

ANNEXURE A

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SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)

OF

YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED

....Transferor Company

WITH

YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

...Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 READ WITH SECTIONS 66 & 52
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013

This Scheme of Amalgamation (Merger by Absorption) (the Scheme) is presented under Sections 230 to 232 read with Section 66 and 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Yizumi Precision Machinery (India) Private Limited [**"Transferor Company"** or **"Yizumi Precision"**] with Yizumi Advanced Processing Technology Private Limited [**"Transferee Company"** or **"Yizumi Advanced"**] and their respective shareholders. For the purpose of this Scheme, Yizumi Group shall mean as defined under the Definitions (Refer Clause 1.16) to this Scheme.

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A. Description of the Companies:

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A.1 Transferor Company

- a. Yizumi Precision Machinery (India) Private Limited is a private company limited by shares incorporated on August 04, 2016 under the Companies Act, 2013 having its registered office at C-803, Safal Parivesh, Prahaladnagar, Dist.-Ahmedabad, 380015, in the state of Gujarat. ("**Transferor Company**" or "**Yizumi Precision**") [CIN: U29190GJ2016PTC093223]. In 2016, Yizumi Group based at China conducted in-depth research on the injection molding industry in India and found that Indian market has a huge demand for injection molding products and there is a huge market opportunity. Yizumi Group incorporated a subsidiary namely Yizumi Precision Machinery (India) Private Limited in the state of, Gujarat, India. With production base of approximately 8000 square metres, Yizumi Precision is operational since May 2017, and is engaged in the production, sales and service support of injection molding machines. 90% shares of the said company are held by Yizumi Holdings Co., Ltd and 10% shares held by an individual, Indian resident. The company has not changed its name in last 5 preceding years.

A.2 Transferee Company

- b. Yizumi Advanced Processing Technology Private Limited is a private company limited by shares incorporated on June 25, 2019 under the Companies Act, 2013 having its registered office at Plot No. 1062 & 1063, GIDC Sanand-II Industrial Estate, Taluka Sanand, Dist.-Ahmedabad 382170 in the state of Gujarat. ("**Transferee Company**" or "**Yizumi Advanced**") [CIN: U29230GJ2019FTC108825]. The Company was set-up inter alia to carry out the business of manufacturing of Injection molding, Die casting machine, Rubber injection molding machine, Fabrication and automation system. 90% shares of the said company are held by Yizumi group companies and 10% shares held by an individual, Indian resident. The company has not changed its name in last 5 preceding years.

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B. Rationale of the Scheme:

Both these companies are part of the same group i.e., Yizumi Group and are engaged in same line of business. The Board of Directors of both the companies considered the merger of both entities which will result in consolidation of businesses as well as simplification of structure (including shareholding structure). The proposed merger envisaged under this Scheme is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility there by maximizing shareholder value and to achieve higher long-term financial returns. The proposed scheme is envisaged to result in the following benefits:

- Integration of business operations.
- Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities.
- Garner the benefits arising out of economies of large scale and lower operating costs.
- Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs.
- Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost.
- Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets.
- Bring uniformity in corporate policy.
- Benefit of operational synergies to the combined entity and greater leverage in operations, planning and process optimization.
- The proposed amalgamation will be beneficial to both the companies and their respective shareholders and creditors, employees and other stakeholders and not prejudicial to the interests of the shareholders

In view of the aforesaid, the Board of Directors of both the companies have proposed this scheme for the transfer and vesting of whole of the undertaking of the Transferor company with and into the Transferee Company pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act.

It is further clarified that as a consequence of the proposed Scheme of Amalgamation (Merger by Absorption), there will be no change in control or economic beneficial ownership with respect to total

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shareholding of the promoters/ promoter group i.e. the Ultimate Beneficial Owner/s.

For detailed shareholding pattern, please refer to the Group Structure annexed as Schedule-II to this scheme.

1. **DEFINITIONS AND INTERPRETATIONS**

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

- 1.1. **'Act' or 'the Act'** means the Companies Act, 2013 and any rules, regulations, notifications, circulars or guidelines issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. **'Applicable Law(s)'** means any statute, notification, bye laws, rules, regulations, guidelines or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions or law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **'Appointed Date'** means 01st April, 2023 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including Registrar of Companies, Reserve Bank of India or the National Company Law Tribunal.
- 1.5. **"Board of Directors" or "Board"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized or individuals

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authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;

- 1.6. **'Effective Date'** means the last of the dates on which the conditions mentioned in Clause 16 are satisfied.
- 1.7. **"Employees"** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.8. **"Encumbrance"** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term "Encumbered" shall be construed accordingly;
- 1.9. **"Governmental Authority"** means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 1.10. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the respective equity shareholders of the Transferor Company, who shall be entitled to receive equity shares of the Transferee Company as per Clause 8 of this Scheme;
- 1.11. **'Scheme' or 'the Scheme' or 'this Scheme'** means this Scheme of Amalgamation (Merger by Absorption) in its present form as submitted to the Tribunal with any modification(s) made under Clause 16 of the Scheme as approved or directed by the Tribunal

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or such other competent authority, as may be applicable.

- 1.12. **"Transferee Company" or "Yizumi Advanced"** means Yizumi Advanced Processing Technology Private Limited, a private limited company incorporated on June 25, 2019 under the Companies Act, 2013 with CIN: U29230GJ2019FTC108825 currently having its registered office at Plot No. 1062+1063 GIDC Sanand-II Industrial Estate, Taluka Sanand, Dist.-Ahmedabad Gujarat 382170 India;
- 1.13. **"Transferor Company" or "Yizumi Precision"** means Yizumi Precision Machinery (India) Private Limited, a private limited company incorporated on August 04, 2016 under the Companies Act, 2013 with CIN U29190GJ2016PTC093223 currently having its registered office at C-803, Safal Parivesh, Prahaladnagar, Dist.-Ahmedabad Gujarat 380015 India;
- 1.14. **"Tribunal" or "NCLT"** means the National Company Law Tribunal, Ahmedabad Bench, having jurisdiction in relation to Transferee Company and Transferor Company, being constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.
- 1.15. **"Undertaking"** means all the undertakings and entire business, activities and operations of the Transferor Company in India, as a going concern, including, without limitation:
- all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India including, without limitation, all land, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans

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and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of 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 interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company in India;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, privileges, incentives deductions, exemptions, rebates, allowances, amortization, tax credits [including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, tax refunds, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company for the residual

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period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available, if any, in law if the merger pursuant to this Scheme does not take place, all other rights, exemptions and other benefits under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute] receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company, whether or not so recorded in the books of accounts of the Transferor Company;

- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- d. all trade and service names and marks, patents, copyrights, goodwill and other intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- e. all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of

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gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.

- f. any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

It is intended that the definition of 'Undertakings of the Transferor Company' under this Clause would enable the transfer of all property, assets, rights, duties, licenses, Employees and Liabilities of the Transferor Company into the Transferee Company pursuant to this Scheme.

- 1.16. "Yizumi Group" means all the entities forming part of the Group Structure as encapsulated under Schedule-II of this Scheme.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

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

3. SHARE CAPITAL

- 3.1. The share capital of Transferor Company as at 31st March, 2023 is as under:

Particulars	Amount (In INR)
Authorized Capital	
3,00,000 equity shares of Rs. 100 each	3,00,00,000
Total	3,00,00,000
Issued, Subscribed and Paid - up Capital	
2,95,792 equity shares of Rs. 100 each	2,95,79,200
Total	2,95,79,200

There are no changes in share capital of transferor company since 31st March, 2023.

- 3.2 The share capital of Transferee Company as at 31st March, 2023 is as under:

Particulars	Amount (In INR)
Authorized Capital	
22,25,000 Equity Shares of Rs. 100 each	22,25,00,000
Total	22,25,00,000
Issued, Subscribed and Paid - up Capital	
20,00,000 Equity Shares of Rs. 100 each	20,00,00,000
Total	20,00,00,000

On 5th May, 2023, 2,22,222 equity shares has been issued by following requisite procedure. The share capital of Transferee Company as at 01st June, 2023 is as under:

Particulars	Amount (In INR)
Authorized Capital	
22,25,000 Equity Shares of Rs. 100 each	22,25,00,000
Total	22,25,00,000
Issued, Subscribed and Paid - up Capital	
20,00,000 Equity Shares of Rs. 100 each	20,00,00,000
Issuance of 2,22,222 Equity Shares of Rs. 100 each on 5 th May, 2023	2,22,22,200
Total	22,22,22,200

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Subsequent to the above change in May 2023 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the stated capital of Transferor or Transferee Company except as stated aforesaid.

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

4. AMALGAMATION OF COMPANIES

Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

The requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of Central Government or any government authority or any other agency or department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required under any law;

4.1 Transfer and Vesting of Assets

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- a. All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee

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Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

- b. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company by operation of law pursuant to sanctioning of the Scheme and upon the Scheme becoming effective, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. Such assets shall stand vested in Transferee and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of law. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. 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 Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof. Further the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority shall suffice as a record of continuing title with Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, at the discretion of Transferee Company, such immovable properties can be vested pursuant to a separate conveyance or any other agreement as well.
- c. Without prejudice to the provisions of Clause 4(a) and 4(b) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this

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Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.

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

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may be.

- f. All taxes (including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company, or as the case may be, refunds/claims, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, exemptions, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- g. All the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company, rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.
- h. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and

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benefits, concessions, grants, rights, claims, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, concessions, grants, rights, claims, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.2 Transfer and Vesting of Liabilities

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

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

4.3 Encumbrances

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4.1, Clause 4.2 and Clause 4.3 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date,

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without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. 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. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.

- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Company to give formal effect to the above provisions, if required.
- d. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- e. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is

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amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

- f. The provisions of this Clause 4.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

4.4 Contracts, Deeds etc.

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

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

4.5 Employees of Transferor Company

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company, unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.
- c. Insofar as the provident fund, gratuity fund, superannuation fund,

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retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.

- d. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

5. Legal, Taxation and other Proceedings

- a. Upon coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company

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- as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
 - c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

6. Conduct of Business

From the Appointed date until the Effective Date:

- 6.1 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- 6.2 The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any pre-existing obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
- 6.3 All profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses

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or expenditure (including taxes), as the case may be, of the Transferee Company;

- 6.4 Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- 6.5 All taxes (including, without limitation, income tax) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax), whether by way of deduction at source, tax collected at source, advance tax, self-assessment tax, regular tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 6.6 If and to the extent there are inter-corporate loans, deposits, balances or agreements as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, stand cancelled and there shall be no obligation/ outstanding balance in that behalf.
- 6.7 Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible securities or otherwise to the Transferee Company, increase its capital.
- 6.7 Without prejudice to the provisions of Clause 4, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 6.8 For the avoidance of doubt, it is hereby clarified that nothing in the

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scheme shall prevent the Transferee Company and / or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity shareholders.

- 6.9 For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of shares, securities, instruments, Employee Stock Option Plans, bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

7. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF TRANSFEE COMPANY

A. Consolidation of Authorised Share Capital of Transferee Company

- 7.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be combined with the authorized share capital of the Transferee Company, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies and the stamp duty and fees paid by the Transferor Company on their authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme.
- 7.2 It is clarified that the approval of the Scheme by the members of the Transferee Company shall be deemed approval of the alteration of the memorandum and articles of association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Companies Act, 2013.
- 7.3 The capital clause V of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is INR 57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs

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Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only) each and with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach there to respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and legislative provisions for the time being in force.

- 7.4 The share capital being clause 4 of the Articles of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

The Authorised Share Capital of the Company is INR.57,71,72,600 (Rupees Fifty Seven Crores Seventy One Lakhs Seventy Two Thousand Six Hundred only) divided into 57,71,726 (Fifty Seven Lakhs Seventy One Thousand Seven Hundred Twenty Six only) equity shares of INR 100/- (Rupees Hundred only)

B. Objects Clause:

- 7.5 In order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferor Company shall be added to the main objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered by those of the Transferee Company. The object clauses as set out in Schedule I, to the Scheme, shall be added to the memorandum of association of the Transferee Company.
- 7.6 Upon the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230 to 232 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Act or any other provisions of the Act

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for the commencement of any business or activities currently being carried on by Transferor Company in relation to any of the objects contained in the memorandum of association of the Transferee Company, to the extent the same may be considered applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Act.

7.7 It is clarified that for the purposes of Clause 7.1 above, the stamp duties and fees (including registration fee) paid on authorized share capital of the Transferor Company shall be utilized and applied to the increase authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in authorized share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Company.

7.8 Under the accepted principle of single window clearance, it is hereby provided that all the above alterations in Memorandum and Articles of Association pertaining to Objects Clause as well as Capital Clause, of the Transferee Company pursuant to the above clauses shall become operative on this Scheme becoming effective and by virtue of the fact that the shareholders of the Transferee Company while approving this scheme as a whole, have approved and accorded the relevant consents as required under the act for the aforesaid amendments of the memorandum of the association and articles of the association of the Transferee Company and the Transferee Company shall not be required to pass separate resolutions under the applicable provisions of Section 13, 14 and other applicable provisions of the Act. The Transferee Company undertakes to pay fees if any that may be required in relation to such amendments.

8 CONSIDERATION

8.1 Pursuant to the Scheme coming into effect and without any further application, act or deed, the Transferee Company shall issue and allot:

12 Equity shares of Rs. 100 each fully paid up in its equity share capital in respect of every 1 equity share of Rs. 100 hold by person whose name appear in the register of members of the Transferor Company (or to such

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of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date.

- 8.2 The ratio in which the New Equity Shares are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "Share Entitlement Ratio". The same has been worked out by M/s. Roshan Nilesh Vaishnav, Registered Valuers.
- 8.3 Upon the Scheme becoming effective and upon the New Equity Shares being issued and allotted as provided in this scheme, the equity shares of the Transferor Company shall be deemed to have been automatically cancelled and be of no effect on and from the record date.
- 8.4 The New Equity shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank paripasu in all respects with the equity shares of the Transferee Company as on the Effective Date including in respect of dividend, if any that may be declared by the transferee company on or after the Effective Date.
- 8.5 The issue and allotment of New Equity Shares to the respective shareholders of the Transferor Company as provided in the scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the transferee company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provision of the Act, and such other statutes and regulations as may be applicable were duly complied with.

9. Accounting Treatment

Upon the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts with effect from the Appointed Date as under:

- 9.1 The Transferee Company shall follow the 'pooling of interest method' of accounting for the amalgamation as per Accounting Standard - 14.
- 9.2 All Assets and Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee

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Company at their existing carrying amounts and in the same form;

- 9.3 The inter-corporate deposits/loans and advances/balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation on that behalf;
- 9.4 The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor company, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the Amalgamation Adjustment Reserve account of the Transferee Company;
- 9.5 The balance in the amalgamation adjustment reserve account as per clause 9.4 above, if any, shall, on merger, be adjusted in the books of Transferee Company as under:
- i. Firstly, out of the amount available in Capital Redemption Reserve of Transferee Company (including Capital Redemption Reserve of the Transferor Company transferred to the Transferee Company pursuant to the Scheme); and
 - ii. Secondly, out of the amount available in the Securities Premium account of the Transferee Company (including Securities Premium of the Transferor Company transferred to the Transferee Company pursuant to the Scheme) in compliance with Section 66 and 52 of the Companies Act, 2013; and
 - iii. Thirdly, out of the amount available in the General Reserve of the Transferee Company (including General Reserve of the Transferor Company transferred to the Transferee Company pursuant to the Scheme); and
 - iv. Fourthly, out of the amount available in the Profit and Loss account of the Transferee Company (including Profit and Loss Account of the Transferor Company transferred to the Transferee Company pursuant to the Scheme).
- 9.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of

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the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial positions on the basis of consistent accounting policy.

10. DISSOLUTION OF THE TRANSFEROR COMPANY

- 10.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act or deed by the parties.
- 10.2 On and with effect from the Effective Date, the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make all necessary filings in this regard.
- 10.3 Any obligations/ steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

11. Applicability of provisions of Income Tax Act

- 11.1 The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income- tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income- tax Act. Such modification will, however, not affect the other parts of the Scheme.
- 11.2 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for purposes of carry forward and set-off of tax losses, unabsorbed depreciation and tax benefits, if any) and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to

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give effect to the provisions of this Scheme. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts on and from the Appointed Date and no further act shall be required to be undertaken by the Transferee Company.

- 11.3 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 11.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 11.5 All taxes (including but not limited to advance tax, self-assessment tax, deferred tax assets/liabilities, tax deducted at source, tax collected at source, minimum alternate tax etc.), including any interest, penalty, surcharge and/or cess, paid / payable by or refunded / refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims/credits, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source such as under Sections 40, 40A, 43B, etc. of the Income-tax Act, exemptions, credits, deductions / holidays, remissions, reductions etc., if any, as would have been available to the Transferor Company, pursuant to this Scheme becoming effective, be available to the Transferee Company and the relevant authority shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon coming into effect

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of this Scheme.

- 11.6 The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 11.1 above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits and carry forward of accumulated losses, unabsorbed depreciation etc., pursuant to the provisions of this Scheme.
- 11.7 The taxes (including but not limited to advance tax, self-assessment tax, minimum alternate tax, tax deducted at source, tax collected at source), including any interest, penalty, surcharge and/or cess, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute for the period commencing from the Appointed Date shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.

12. RESOLUTIONS

- 12.1 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- 12.2 Upon the coming into effect of this Scheme, the borrowing limits of

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the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

13. SAVINGS OF CONCLUDED TRANSACTIONS

13.1 The transfer and vesting of undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 4.6 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

14. APPLICATIONS TO THE NCLT

14.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make application (as may be applicable) to the National Company Law Tribunal, Ahmedabad Bench, for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

14.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Law for such Governmental Approvals which the Transferee Company may require to own the Undertaking of the Transferor Company and to carry on the business of the Transferor Company.

15. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

Subject to the approval of Tribunals, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee of the Board of Directors or persons, may consent, to any modifications or amendments of the Scheme or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the

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Tribunals or such other Governmental Authority for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme, whether in pursuance of a change in Law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

- 15.1. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the Board of Director(s) or their Authorised representative(s) of Transferor Company and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

16. CONDITIONALITY TO THE SCHEME

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

- a. This Scheme being approved by the respective requisite majorities of the various classes of shareholders as well as Creditors of the Transferor Company and the Transferee Company if required under the Act and/ or as may be directed by the Tribunal and the requisite orders of the Tribunal being obtained;
- b. The requisite sanction, approval or permission from Registrar of Company, Regional Director, Official Liquidator, Income Tax Dept. as may be applicable or as may be directed by the Tribunal.
- c. Tribunal Order under the provisions of Section 230 read with Section 232 of the Act being obtained by the Transferor Company and the Transferee Company from the Tribunal.
- d. The certified copy of the order of the Tribunal under Section 230 to 232 and other applicable provisions of the Act sanctioning the

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scheme being filed with the Registrar of Companies, Gujarat by the Transferor and Transferee Company.

- e. Receipt of any other Governmental Approval to the transfer of the Undertaking and/or the Scheme, if required under Applicable Law.

17. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

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

18. COSTS, CHARGES AND EXPENSES

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

19. NO CAUSE OF ACTION

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 Transferor Company or Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

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The following objects clause shall be added to the memorandum of association of the Transferee Company:

- a) To provide for the welfare of Directors, employees, or ex-employees of the Company and the wives, widows and families of the dependents or connections of such persons by building or contributing for the building, houses, dwelling or quarters, or by grants of money, pensions, gratuities, allowance, bonus, profit sharing bonus or benefits or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds profit sharing or other scheme or trust and by providing or subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendants, and other assistance as the Company shall think fit.
- b) To appoint any Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
- c) To aid pecuniary or otherwise, any association, body or movement having similar object, the solution, settlement or labour problems or the promotion of industry or trade.
- d) To acquire and undertake all or any of the business property and liabilities of any person, company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company which can be capable of being conducted so as directly to benefit the Company and to subsidise or assist any such persons or company financially or otherwise.
- e) To vest any movable or immovable property rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- f) To pay all preliminary expenses of any company promoted by the Company or any company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of any business or property acquired by the Company.
- g) To procure the incorporation, registration or other recognition of the Company in any country, state or place outside India and to establish and maintain local registers and branch places of business in any part of the world subject to law in force.
- h) To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly, calculated to benefit the Company and to place or guarantee the placing of subscribed for or otherwise acquired all or any part of the shares, business capable of being conducted so as directly or indirectly to benefit the Company.

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DIRECTOR / AUTHO. SIGN.

V. K. Singh
DIRECTOR

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- i) To pay out of the funds of the Company all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any undertaking or other commissions, broker's fees and charges in connection therewith and to remunerate (by cash or other assets or by the allotment of fully or partly paid shares) or by a call or option on shares, debentures, debenture-stocks, or securities of this or any other company or in any other manner whether out of the Company's capital or profits or otherwise to any person or persons for services rendered in introducing any property or business to the Company, in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture stocks or other securities of the Company as the directors may think proper.
- j) To lend, invest or otherwise employ or deal with money belonging to or entrusted to the Company in securities and shares or other movable or immovable property or without security upon such terms and in such manner as may be thought proper from time to time, to vary such transactions\ and investments in such manner as the Directors may think fit subject to the provisions of the Companies Act, 2013.
- k) To pay or satisfy the consideration for any property, rights, shares, securities or assets whatsoever which the Company is authorised to purchase, or otherwise acquire either by payment in cash or by the issue of shares, or other securities of the Company, or in such other manner as the Company may agree to partly in one mode and partly in another.
- l) To indemnify members, officers, directors, agents and employees of the Company against proceedings, cost, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of their offices or in relation thereto.
- m) To establish agencies in India and elsewhere for sale and purchase to regulate and discontinue the same subject to law in force.
- n) To furtherance of the aforesaid objects of the Company.
 - [a] to enter into negotiations with and enter into arrangements and contracts and conclude the same with foreign and/or Indian parties and other persons for obtaining by grant, licence, and/or on other terms, formulate and other rights and benefits, and to obtain technical and engineering information assistance and service know-how and expert advice for installation of plant and machinery, production and manufacture of any products, and
 - [b] to pay for technical know-how, technical and engineering assistance and information and/ or service rights or privileges acquired by the Company either in shares of the Company or partly in cash or otherwise.
 - [c] to pay to promoters such remuneration and fees and otherwise recompense them for their time and for the service rendered by them.

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Y.A. Shah

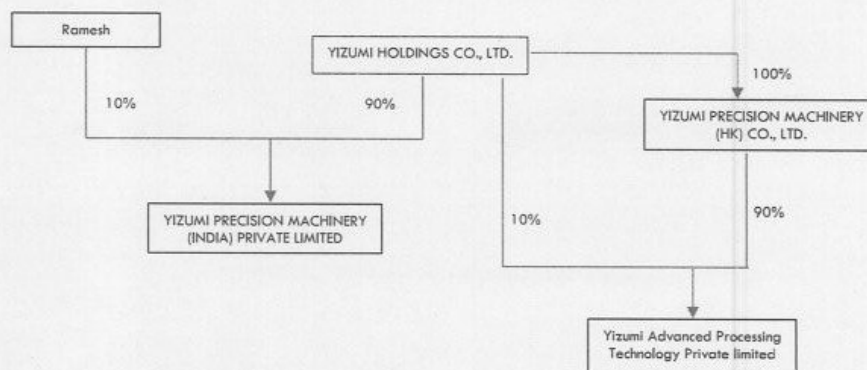
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DIRECTOR

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Schedule II
Yizumi Group Structure



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J. A. Shukh

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V. K. Singh
DIRECTOR