter, the Amalgamated Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Amalgamating Company, until the transfer of rights and obligations of the Amalgamating Company to the Amalgamated Company under this Scheme has been given effect to under such contracts and transactions.

## **30. PERMITS**

- 30.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the Permits including login credentials for the account maintained with the websites of Ministry of Road Transport & Highways including VAHAN/ Parivahan website(s), held or availed of by, and all rights and benefits that have accrued to, the Amalgamating Company shall be transferred to and vested in the Amalgamated Company or deemed to have transferred to and vested in the Amalgamated Company, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Amalgamated Company as if the same were originally given by or issued to or executed in favour of the Amalgamated Company and the Amalgamated Company shall be bound by the terms, obligations and duties thereunder and the rights and benefits under the same shall be available to the Amalgamated Company to carry on the operations of the Amalgamating Company without any hindrance, whatsoever. It is hereby clarified that if the consent of any Person or Appropriate Authority is required to give effect to the provisions of this Clause, the said Person or Appropriate Authority shall make and duly record the necessary





substitution/ endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company shall, if required, file appropriate applications/ documents with relevant authorities concerned for information and record purposes. The Amalgamated Company shall be permitted to continue with the existing Permits of the Amalgamating Company till the aforementioned consent of any Person or Appropriate Authority is received / new Permit is received by the Amalgamated Company to give effect to the provisions of this Clause.

- 30.2 From the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Amalgamated Company, for the purposes of the relevant Permit, the Amalgamated Company is authorized to carry on business in the name and style of the Amalgamating Company and use the Permits and login credentials of the Amalgamating Company.

### **31. SAVING OF CONCLUDED TRANSACTIONS**

- 31.1 Subject to the terms of the Scheme, the amalgamation of the Amalgamating Company with the Amalgamated Company under Clauses 23 to 30 above shall not affect any transaction or proceedings already concluded by the Amalgamating Company until the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

### **32. TAXATION MATTERS**

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

- 32.1 With effect from the Appointed Date and upon the Scheme becoming effective, all direct taxes, duties, cess receivable/payable by the Amalgamating Company, including all or any refunds/credit (including export and tax credits) /claims/tax losses /unabsorbed depreciation relating thereto shall be treated as the asset/liability or refunds/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of the Amalgamated Company. It is also clarified that the Amalgamated Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions it has entered into, by virtue of this Scheme with effect from the Appointed Date.
- 32.2 Direct taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, tax collected at source, foreign taxes, buyback distribution tax, minimum alternative tax, if any, paid by the Amalgamating Company shall be treated as paid by the Amalgamated Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Further, any tax deducted at source by the Amalgamating Company/ the Amalgamated Company on payables to the Amalgamated Company/ the Amalgamating Company respectively for the period between Appointed Date and Effective Date which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.





- 32.3 If the Amalgamating Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in the Amalgamated Company with effect from the Appointed Date to the extent the benefits / incentives/ schemes are linked to Direct Tax Laws and with effect from Effective Date to the extent the benefits / incentives/ schemes are linked to Indirect Tax Laws.
- 32.4 The Amalgamated Company is expressly permitted to revise, withdraw and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, goods and service tax returns, as may be applicable and shall be entitled to claim credit for advance tax paid and exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Amalgamated Company prior to the Appointed Date and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme.
- 32.5 On and from the Effective Date, it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. including under applicable Tax Laws, the Amalgamated Company, if so required, shall issue notice in the name of the Amalgamating Company, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Amalgamated Company, as the person entitled thereto, to the end and intent that the right of the Amalgamating Company, to recover or realise the same, stands transferred to the Amalgamated Company.
- 32.6 All compliances with respect to direct tax or any other Applicable Law between the Appointed Date and the Effective Date, undertaken by the Amalgamating Company, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date, be deemed to have been complied with, by the Amalgamated Company.
- 32.7 From the Effective Date, all the invoicing and compliance would be done by the Amalgamated Company post obtaining all requisite GST registrations, wherever so required. To the extent such set of registrations are not effective as on the Effective Date, for such intervening period, the Amalgamated Company would undertake the invoicing and compliance using the GST registrations of the Amalgamating Company, as the case may be, to ensure compliance with law and timely discharge of GST liability.
- 32.8 On coming into effect of this Scheme, obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Company pertaining to the period on or after the Appointed Date, under Direct Tax Laws or other Applicable Laws dealing with taxes duly complied by the Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company.
- 33. VALIDITY OF EXISTING RESOLUTIONS, ETC.**
- 33.1 Upon this Scheme coming into effect, the resolutions/ power of attorneys passed / executed by the Amalgamating Company, as are considered necessary by the Board of the Amalgamated Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the





Amalgamated Company shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of the Amalgamated Company.

#### **34. CONSIDERATION**

- 34.1 Since the Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company with all shares in the share capital of the Amalgamating Company being held by the Amalgamated Company, and the Amalgamated Company, being the holding company, cannot issue or allot any shares to itself, no shares whatsoever shall be issued by the Amalgamated Company in consideration of the amalgamation. Accordingly, all such shares of the Amalgamating Company held by the Amalgamated Company and the investment of the Amalgamated Company in such shares as appearing in the books of the Amalgamated Company shall stand cancelled upon the Scheme becoming effective without issue or allotment of new shares in lieu of shares of the Amalgamating Company.

#### **35. INTER SE TRANSACTIONS**

- 35.1 With effect from the Effective Date, any liabilities, 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 in future become due between the Amalgamating Company and Amalgamated 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 Amalgamated Company.
- 35.2 All inter se contracts solely between the Amalgamating Company and the Amalgamated Company shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.

#### **36. ACCOUNTING TREATMENT**

- 36.1 Accounting treatment in the books of the Amalgamated Company
- 36.1.1 The Amalgamated Company shall give effect to the Scheme in its 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 and the generally accepted accounting principles in India.
- 36.1.2 Upon the Scheme becoming effective, the Amalgamated Company shall, in accordance with Appendix C to Indian Accounting Standard 103 - Business Combinations, record all the assets, liabilities, and reserves pertaining to the Amalgamating Company vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of the Amalgamating Company. Merger Deficit Adjustment Account of the Amalgamating Company will be adjusted against the capital reserve (on merger/sale of business) of the Amalgamated Company.
- 36.1.3 The difference between (a) excess of carrying values of assets over the carrying values of liabilities of the Amalgamating Company and (b) reserves of the Amalgamating Company shall be credited or debited, as the case may be, to equity and classified as 'capital reserve' or any other appropriate component of the equity. The value of existing investment held by the





Amalgamated Company in the Amalgamating Company shall be cancelled and the corresponding amount shall be debited to 'capital reserve' or any other appropriate component of the equity.

36.1.4 The financial statements of the Amalgamated Company for the prior period shall be restated as if the business combination had occurred from the beginning of the preceding period presented in the financial statements, irrespective of the actual date of the combination.

**36.2 Accounting treatment in the books of the Amalgamating Company**

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

**37. DISSOLUTION OF THE AMALGAMATING COMPANY**

37.1 Upon this Scheme becoming effective, the Amalgamating Company shall stand dissolved without being wound up, without any further act, instrument or deed and the Board and any committees thereof of the Amalgamating Company shall without any further act, instrument or deed be and stand discharged. Pursuant to the Scheme coming into effect, the shares of the Amalgamating Company shall stand cancelled, and the name of the Amalgamating Company shall be struck off from the RoC records.

**38. COMBINATION OF AUTHORISED SHARE CAPITAL**

38.1 Upon effectiveness of the Scheme, and as an integral part of the Scheme, the resultant authorised, issued, subscribed and paid-up share capital of the Amalgamating Company shall be reclassified / reorganized such that each equity share of INR 10 each of the Amalgamating Company is reclassified/ reorganized as 5 (five) equity shares of INR 2 each. It is clarified that the approval of the shareholders of the Amalgamating Company to this Scheme shall be deemed to be their consent / approval to the reclassification of the authorized share capital envisaged under this Clause as required under Sections 13, 61 and other applicable provisions of the Act.

38.2 Upon effectiveness of the Scheme and upon the reclassification/ reorganization of the resultant authorised share capital of the Amalgamating Company as set out in Clause 38.1, the authorised share capital of the Amalgamating Company shall stand transferred, merged and combined with the authorised share capital of the Amalgamated Company pursuant to this Scheme. The fees or stamp duty, if any, paid by the Amalgamating Company on its authorised share capital shall be deemed to have been so paid by the Amalgamated Company on the combined authorised share capital, and the Amalgamated Company shall not be required to pay any fee/ stamp duty for the increase of the authorised share capital. The aggregate authorised share capital of the Amalgamated Company shall automatically stand increased to that effect by filing the requisite forms with the RoC on such increased and combined authorised share capital.

38.3 Consequently, with effect from the Effective Date, the memorandum of association of the Amalgamated Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and other applicable provisions of the Act as per Clause 23 of Part III of this Scheme.

38.4 The authorised equity share capital of the Amalgamated Company shall increase from INR 40,00,00,00,000 to INR 240,00,00,00,000, on account of an equity capital forming part of the authorised share capital of the Amalgamating Company to the extent of INR 200,00,00,00,000 being





transferred from the Amalgamating Company to the Amalgamated Company as an integral part of this Scheme.

- 38.5 In the event the authorised capital of the Amalgamated Company undergoes any change prior to the Effective Date, the capital clause of the memorandum of association of the Amalgamated Company shall be modified accordingly to take into account the effect of any such change (including reclassification of any part of the share capital) without any further act, instrument or deed. The Company shall file requisite forms with the RoC for alteration of its authorised share capital pursuant to the Scheme.
- 38.6 The approval of this Scheme by shareholders of the Amalgamated Company under Sections 230 to 232 of the Act, whether at a meeting or otherwise, or any dispensation of the same by the Tribunal, shall be deemed to have been an approval under Section 13, 61 and 64 or any other applicable provisions under the Act to the alteration of the memorandum of association of the Amalgamated Company as may be required under the Act, and no further resolution(s) would be required to be separately passed in this regard.

### **39. CONDUCT OF BUSINESS**

#### **39.1 During the Implementation Period:**

- 39.1.1 the Amalgamating Company will carry on its business in the ordinary course and shall continue to operate, manage and expand and grow its business consistent with past practice in trust and good faith and in accordance with Applicable Law. It is hereby clarified that nothing in this clause shall prevent the Amalgamating Company from taking any action relating to the Remaining Business which has already been decided prior to the commencement of the Implementation Period or which is in the interest of the Remaining Business or required for the purpose of this Scheme; and
- 39.1.2 the Amalgamating Company and the Amalgamated Company shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for transfer / issuance of Permits which the Amalgamated Company may require to carry on the business of the Amalgamating Company or to give effect to this Scheme.

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

- 39.2.1 The Amalgamating Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets of its business for and on account of, and in trust for the Amalgamated Company;
- 39.2.2 All profits or income arising or accruing to the Amalgamating Company and all taxes paid as per Direct Tax Laws (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Amalgamated Company; and
- 39.2.3 All Liabilities incurred by the Amalgamating Company, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the Liabilities of the





## PART IV

### GENERAL TERMS AND CONDITIONS

#### 40. ADDITIONAL ARRANGEMENTS

40.1 The Resulting Company and the Demerged Company may enter into certain arrangements (whether in writing or otherwise) including for continuity of operations, seamless transition or improvement of efficiencies in relation to the following:

40.1.1 use of the assets (whether movable or immovable), funds, Intellectual Property, contracts, services (including R&D, information technology services, design services, engineering services, secretarial, legal, administrative, accounting, tax, treasury services, conduct of legal proceedings etc.), shared infrastructure (including housekeeping, security), other business services and use of and facilities forming part of the Demerged Undertaking belonging to the Resulting Company (including those that are jointly used by Remaining Business and the Commercial Vehicles Business), which are required for the operation of or otherwise enable the Remaining Business, by the Demerged Company for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company;

40.1.2 use of the assets (whether movable or immovable), funds, Intellectual Property, contracts, services (including R&D, information technology services, design services, engineering services, secretarial, legal, administrative, accounting, tax, treasury services, conduct of legal proceedings etc.), shared infrastructure (including housekeeping, security), other business services and use of and facilities forming part of the Remaining Business belonging to the Demerged Company (including those that are jointly used by Remaining Business and the Commercial Vehicles Business), which are required for the operation of or otherwise enable the Demerged Undertaking, by the Resulting Company for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company.

40.2 The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Act, Regulation 23 and any other applicable provision of the SEBI LODR Regulations and the articles of association of the Resulting Company and the Demerged Company for the purposes of this Clause 40, and shall be final and binding on all stakeholders, no separate approval of the shareholders, Board or the Audit Committee shall be required to be sought either by the Demerged Company and / or by the Resulting Company and no further action under the Act, the SEBI LODR Regulations or the articles of association of the Resulting Company and the Demerged Company shall be separately required.

#### 41. CHANGE OF NAME OF THE AMALGAMATED COMPANY AND THE RESULTING COMPANY



*[Handwritten signature]*



- 41.1 Upon this Scheme becoming effective and subject to Clause 41.3 below, the name of the Amalgamated Company or Demerged Company shall stand changed on and from the Effective Date to "TATA MOTORS PASSENGER VEHICLES LIMITED" or such other name which is determined by the Board of the Amalgamated Company and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.
- 41.2 Consequently, the memorandum of association and the articles of association of the Amalgamated Company shall stand amended, altered to reflect the new name 'TATA MOTORS PASSENGER VEHICLES LIMITED' or such other name which is determined by the Board of the Amalgamated Company pursuant to Sections 13, 232 and other applicable provisions of the Act, by operation of law.
- 41.3 Upon this Scheme becoming effective and simultaneously with the change of name of the Amalgamated Company, the name of the Resulting Company shall stand changed on and from the Effective Date to "TATA MOTORS LIMITED" or such other name which is available and approved by the RoC, by filing the requisite forms with the Appropriate Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.
- 41.4 Consequently, the memorandum of association and the articles of association of the Resulting Company shall stand amended, altered to reflect the new name 'TATA MOTORS LIMITED' or such other name which is determined by the Board of the Resulting Company pursuant to Sections 13, 232 and other applicable provisions of the Act, by operation of law.
- 41.5 It is hereby clarified that, for the purposes of acts and events mentioned in this Clause 41, the consent of the shareholders of the Amalgamated Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and consequential amendments as set out in Clause 41 above and that no further resolution under Sections 13, 14 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant RoC), or stamp duty, shall be payable by the Amalgamated Company or the Resulting Company.
- 41.6 On and from the Effective Date, the Amalgamated Company and the Resulting Company shall be entitled to carry on their respective Passenger Vehicles Business and Commercial Vehicles Business, on the basis of the Permits relating to the respective Passenger Vehicles Business and Commercial Vehicles Business. Accordingly, with a view to allow uninterrupted transition of the Commercial Vehicle Business into the Resulting Company and the Passenger Vehicles Business of the Amalgamating Company into the Amalgamated Company, and in the larger interests of the public shareholders of these companies, of which Amalgamated Company is a listed company and the Resulting Company shall also be listed company pursuant to this Scheme, the Appropriate Authorities including but not limited to ARAI, various State Transport Authorities, Regional Transport Offices shall allow registration of the vehicles forming part of the Commercial Vehicles Business in the name of 'TATA MOTORS LIMITED' and registration of vehicles forming part of the Passenger Vehicles Business in the name of 'TATA MOTORS PASSENGER VEHICLES LIMITED'.

#### **42. APPLICATIONS/PETITIONS TO THE TRIBUNAL**

- 42.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 42.2 The Parties shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Parties, which the Parties may require to effect the transactions contemplated under the Scheme,





in any case subject to the terms as may be mutually agreed amongst the Parties.

#### **43. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

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

#### **44. CONDITIONS PRECEDENT**

- 44.1 This Scheme is conditional upon and subject to the following conditions precedent:

44.1.1 The Stock Exchanges having issued their observation / no-objection letters as required under the SEBI LODR Regulations read with the SEBI Schemes Master Circular and the SEBI Scheme Debt Circular;

44.1.2 This Scheme being approved by the respective requisite majority of each class of members and creditors of the Parties as applicable or as may be required under the Act and as may be directed by the Tribunal;

44.1.3 The relevant Parties having received such Permits as may be required by Applicable Law in respect of the Scheme and/or to carry on its business from the Effective Date, in each case, and on terms and conditions acceptable to the Boards of the Parties;

44.1.4 Sanction of the Scheme by the Tribunal under Sections 230 to 232 and other relevant provisions of the Act and receipt of certified copy of the Sanction Order;

44.1.5 The certified copies of the Sanction Order having been filed by the respective Parties with the RoC; and

44.1.6 Any other matters expressly agreed in writing between the Parties to be conditions precedent to the effectiveness of the Scheme.

- 44.2 The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 44.1 above are satisfied (or to the extent permissible under Applicable Law, waived jointly by the Boards of the Parties) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred inter se the Amalgamating Company, Amalgamated Company / Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person. It is hereby clarified that submission of the Scheme to the Tribunal and to the Appropriate Authorities for their respective approval is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Laws.

- 44.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of persons relating to the Parties, if any, such shareholders and classes of persons, shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise, to the same extent applicable to all the matters related to or arising pursuant to the Scheme and this Scheme itself.

#### **45. REMOVAL OF DIFFICULTIES**

- 45.1 The Parties through their respective Boards may jointly give such directions and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under





this Scheme, whether by reason of any orders of Tribunal or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Laws, and also do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

- 45.2 The Boards of Demerged Company and the Resulting Company may, notwithstanding anything to the contrary contained in this Scheme, to give effect to this Scheme, in any manner at any time, determine jointly whether any asset, Liability, employee, litigation, real estate, legal contracts, process, proceedings, Intellectual Property or any component of the Demerged Undertaking pertains to the Commercial Vehicles Business or Remaining Business including but not limited to manner of dealing/ transferring/ retaining such asset, Liability, employee, litigation (including its appropriation), real estate, legal contracts, process, proceedings, Intellectual Property or any component of the Demerged Undertaking. The decision of the Boards of the Demerged Company and Resulting Company shall be final and binding on all stakeholders.

#### **46. WITHDRAWAL OF THIS SCHEME**

- 46.1 The Demerged Company / Amalgamated Company, the Amalgamating Company and the Resulting Company, acting jointly, shall be at liberty to withdraw the Scheme, as may be mutually agreed by the respective Boards of the Parties at any time before the Effective Date. In the event of withdrawal, no rights and liabilities whatsoever shall accrue to or be incurred by the respective Parties or their shareholders or creditors or employees or any other Person. In such case, each of the Parties shall bear its own costs and expenses or as may be otherwise mutually agreed.

#### **47. IMPACT OF THE SCHEME ON HOLDERS OF DEMERGED COMPANY NCDs**

- 47.1 Pursuant to this Scheme, there will be no change in terms and conditions of the Demerged Company NCDs. Transferring NCDs form part of the Demerged Undertaking and will be transferred to the Resulting Company pursuant to this Scheme.
- 47.2 Safeguards for the protection of the holders of Demerged Company NCDs: Pursuant to the Scheme, the holders of Transferring NCDs as on the Effective Date will be transferred to the Resulting Company on same terms, including the coupon rate, tenure, redemption price, quantum, ranking nature of security, etc. Further, the holders of Retained NCDs as on the Effective Date will continue to hold NCDs of the Demerged Company, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, ISIN, etc.
- 47.3 The Demerged Company NCDs, as on the Effective Date, will continue to be freely tradable and listed on the relevant Stock Exchanges, thereby providing exit option and liquidity to the holders of the Demerged Company NCDs.
- 47.4 In view of the provisions of this Clause 47 above, the Scheme will not have any adverse impact on the holders of the Demerged Company NCDs. Additional disclosures required to be included in Scheme in terms of SEBI Scheme Debt Circular are contained in **Annexure A**.

#### **48. COSTS AND EXPENSES**

- 48.1 All costs, charges, transfer fee, transfer premium and expenses payable in relation to or in connection with and incidental to the completion of the transfer and vesting of the Demerged Undertaking in the





Resulting Company, in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne in a manner decided by the Resulting Company and the Demerged Company. Further, all costs, charges, transfer fee, transfer premium and expenses payable in relation to or in connection with and incidental to the completion of the amalgamation of the Amalgamating Company with the Amalgamated Company in pursuance of this Scheme, to the extent applicable and payable shall be borne in a manner decided by the Amalgamating Company and the Amalgamated Company.

**49. SEVERABILITY**

49.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to, only if the Scheme is approved in its entirety and given effect to in accordance with the terms of the Scheme, except to the extent that the Parties may otherwise agree in writing.

49.2 Subject to Clause 49.1 above, if any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to the Parties, in which case the Parties, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

**50. NO CAUSE OF ACTION**

50.1 No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Parties or their respective directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.



A handwritten signature in blue ink, appearing to be "N. K. Joshi", written in a cursive style.



## ANNEXURE A

### DETAILS OF DEMERGED COMPANY NCDs

Details of the listed NCDs	E26-B	E26-C	E-28B Tranche I	E-28B Tranche II	E30-A	E30-B
ISIN	INE155A 08191	INE155A 08209	INE155A 08407	INE155A 08415	INE155A 08423	INE155A 08431
Face Value (INR)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Principal (INR crore)	INR 300 crores	INR 200 crores	INR 250 crores	INR 250 crores	INR 500 crores	INR 500 crores
Coupon (%)	9.81%	9.77%	8.50%	8.50%	6.60%	6.95%
Current Coupon (%)	9.81%	9.77%	8.00%	8.00%	6.60%	6.95%
Payment Frequency	Annual	Annual	Annual	Annual	Annual	Annual
Credit Rating	AA+	AA+	AA+	AA+	AA+	AA+
Tenure/Maturity	August 20, 2024	September 12, 2024	December 30, 2026	January 29, 2027	May 29, 2026	March 31, 2026
Redemption Terms	Bullet payment at maturity; no option for early redemption. Only option is to give open offer to repurchase the NCDs					
Other embedded options (put option, call option etc.)	Not applicable	Not applicable	Step up and step down in coupon by 25 bps in case of change in ratings	Step up and step down in coupon by 25 bps in case of change in ratings	Not applicable	Not applicable
Other terms of the instruments	All the aforesaid NCDs are unsecured; the Demerged Company to appoint a debenture trustee for the benefit of the debenture holders. Demerged Company to maintain Debenture Redemption Reserve account to the extent of 15% of the amount of NCDs maturing in the next financial year					
Latest audited financials along with notes to accounts and any audit qualifications	Please refer to the following URL on the website of the Demerged Company: <a href="https://www.tatamotors.com/composite-scheme-of-arrangement-between-tml-tmpvl-tmlcvl-and-their-respective-shareholders/">https://www.tatamotors.com/composite-scheme-of-arrangement-between-tml-tmpvl-tmlcvl-and-their-respective-shareholders/</a>					
Auditors' certificate certifying the payment/ repayment capability of the Resulting Company	Please refer to the following URL on the website of the Demerged Company: <a href="https://www.tatamotors.com/composite-scheme-of-arrangement-between-tml-tmpvl-tmlcvl-and-their-respective-shareholders/">https://www.tatamotors.com/composite-scheme-of-arrangement-between-tml-tmpvl-tmlcvl-and-their-respective-shareholders/</a>					
Fairness report	Please refer to the following URL on the website of the Demerged Company: <a href="https://www.tatamotors.com/composite-scheme-of-arrangement-between-tml-tmpvl-tmlcvl-and-their-respective-shareholders/">https://www.tatamotors.com/composite-scheme-of-arrangement-between-tml-tmpvl-tmlcvl-and-their-respective-shareholders/</a>					
Any other						





Details of the listed NCDs	E26-B	E26-C	E-28B Tranche I	E-28B Tranche II	E30-A	E30-B
information/details pertinent to the holders of NCDs	Not applicable					





## ANNEXURE B

### LIST OF PERMITS RELATING TO DEMERGED UNDERTAKING

The following are the list of the key Permits that are being used by the Demerged Company in relation to the Demerged Undertaking as on the date of approval of the Scheme by the Board of the Parties. The list below is indicative and shall not be deemed to be exhaustive.

No.	Permit	Issuing Appropriate Authority
<b>Key Permits in relation to the Jamshedpur Plant</b>		
1.	Consent to establish	Jharkhand State Pollution Control Board
2.	Consent to operate – heavy vehicle chassis	Jharkhand State Pollution Control Board
3.	Consent to operate – Tata Motors Hospital	Jharkhand State Pollution Control Board
4.	Consent to operate – treated water for colony supply	Jharkhand State Pollution Control Board
5.	Biomedical Waste Authorization	Jharkhand State Pollution Control Board
6.	Hazardous Waste Authorization	Jharkhand State Pollution Control Board
7.	Factory license bearing number FCA1535716387102	Government of Jharkhand, Factory Inspection Department
8.	Factory license bearing number FCA1535716387103	Government of Jharkhand, Factory Inspection Department
9.	Factory license bearing number FCA1535716387101	Government of Jharkhand, Factory Inspection Department
10.	License under the Food Safety and Standards Act, 2006 to carry on food business issued to Sodexo India Services Private Limited for the premises of the Demerged Company, bearing number 11121006000018	Food Safety and Standards Authority of India
11.	License in Form 'F' for storage of argon, carbon dioxide, nitrogen, oxygen and dissolved acetylene gas in terms of Rules 50, 51, and 54 of the Gas Cylinder Rules	Chief Controller or Controller of Explosives, Petroleum and Explosives Safety Organization
12.	License in Form LS-1A for storage of propane in compressed form	Chief Controller of Explosives, Petroleum and Explosives Safety Organization.
13.	Licenses in Form XIV, for the storage of Class A/ Class B petroleum in tanks for fuelling motor conveyances.	Chief Controller of Explosives
14.	Licenses in Form XV for import and storage of Class A/ Class B petroleum in installations	Chief Controller of Explosives
15.	PESO License for LNG yard bearing no. K/S/HO/JH/06/1 (S108870)	Controller of explosives
16.	PESO License for CNG yard bearing no G/HO/JH/05/104 & G/HO/JH/06/104 (G100204)	Dy. Chief Controller of explosives
<b>Key Permits in relation to the Pantnagar Plant</b>		
17.	Consolidated consent and authorization	Uttarakhand Pollution Control Board
18.	Biomedical Waste Authorisation	Uttarakhand Pollution Control Board
19.	Factory license bearing number USN-1027	Chief Inspector of Factories, Uttarakhand





No.	Permit	Issuing Appropriate Authority
20.	License under the Food Safety and Standards Act, 2006 to carry on food business issued to Comprehensive Support Services Private Limited for the premises of the Demerged Company, bearing number 12618012000017	Food Safety and Standards Authority of India
21.	License in Form 'F' for storage of argon, carbon dioxide, helium, liquid nitrogen, oxygen and ammonia in terms of Rules 50, 51, and 54 of the Gas Cylinder Rules	Chief Controller or Controller of Explosives, Petroleum and Explosives Safety Organization
22.	License in Form LS-1A for storage of propane in compressed form	Chief Controller of Explosives, Petroleum and Explosives Safety Organization
23.	License in Form XIV, for the storage of 20 kilolitres of Class B petroleum (as defined in the Petroleum Act), in tanks for fuelling motor conveyances	Chief Controller of Explosives
24.	License in Form XV for import and storage of 110 kilolitres of Class B petroleum in installations	Chief Controller of Explosives
25.	Renewal of license to store petroleum bearing number P/CC/UC/16/26 (P189482)	Controller of Explosives
26.	Renewal of license to store petroleum bearing number P/HQ/UC/15/589	Controller of Explosives
27.	Fire NOC UID no. 82977194	Department of Fire & Safety
28.	Licence No. G/HO/UC/07/2(G22251) granted in Form G of Gas Cylinders Rules,	Controller of Explosives
29.	Groundwater No Objection Certificate bearing no. CGWA/NOC/IND/REN/1/2022/6688	Central Ground water authority
<b>Key Permits in relation to the Dharwad Plant</b>		
30.	Consent to operate	Karnataka Pollution Control Board
31.	Combined Consent to operate	Karnataka Pollution Control Board
32.	Bio-medical Waste Authorization	Karnataka Pollution Control Board
33.	License in Form LS-1A for storage of propane in compressed form	Chief Controller of Explosives
34.	License in Form XV for import and storage of 30 kilolitres of Class A petroleum and 30 kilolitres of Class B petroleum in installations.	Chief Controller of Explosives
35.	Fire NOC	Chief Fire officer
36.	Form 2 - Rule 6 (2) Authorization the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 bearing number 332220	Karnataka Pollution Control Board
37.	License under the Food Safety and Standards Act, 2006 to carry on food business issued to USF Food and Allied Products Private Limited for the premises of the Demerged Company, bearing number 11220314000031	Food Safety and Standards officer
38.	NOC for Ground water bearing number KGWAN1676619196	Karnataka Ground Water Authority
39.	CLRA Registration	Assistant Labour commissioner (ALC)
40.	Factory License bearing number MYDWR-1468	Director of Factories
<b>Key Permits in relation to the Lucknow Plant</b>		
41.	Air Consent	UP Pollution Control Board





No.	Permit	Issuing Appropriate Authority
42.	Water Consent	UP Pollution Control Board
43.	Bio-medical Waste Authorization	UP Pollution Control Board
44.	Groundwater No Objection Certificate	Ministry of Jal Shakti, Government of Uttar Pradesh
45.	License in Form 'G' for storage of compressed natural gas	Chief Controller of Explosives
46.	Licenses in Form LS-1A for storage of gases in compressed form	Chief Controller of Explosives
47.	Two Licenses in Form XIV, for the storage of petroleum in tanks for fuelling motor conveyances	Chief Controller of Explosives
48.	Two Licenses in Form XV, for import and storage of petroleum in installations	Chief Controller of Explosives
49.	Factory license bearing number UPFA28001691	Director of Factories, Uttar Pradesh
50.	Fire NOC -UPFS/2022/66151/LCK/LUCKNOW/3483/DD	Department of Fire & Safety
<b>Key Permits in relation to the Chinchwad Plant</b>		
51.	Consent to operate	Maharashtra Pollution Control Board
52.	Biomedical Waste Authorization	Maharashtra Pollution Control Board
53.	License under the Food Safety and Standards Act, 2006 to carry on food business issued to Comprehensive Support Services Private Limited for the premises of the Demerged Company, bearing number 11519037000784	Food Safety and Standards Authority of India
54.	License in Form XV for import and storage of petroleum in installations	Chief Controller of Explosives
<b>Key Permits in relation to the Maval Plant</b>		
55.	Consent to operate	Maharashtra Pollution Control Board
56.	Biomedical Waste Authorization	Maharashtra Pollution Control Board
<b>Key Permits in relation to the Pimpri Plant</b>		
57.	Consent to operate	Maharashtra Pollution Control Board
58.	Biomedical Waste Authorization	Maharashtra Pollution Control Board
59.	License for storage of ammonia, oxygen, DA	Deputy Controller of Explosives
60.	Six Licenses in Form XV for import and storage of petroleum in installations	Deputy Controller of Explosives
61.	License in Form XVI for import and storage of petroleum	Deputy Controller of Explosives
62.	License in Form III for storage of liquid nitrogen in compressed form	Chief Controller of Explosives
63.	Renewal of license in Form LS-1A for storage of NLPG in compressed form	Chief Controller of Explosives
<b>Key Permits in relation to the Sales, Marketing, Warehouses and Corporate Offices</b>		
64.	Consent to operate	Delhi Pollution Control Board
65.	Export Promotion Capital Goods (EPCG) License	Additional Director General of Foreign Trade
66.	Eligibility certificate under the Profit Linked Incentive Scheme 2007	Directorate of Industries

