

SCHEME OF MERGER BY ABSORPTION
OF
HINDUJA LEYLAND FINANCE LIMITED
INTO
NXTDIGITAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

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

PART I

A. PREAMBLE:

This Scheme of Merger by Absorption ("Scheme") seeks to merge and consolidate the businesses of Hinduja Leyland Finance Limited ("Transferor Company") into and with NxtDigital Limited ("Transferee Company") pursuant to the provisions of Sections 230 to 232 of the Act (as defined hereinafter) and other applicable provisions of the Act. This Scheme is in compliance with Section 2(1B) of the Income-Tax Act, 1961, the SEBI Merger Circulars (as defined hereinafter) and Applicable Law (as defined hereinafter)

B. BACKGROUND AND DESCRIPTION OF THE COMPANIES:

HINDUJA LEYLAND FINANCE LIMITED (hereinafter referred to as "**HLFL**" or the "**Transferor Company**"), is an unlisted public company, incorporated under the provisions of the Companies Act, 1956 on 12th November, 2008 in the State of Tamil Nadu under CIN U65993TN2008PLC069837. The Transferor Company was permitted to commence operations as a non-banking financial company ("**NBFC**") under section 45 IA of the Reserve Bank of India Act, 1934, pursuant to a certificate issued by the Reserve Bank of India ("**RBI**") on March 22, 2010. The Transferor Company was originally classified as a systemically important non-deposit accepting non-banking financial company. The Transferor Company was subsequently granted the status of an NBFC-Asset Finance Company by the RBI pursuant to a certificate of registration received on May 12, 2014. The Registered office of the Transferor Company has been shifted from the State of Tamil Nadu to the State of Maharashtra and a fresh Certificate of Incorporation consequent upon such shifting of registered office was issued on 8th June, 2022. The registered office of the Transferor Company is situated at Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018. Subsequent to the shifting of Registered office, the updated CIN is U65993MH2008PLC384221.

The objects clause of the memorandum of association of the Transferor Company authorises the Transferor Company to carry on its business.

NXTDIGITAL LIMITED (hereinafter referred to as "**NDL**" or the "**Transferee Company**") was incorporated as a public limited company under the provisions of the Companies Act, 1956 on 18th July, 1985 in the name of "Mitesh Mercantile & Financing Limited" in the state of Maharashtra under CIN L51900MH1985PLC036896. The name of the Transferee Company was changed from "Mitesh Mercantile & Financing Limited" to "Hinduja Finance Corporation Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 31st March, 1995. The name of the Transferee Company was further changed from "Hinduja Finance Corporation Limited" to "Hinduja TMT Limited" and

a fresh Certificate of Incorporation consequent upon the change of name was issued on 8th June, 2001. The name of the Transferee Company was later changed from "Hinduja TMT Limited" to "Hinduja Ventures Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 23rd October, 2007. The name of the Transferee Company was later changed from "Hinduja Ventures Limited" to "NXTDIGITAL Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on October 25, 2019. The main object clause of Memorandum of Association of the Company has been altered and a fresh Certificate of Incorporation consequent upon the alteration of main object clause of Memorandum of Association of the Company was issued on October 27, 2022 to enable the Transferee Company to carry on business of financial services. Subsequent to such alteration of main object clause, the updated CIN is L65100MH1985PLC036896. The Registered Office of the Transferee Company is situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East) Mumbai - 400093. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The objects clause of the memorandum of association of the Transferee Company authorises the Transferee Company to carry on its business.

C. RATIONALE OF THE SCHEME

The Transferee Company is proposed to carry on the Financing and Investment Business and is obtaining a license from the Reserve Bank of India (RBI) to carry out business as a NBFC.

The proposed corporate restructuring mechanism by way of a scheme of merger by absorption is beneficial, advantageous and not prejudicial to the interest of the shareholders, creditors and other stakeholders. The proposed merger of Transferor Company into Transferee Company is in consonance with the global corporate restructuring practices which intends and seeks to achieve flexibility and integration of size, scale and financial strength. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stakeholders of respective companies, inter-alia, on account of the following reasons:

- a) Integration of business operations and enable the Transferee Company and provide significant impetus to its growth;
- b) Greater efficiency in cash management of the merged entity, and unfettered access to cash flow generated by the business which can be deployed more efficiently to fund growth opportunities;
- c) Garner the benefits arising out of economies of large scale and lower operating costs;
- d) Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs;
- e) Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost;
- f) Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets;
- g) Merger will result in increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;
- h) Merger shall result in efficient and focused management control and system.

There is no adverse effect of Scheme on the directors, key managerial personnel, shareholders, creditors, other security holders and employees of Transferor Company and Transferee Company. However, the

Board of the Transferor Company upon merger shall stand dissolved without prejudice to decisions, actions, taken by the Board of the Transferor Company. The Scheme would be in the best interest of all stakeholders

Due to the aforesaid rationale, it is considered desirable and expedient to enter into this Scheme for merger by absorption of Transferor Company with the Transferee Company, and in consideration thereof issue equity shares of the Transferee Company to the shareholders of Transferor Company in accordance with this Scheme.

D. PARTS OF THE SCHEME

The Scheme is divided into following parts:

PART I, which deals with the introduction and rationale of the Scheme;

PART II, which deals with the definitions and financial position of the Transferor Company and the Transferee Company;

PART III, which deals with the merger of the Transferor Company into the Transferee Company;

PART IV, which deals with the accounting treatment to the Transferor Company and the Transferee Company under this Scheme;

PART V, which deals with the general terms and conditions as applicable to this Scheme.

PART II

1. Definitions

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

- 1.1 “**Act**” means the Companies Act, 2013 including any statutory modifications, re-enactment rules, regulations, notifications, amendments or statutory replacement or re-enactment 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 April 01, 2022 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4 “**Board of Directors**” in relation to Transferor Company and/or Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.5 “**Effective Date**” means the date on which certified copies of the order passed by the National Company Law Tribunal (NCLT) is filed with the Registrar of Companies, Maharashtra at Mumbai.
- 1.6 “**Eligible Employees**” means the employees of the Transferor Company, who are entitled to the Transferor Company’s Employee Stock Option Plan 2013 (HLFSOP-2013) Option Scheme established by Transferor Company, to whom, as on the Effective Date, options of the Transferor Company have been granted, irrespective of whether the same are vested or not;
- 1.7 “**Exit Offer**” means an offer made to the dissenting holders of NCDs of the Transferor Company.

- 1.8 **“Encumbrance”** means: (a) any encumbrance including, without limitation, any claim, mortgage, negative lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, trust, guarantee, commitment, assignment by way of security, or other encumbrances or security interest of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any law, contract or otherwise, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (c) any adverse claim as to title, possession or use; and/or (d) any agreement, conditional or otherwise, to create any of the foregoing, and the term ‘encumber’ shall be construed accordingly.
- 1.9 **“Governmental Authority”** means any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction over any state or other sub-division thereof or any municipality, district or other sub-division thereof pursuant to Applicable Law;
- 1.10 **“NCDs”** means listed Non-Convertible Debentures issued by the Transferor Company.
- 1.11 **“New Equity Shares”** has the meaning given to it in Clause 6.1
- 1.12 **“Promoter(s)”** has the meaning given to it under Regulation 2(1)(oo) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 1.13 **“Record Date”** means the date to be fixed by the Board of Directors of the Transferor Company after mutual agreement on the same between the Transferor Company and the Transferee Company, for the purpose of determining the shareholders of the Transferor Company to whom the equity shares will be allotted pursuant to this Scheme.
- 1.14 **“Registrar of Companies”** or **“RoC”** means the Registrar of Companies, having jurisdiction over the Transferor Company and the Transferee Company respectively;
- 1.15 **“Scheme”** means this Scheme of Merger by Absorption in its present form submitted to the NCLT for sanction or with any modification(s) made under Clause 19 of this Scheme and/or any modification(s) approved or imposed or directed by the NCLT.
- 1.16 **“SEBI Merger Circulars”** means, together (a) circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017; (b) circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017; (c) circular no. CFD/DILE/CIR/2017/105 dated 21 September 2017; (d) circular no. CFD/DIL3/CIR/2018/2 dated 3 January 2018; (e) circular no. SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated 12 September 2019; (f) circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated 3 November 2020; (g) circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657 dated 16 November 2021; (h) circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/ 0000000659 dated 18 November 2021; (i) circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/156 dated 17 November 2022, as amended from time to time.
- 1.17 **“Share Exchange Ratio”** has the meaning given to it in Clause 6.1.
- 1.18 **“Stock Exchanges”** means BSE Limited (**“BSE”**) and National Stock Exchange of India Limited (**“NSE”**), as the case may be.

- 1.19 “**Transferee Company** or “**NDL**” means NxtDigital Limited, a company incorporated under the Companies Act, 1956, and having its registered office situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East) Mumbai – 400093.
- 1.20 “**Transferor Company** or “**HLFL**” means Hinduja Leyland Finance Limited, a company incorporated under the Companies Act, 1956, having its registered office situated at Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai – 400018.
- 1.21 “**Transferor Company Option Scheme**” has the meaning given to it in Clause 7.1.
- 1.22 “**Transferee Company Option Scheme**” has the meaning given to it in Clause 7.1.
- 1.23 “**Tribunal**” or “**NCLT**” or “**Competent Authority**” means the National Company Law Tribunal constituted under Section 408 of the Act.

Any word or expression used and not defined in the Scheme but defined in the Act shall have meaning respectively assigned to them in the Act.

The word “person” includes an Individual, Partnership Firm, Limited Liability Partnership, Company (as defined in Section 2(20) of the Companies Act, 2013), a Body Corporate as defined in Section 2(11) of the Companies Act, 2013, a co-operative society and any Body or Organization of Individuals or Persons whether Incorporated or not.

Reference in this Scheme to any Deed, Document, and Writing or to any Statute shall include any modification or re-enactment thereof.

2. Share Capital

- 2.1 The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on November 25, 2022 was as under:

Hinduja Leyland Finance Limited (Transferor Company)

Hinduja Leyland Finance Limited	
Particulars	Amount in Rs.
Authorized Share Capital	
62,29,07,700 Equity Shares of Rs.10 each	6,22,90,77,000
Total	6,22,90,77,000]
Issued, Subscribed and Paid-up	
53,50,17,990 Equity Shares of Rs.10 each	5,35,01,79,900
Total	5,35,01,79,900

Subsequent to the above date and till the date of filing the Scheme with the Tribunal, there has been no change in the issued, subscribed and paid-up capital of the Transferor Company.

The equity shares of the Transferor Company are not listed on any stock exchange.

- 2.2 The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on November 25, 2022 was as under:

NXTDIGITAL Limited (Transferee Company)

NXTDIGITAL Limited	
Particulars	Amount in Rs
Authorized Share Capital	
870,00,000 equity shares of Rs 10 each	87,00,00,000
30,00,000 preference shares of Rs 10 each	3,00,00,000
1,000 9.50% Preference shares of Rs 100 each	1,00,000
Total	90,01,00,000
Issued, Subscribed, Called-up and Paid-up Capital	
33,671,621 equity shares of Rs. 10 each	336716210
Total	336,716,210

Subsequent to the above date and till the date of filing the Scheme with the Tribunal, there has been no change in the issued, subscribed and paid-up capital of the Transferee Company.

The equity shares of the Transferee Company are listed on the BSE and the NSE.

3. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEE COMPANY

- 3.1 With effect from the Appointed Date and upon this Scheme becoming effective, the Transferor Company along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 to 232 of the Act, the Income-Tax Act, 1961 and Applicable Law(s) if any, in accordance with the provisions contained herein.
- 3.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:
- 3.2.1 all assets of the Transferor Company, that are movable in nature or incorporeal/intangible property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordable of whatsoever nature, including plant and machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferor Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordable, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- 3.2.2 all other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any

further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Transferor Company and all the rights, title and interest of the Transferor Company in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company;

- 3.2.3 all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid 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 relevant authorities shall grant all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. 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 Governmental Authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
- 3.2.4 for the avoidance of doubt and without prejudice to the generality of Clause 3.2.3 above and Clause 3.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Transferor Company and/or the Transferee Company shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant sub-registrar or similar registering authority having jurisdiction over the location of such immovable property and shall also 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 3.2.3 above and Clause 3.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 3.2.5 notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings located outside the States/territory where registered office address of the parties is situated as on the Effective Date, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Company and/or the Transferee Company, whether before or after the Effective Date, as the case may be, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 3.2.6 the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same;
- 3.2.7 all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to any liability, shall, after the Effective Date, without any further

act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and s are transferred to the Transferee Company. Provided that if any assets of the Transferor Company have not been Encumbered in respect of the liabilities, 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 secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

- 3.2.8 all estate, assets, rights, title, claims, 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, of whatsoever nature and wherever situate, which are acquired by the Transferor Company on or prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company;
- 3.2.9 all contracts, agreements, licences, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements, insurance policies, and other instruments to which the Transferor Company is a party, or to the benefit of which, the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor 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 Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company;
- 3.2.10 any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the merger of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented;
- 3.2.11 all the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of the Transferor Company for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall,

upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

- 3.2.12 all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured (including rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Transferor Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent, liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company prior to the Effective Date, and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act (without any further act, instrument or deed), stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;
- 3.2.13 all bonds, notes or other securities of the Transferor Company whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company. In addition, the Board of Directors of the Transferee Company, shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to list the various bonds, infrastructure bonds and/or other securities on the relevant exchanges. It is hereby clarified that 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 debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- 3.2.14 the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee 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 and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after Effective Date;
- 3.2.15 all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes;
- 3.2.16 all the staff and employees of the Transferor Company who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their services and on the same terms and

conditions (and which are not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous;

- 3.2.17 with regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund superannuation fund trusts created by the Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees of the Transferor Company transferred to the Transferee Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to : (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge the pre-existing fund of the Transferor Company with other similar funds of the Transferee Company;
- 3.2.18 the Transferee Company agrees that for the purpose of payment, if any, of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Transferor Company, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- 3.2.19 all trademarks, trade names, service marks, copyrights, logos, corporate names and brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company, as per the terms agreed between the parties;
- 3.2.20 all registrations, goodwill and licenses, appertaining to the Transferor Company, if any, shall transferred to and vested in the Transferee Company;
- 3.2.21 all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, brought forward book losses, credits, 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;

- 3.2.22 all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, non-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions (including but not limited to permissions granted in relation to launch futures and options contracts) and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 3.2.23 benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company;
- 3.2.24 all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records;
- 3.2.25 all public deposits, debentures or bonds of the Transferor Company shall be distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company;
- 3.2.26 all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company 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;
- 3.2.27 without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, management agreements, etc., as the case may be, to which the Transferor Company is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license

agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company in any properties including leasehold/licensed properties of the Transferor Company including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder.

- 3.2.28 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 Transferor Company and 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; and
- 3.2.29 for the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, 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.
- 3.3 It is hereby clarified that any kind of liabilities of the Transferee Company will not devolve upon the Transferor Company.
- 3.4 The Transferor Company and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 3.5 The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 3.6 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Company into the Transferee Company by virtue of Part III of the 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company. The Transferee Company will, if necessary, also be a party to the above.

4. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 4.1 With effect from the Appointed Date and upto and including the Effective Date:
- 4.1.1 the Transferor Company shall be deemed to have been carrying on and shall carry on all business and activities relating to the Undertaking of the Transferor Company and stand possessed of the properties so to be transferred, for and on account of and in trust for the Transferee Company, investment in subsidiaries/other companies, if any and payment of advance income tax and subsequent installments of income tax, sales tax, excise and other statutory levies, etc.;
 - 4.1.2 all incomes, profits, benefits and incentives accruing to the Transferor Company or losses arising or incurred by it relating to the Undertaking of the Transferor Company shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of the Transferee Company;
 - 4.1.3 the Transferee Company shall have the right to claim refund of payment of the taxes arising on account of transactions entered into between the Transferor Company and the Transferee Company between the Appointed Date and the Effective Date.
- 4.2 The Transferor Company hereby undertake, from the Appointed Date up to and including the Effective Date –
- 4.2.1 to carry on the business of the Undertaking of the Transferor Company with reasonable diligence and business prudence and not to borrow alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof, or to undertake any new business or a substantial expansion of its existing business except with the prior written consent of the Transferee Company.
 - 4.2.2 not to utilize the profits, if any, relating to the Undertaking of the Transferor Company for the purposes of declaring or paying any dividend in respect of the period falling on and after the Appointed day without obtaining prior approval of the Transferee Company.

5. ALTERATIONS/AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TRANSFEEE COMPANY:

With respect to the Transferee Company, upon the Scheme being effective:

- 5.1 Upon the occurrence of the last of the dates on which the certified copy of the order of the NCLT at Mumbai, is filed with the relevant Registrar of Companies, Mumbai the name of Transferee Company shall be deemed to have been changed from “NXTDIGITAL LIMITED” to “HINDUJA LEYLAND FINANCE LIMITED” or such other alternate name as may be permitted by the Registrar of Companies, Mumbai in accordance with relevant provisions of the Act.
- 5.2 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company being amounting to Rs. 6,22,90,77,000/- comprising of 62,29,07,700 equity shares of Rs. 10/- each. Hence, the authorized share capital of the Transferee Company shall amount to Rs. 7,12,91,77,000/- comprising of 70,99,07,700 equity shares of Rs. 10/- each; 30,00,000 preference shares of Rs. 10/- each and 1,000 9.50% preference shares of Rs. 100/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as

the case may be and for this purpose the stamp duty and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by Transferee Company for increase in the authorized share capital to that extent.

- 5.3 Upon sanction of the Scheme, additionally, Transferee Company shall and to the extent required, increase its authorized capital from Rs. 7,12,91,77,000/- (Rupees seven hundred and twelve crores ninety-one lakhs seventy-seven thousand only) comprising of 70,99,07,700 equity shares of Rs. 10/- each; 30,00,000 preference shares of Rs. 10/- each and 1,000 9.50% preference shares of Rs. 100/- each to Rs. 14,03,01,00,000/- (Rupees one thousand four hundred three crore and one lakh only) comprising of 140,00,00,000 equity shares of Rs. 10 each; 30,00,000 preference shares of Rs. 10/- each and 1,000 9.50% preference shares of Rs. 100/- each.
- 5.4 Consequent upon the Scheme becoming effective, the authorised share capital of the Transferee Company will be as under:

Particulars	Amount in Rupees
Authorised Capital	
140,00,00,000 Equity Shares of Rs. 10/- each	14,00,00,00,000
30,00,000 preference shares of Rs. 10/- each	3,00,00,000
1,000 9.50% preference shares of Rs. 100	100,000
Total	1403,01,00,000

- 5.5 It is hereby clarified that the consent of the shareholders of Transferee Company to this Scheme shall be deemed to be sufficient for the purpose of effecting the aforementioned amendment and that no further resolution under Section 13 or Section 61 or 64 or any other applicable provisions of the Act, would be required to be separately passed.
- 5.6 With effect from the Appointed Date, without following any further procedure, the Transferee Company shall be deemed to be authorized to commence such business as laid down in the Main and Object Clauses of the Memorandum of Association of the Transferor Company.

6. CONSIDERATION

- 6.1 Upon coming into effect of this Scheme and in consideration of the merger of Transferor Company in the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company), in the following manner:

“25 equity shares of the face value INR 10 each of NDL shall be issued and allotted as fully paid up for every 10 equity shares of the face value of INR 10 each fully paid up held in HLFL.” (“Share Exchange Ratio”)

The Transferee Company Shares to be issued by the Transferee Company to shareholders of the Transferor Company in accordance with this Clause 6.1 shall be hereinafter referred to as **“New Equity Shares”**

- 6.2 If any equity shareholders of the Transferor Company becomes entitled to a fractional equity share to

be issued by the Transferee Company pursuant to Clause 6.1 above, the Transferee Company shall not issue fractional equity shares to such shareholders of the Transferor Company, but shall consolidate all such fractional entitlements of all equity shareholders of the Transferor Company and the Board of the Transferee Company shall, without any further act, instrument or deed, issue and allot such Equity shares that represent the consolidated fractional entitlements to a trustee nominated by the Board of the Transferee Company ("Trustee") and the Trustee shall hold Equity shares, with all additions or accretions thereto, in trust for the benefit of the equity shareholders of the Transferor Company who are entitled to the fractional entitlements for the specific purpose of selling such Equity shares in the market within a period of 90 (ninety) days from the date of allotment of shares and on such sale, distribute to the equity shareholders in proportion to their respective fractional entitlements, the net sale proceeds of such Equity Shares (after deduction of applicable taxes and costs incurred and subject to the withholding tax, if any). It is clarified that any such distribution shall take place only after the sale of all the Equity Shares of the Transferee Company that were issued and allotted to the Trustee pursuant to this Clause 6.2.

- 6.3 The New Equity Shares shall be issued and allotted in dematerialized form to the equity shareholders of Transferor Company.
- 6.4 The New Equity Shares to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* with the existing equity shares of Transferee Company in all respects including dividends.
- 6.5 The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of New Equity Shares pursuant to Clause 6.1 of the Scheme.
- 6.6 Transferee Company's Equity Shares to be issued and allotted to the equity shareholders of Transferor Company pursuant to Clause 6.1 of this Scheme will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of Transferee Company are listed and/or admitted to trading. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 6.7 In the event of there being any pending share transfers with respect to the application lodged for transfer by any shareholder of Transferor Company, the Board of Directors or any committee thereof of Transferor Company if in existence, or failing which the Board of Directors or any committee thereof of Transferee Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Transferor Company and in relation to the Transferor Company Equity Shares after the Scheme becomes effective.
- 6.8 New Equity Shares to be issued and allotted by Transferee Company to the equity shareholders of Transferor Company pursuant to Clause 6.1 of this Scheme, in respect of any equity shares in Transferor Company which are held in abeyance under the provisions of Section 126 of the Act, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by Transferor Company.
- 6.9 Approval of this Scheme by the equity shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 61 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares by Transferee Company, as provided in this Scheme.
- 6.10 The approval of this Scheme by the equity shareholders of Transferee Company under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 14, 42, 62 and 188 and any

other applicable provisions of the Act and any other consents and approvals required in this regard.

7. EMPLOYEE STOCK OPTION PLAN

- 7.1 With respect to the stock options granted by the Transferor Company under the employees stock options scheme of the Transferor Company, titled Hinduja Leyland Finance Stock Option Plan - 2013 (the "Transferor Company Option Scheme"), upon coming into effect of this Scheme, the Transferee Company shall issue stock options to Eligible Employees taking into account the Share Exchange Ratio and on the same terms and conditions as (and which are not less favourable than those) provided in the Transferor Company Option Scheme. Such stock options may be issued by the Transferee Company either under its existing stock option scheme or a revised employee stock option scheme ("Transferee Company Option Scheme").
- 7.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Transferor Company under the Transferor Company Option Scheme shall automatically stand cancelled. Further, upon this Scheme becoming effective and after cancellation of the options granted under the Transferor Company Option Scheme, the fresh options shall be granted by the Transferee Company to the Eligible Employees on the basis of the Share Exchange Ratio (i.e., for every ten (10) options held by an Eligible Employee which entitle such Eligible Employee to acquire ten (10) equity shares in the Transferor Company, such Eligible Employee will be conferred twenty-five (25) options in the Transferee Company which shall entitle him to acquire twenty-five (25) equity shares in the Transferee Company), such that the Eligible Employees shall, as option holders of the Transferee Company, enjoy the same economic benefit as they would have received under the Transferor Company Option Scheme. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Transferee Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Transferor Company Option Scheme as adjusted after taking into account the effect of the Share Exchange Ratio.
- 7.3 On the Effective Date, the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended to-date, shall apply, to the extent applicable, to the stock options granted by the Transferee Company under the Transferee Company Option Scheme in pursuance of this Scheme.
- 7.4 The approval granted to the Scheme by the shareholders, and/or any other regulatory authority shall be deemed to be approval granted to any modifications made to the Transferor Company Option Scheme by the Transferor Company and approval granted to the Transferee Company Option Scheme to be adopted by the Transferee Company.
- 7.5 It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferor Company Option Scheme or the Transferee Company Option Scheme, as the case may be.
- 7.6 The Board of Directors of the parties or any of the committee(s) thereof, including the compensation committee (by whatever name called), if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

8. CLASSIFICATION OF PROMOTERS OF THE TRANSFEROR COMPANY IN THE TRANSFEE COMPANY

- 8.1 Upon the Scheme becoming effective, and in addition to the existing promoters of the Transferee Company, Ashok Leyland Limited, will be classified as the `Promoter` of the Transferee Company and Ashok Leyland Limited shall hold 58.93% shareholding in the Transferee Company.

9. APPOINTMENT OF DIRECTORS ON THE BOARD OF THE TRANSFEEE COMPANY

- 9.1 Upon the Scheme finally coming into effect, the Directors of the Transferor Company shall cease to be the Directors of the Transferor Company and revised constitution of the Board of the Transferee Company will be in compliance with the applicable regulatory requirements.

10. TRANSFEROR COMPANY STAFF AND EMPLOYEES

On and from the Effective Date:

- 10.1 All employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date.
- 10.2 The accumulated balances standing to the credit of the employees of the Transferor Company on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Company shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

11. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS:

- 11.1 Subject to other provisions of this Scheme, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking of the Transferor Company done and executed by and/or on behalf of the Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.
- 11.2 Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, leases, insurance policies and other instrument of whatsoever nature relating to the Undertaking of the Transferor Company to which the Transferor Company is a party and subsisting or having effect on or before the Effective date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.
- 11.3 On this Scheme finally taking effect as aforesaid:
- 11.3.1 All the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various Central/ State Governments, statutory or regulatory body or agencies or third parties with respect to the Transferor Company shall, without any further act, deed, matter or thing, stand transferred to and vested in the Transferee Company.
- 11.3.2 All business activities engaged in by the Transferor Company shall be continued by the Transferee Company; and
- 11.3.3 The Transferor Company shall stand dissolved without any further act, instrument or deed.

12. LEGAL PROCEEDINGS:

- 12.1 If any suit, writ petition, appeal, revision or other proceedings of whatsoever nature (hereinafter called

the "Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

PART IV

13. ACCOUNTING TREATMENT:

- 13.1 Notwithstanding anything to the contrary herein, upon the scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account in accordance with the accounting principles as laid down in the Indian Accounting Standard 103 (Business Combinations) (Accounting Standard – 14), notified under section 133 of the Act read with companies (Indian accounting standards) rules 2015 or any other relevant or related requirement under the Act as applicable on the effective date, including but not restricted to recognition of all assets and liabilities of the Transferor Company and their respective fair values, accounting for consideration paid / payable at fair value, cancellation of inter-company balances and shares / securities held by the Transferee Company in the Transferor Company, if any and accounting for residual goodwill or capital reserve.
- 13.2 As the Transferor Company shall stand dissolved without being wound up upon this Scheme coming into effect, there shall be no accounting treatment in the books of accounts of the Transferor Company.

14. TAX TREATMENT:

The merger of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961 and Section 47 of Income Tax Act, 1961.

- 14.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, any other State Sales Tax/ Value Added Tax laws, Service Tax, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST) etc.), stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent, not provided for or covered by tax provision in the accounts made, as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 14.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, CGST, SGST, IGST, etc.) paid or payable by the Transferor Company in respect of the operations and / or the profits of the business, on and from the Appointed Date, shall be on account of Transferee Company and, insofar as it relates to the tax payment (including without limitation to income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, CGST, SGST, IGST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by Transferee Company and, shall, in all proceedings, be dealt with accordingly.
- 14.3 Any refund under the Tax Laws received by / due to Transferor Company consequent to the assessments made on Transferor Company subsequent to the Appointed Date pertaining to the business transferred and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received by Transferee Company.
- 14.4 Without prejudice to the generality of the above, all benefits under the income tax including dividend

tax, sales tax, MAT Credit, carry forward and set-off of book losses and book depreciation, excise duty, customs duty, service tax, VAT, CGST, SGST, IGST, etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Transferee Company.

15. TERMS OF NCDs

- 15.1 On the scheme being effective, the terms of the NCDs of the debenture holders shall continue to subsist and shall be taken over by the Transferee Company. The terms of NCDs has been provided in Annexure – 1.

16. SAFEGUARDS FOR THE PROTECTION OF HOLDERS OF NCDS

- 16.1 The Transferor Company and the Transferee Company shall comply with all the SEBI Regulations in relation to protection of NCD holders.

17. EXIT OFFER TO DISSENTING NCD HOLDER

- 17.1 Exit offer for the dissenting NCD holders will be guided by the respective information memorandum.

PART V

18. APPLICATION TO THE COMPETENT AUTHORITY

- 18.1 The Transferor Company and Transferee Company shall make necessary applications / petitions under Sections 230 to 232 and other applicable provisions of the Act to the Competent Authority for sanction of this scheme.
- 18.2 On the scheme being agreed to by the requisite majorities of the classes of the members and/or creditors and /or debenture holders of the Transferor Company and the Transferee Company, whether at a meeting or otherwise, as directed by the Competent Authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the Competent Authority for sanctioning the scheme under Sections 230 to 232 and all other applicable provisions of the Act, and for such other order or orders, as the said Competent Authority may deem fit for bringing this Scheme into force

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 19.1 The Transferor Company and the Transferee Company may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Competent Authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Companies). In the event that any conditions are imposed by the Competent Authority which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.
- 19.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

20. DIVIDENDS

- 20.1 The parties shall be entitled to declare and pay dividends, whether interim and/or final, to their

respective shareholders prior to the Effective Date, but only in the ordinary course of business.

- 20.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the parties to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the parties, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective parties.

21. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon:

- 21.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 and Regulation 59A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- 21.2 obtaining prior approval from the Reserve Bank of India for transfer of NBFC business of the Transferor Company;
- 21.3 The receipt of License / Certificate of Registration by Transferee Company to operate as a NBFC from the Reserve Bank of India;
- 21.4 Any other sanction or approval of any Governmental Authority or regulatory authority, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

22. EFFECTIVE DATE OF THE SCHEME

- 22.1 This Scheme shall become effective when all the following conditions are fulfilled:
- 22.1.1 The Scheme being approved by the requisite majority of the shareholders of the Transferor Company and the Transferee Company as may be required under the Act and/or the orders of the Competent Authority;
- 22.1.2 The Scheme is sanctioned by the said NCLT under Section 230 to 232 of the Act;
- 22.1.3 The certified copy of the order of the said NCLT sanctioning the Scheme is filed with the RoC.
- 22.2 In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any one of them. In such a case, each company shall bear its own cost or as may be mutually agreed.
- 22.3 The Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed through the respective Board of Directors of the Transferor Company and the Transferee Company. In such a case, each company shall bear its own cost or as may be mutually agreed.

23. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

24. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved any further act,

instrument or deed.

25. THIS SCHEME RENDERED NULL AND VOID

- 25.1 This Scheme although comes into operation from the Appointed Date shall not become effective until the last of the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 21 and Clause 22 shall be obtained or passed. The last of such dates shall be the "Effective Date" for the purpose of this Scheme.
- 25.2 In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any one of them.
- 25.3 In the event the Board of Directors of the Transferor Company and the Transferee Company, either through itself or through a committee appointed in this behalf, agree to proceed with the sanctioning of the Scheme in part, the Transferor Company and the Transferee Company shall proceed with the Order of the Competent Authority for sanctioning of the Scheme in part.

26. EXPENSES CONNECTED WITH THE SCHEME

- 26.1 Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Transferee Company.
- 26.2 In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Company and the Transferee Company, or the Scheme is rendered null and void in terms of Clause 25 above of this Scheme then, the Transferor Company and Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

27. VALIDITY OF EXISTING RESOLUTIONS

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

28. RESIDUAL PROVISIONS

- 28.1 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of Applicable Law at a later date, whether as a result of any amendment of Applicable law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the Applicable Law shall prevail. Subject to obtaining the sanction of the Competent Authority, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the Competent Authority, if necessary, vest with the Board of Directors of the parties, which power shall be exercised reasonably in the best interests of the parties and their respective shareholders.

- 28.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 28.3 Upon this Scheme becoming effective, the Transferee Company shall be entitled to operate and utilize all bank accounts, cash and deposits relating to the Transferor Company. Realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferor Company to the extent necessary.
- 28.4 Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Transferor Company until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.
- 28.5 Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom of the Transferor Company re transferred, vested, recorded, effected and/or perfected, in the records of any Governmental Authority, regulatory bodies or otherwise, in favour of the Transferee Company, the Transferee Company, is deemed to be authorised to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or s if it were the original party to the license, approval, permission, contract or agreement.
- 28.6 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make all applications / petitions under Sections 230 and 232 and other applicable provisions of the Act to the Tribunal for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.
- 28.7 The respective Board of Directors of the Transferor Company and the Transferee Company may empower any Committee of Directors or Officer(s) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.
- 28.8 If any part of this Scheme is invalid, ruled illegal by any Tribunal or authority of competent jurisdiction or unenforceable under the present or future laws, 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 any party, in which case the parties 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.
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Annexure – 1
Terms of NCDs

S No	Date of allotment	Maturity date of NCD	Terms of redemption	Interest rate per annum	Interest payment frequency	Face value per unit	Units	Amount outstanding as on 30th September 2022 and as on current date	Redemption premium/discount	Credit Rating	Other terms of instruments	Other embedded features/early redemption scenarios, if any
1	5-Jun-20	2-Jun-23	On maturity	9.25%	Annual	10,00,000	2,000	2,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
2	15-Dec-20	15-Dec-23	On maturity	8.50%	Annual	10,00,000	2,000	2,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
3	30-Dec-20	28-Jun-23	On maturity	8.00%	Bullet	10,00,000	550	55,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
4	14-May-21	14-Feb-23	On maturity	7.95%	Annual	10,00,000	2,500	2,50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
5	25-May-21	24-Nov-23	On maturity	7.80%	Bullet	10,00,000	1,250	1,25,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
6	29-Sep-21	29-Dec-23	On maturity	7.80%	Annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
7	2-Nov-21	29-Dec-23	On maturity	7.80%	Annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
8	8-Mar-22	8-Mar-24	On maturity	7.45%	Annual	10,00,000	2,000	2,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
9	28-Aug-17	28-Aug-24	On maturity	9.40%	Annual	10,00,000	1,000	1,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
10	13-Sep-17	13-Sep-24	On maturity	9.20%	Annual	10,00,000	1,000	1,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
11	27-Mar-18	27-Mar-25	On maturity	10.15%	Annual	10,00,000	1,000	1,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
12	28-Mar-18	28-Sep-23	On maturity	9.50%	Semi-annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
13	18-Sep-18	17-Sep-24	On maturity	9.70%	Bullet	10,00,000	1,500	1,50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
14	29-Mar-19	29-Sep-24	On maturity	11.60%	Annual	10,00,000	1,000	1,00,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
15	16-Feb-21	18-Aug-26	On maturity	9.75%	Annual	10,00,000	450	45,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
16	8-Mar-21	8-Oct-26	On maturity	9.75%	Annual	10,00,000	550	55,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
17	19-Mar-21	18-Sep-26	On maturity	9.75%	Annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
18	26-Mar-21	25-Sep-26	On maturity	9.75%	Annual	10,00,000	750	75,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
19	22-Apr-21	21-Apr-28	On maturity	9.75%	Annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable
20	30-Apr-21	8-Oct-26	On maturity	9.75%	Annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable

S No	Date of allotment	Maturity date of NCD	Terms of redemption	Interest rate per annum	Interest payment frequency	Face value per unit	Units	Amount outstanding as on 30th September 2022 and as on current date	Redemption premium/discount	Credit Rating	Other terms of instruments	Other embedded features/early redemption scenarios, if any
21	19-Jul-21	19-Jan-27	On maturity	9.70%	Annual	10,00,000	500	50,00,00,000	Not Applicable	AA-	Not Applicable	Not Applicable