

ADIDAS INDIA MARKETING PRIVATE LIMITED**CIN: U74899HR1995PTC114816**Regd. Office: Plot No.-53, Sector-32, Institutional Area, Gurugram - 122001,
HaryanaPhone No. 0124-7169100, Email ID: megha.sharma@adidas.com**NOTICE OF MEETING OF UNSECURED CREDITORS OF ADIDAS INDIA MARKETING PRIVATE LIMITED SCHEDULED TO BE HELD THROUGH VIDEO CONFERENCING PURSUANT TO ORDER DATED 07th JUNE 2024 PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH AT CHANDIGARH.**

Day	Saturday	
Date	27 th July 2024	
Time	10:00 A.M. (IST)	
Venue	Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/ applicable.	
Schedule of remote e-voting	Commencement of remote e-	Tuesday, 23 rd July 2024 at 10:00 A.M. (IST)
	End of remote e-voting	Friday, 26 th July 2024 at 05:00 P.M. (IST)

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FORM NO. CAA.2

[Pursuant to Section 230(3) and Rule 6 and
7] BEFORE THE NATIONAL COMPANY LAW
TRIBUNAL,
CHANDIGARH BENCH, AT CHANDIGARH
COMPANY APPLICATION CA (CAA) NO. 3/CHD/HRY/2024

IN THE MATTER OF SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

BETWEEN:

1. **ADIDAS INDIA PRIVATE LIMITED**

(CIN: U19201HR1996PTC114728)

HAVING ITS REGISTERED OFFICE AT Plot No.-53, Sector-
32, Institutional Area, Gurugram - 122001, Haryana.

..... **APPLICANT COMPANY NO. 1/ TRANSFEROR
COMPANY**

WITH

2. **ADIDAS INDIA MARKETING PRIVATE LIMITED**

(CIN: U74899HR1995PTC114816)

HAVING ITS REGISTERED OFFICE AT Plot No.-53, Sector-32,
Institutional Area, Gurugram - 122001, Haryana.

..... **APPLICANT COMPANY NO. 2/ TRANSFEEE
COMPANY**



NOTICE OF THE MEETING OF UNSECURED CREDITORS OF ADIDAS INDIA MARKETING PRIVATE LIMITED

To,

The Unsecured Creditors of Adidas India Marketing Private Limited

NOTICE is hereby given that by an Order dated 07th June 2024 (“Order”), the Hon’ble National Company Law Tribunal, Chandigarh Bench at Chandigarh (“Hon’ble NCLT”) has directed a meeting to be held of the Unsecured Creditors of Adidas India Marketing Private Limited for the purpose of considering, and if though fit, approving with requisite majority as prescribed under Sections 230 to 232 of the Companies Act, 2013, the arrangement embodied in the Scheme of Amalgamation (“Scheme”) between Adidas India Private Limited (“Transferor Company”) with Adidas India Marketing Private Limited (“Transferee Company”) and with their respective shareholders.

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Unsecured Creditors of Adidas India Marketing Private Limited will be held on Saturday, the 27th July 2024 at 10:00 A.M. (IST), and the Unsecured Creditors are requested to attend the meeting through Video Conferencing (“VC”), and if thought fit, to pass the following resolution:

APPROVAL OF THE SCHEME OF AMALGAMATION

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (the said “Act”) and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and all other applicable provisions, if any, of the said Act and rules or any other rules issued and applicable in this regard, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and rules for the time being in force and subject to such other consents, permissions, approvals, as may be necessary, approval of Unsecured Creditors of the Company be and is hereby accorded to the Scheme of Amalgamation (the said “Scheme”), as circulated, with effect from 01st April 2023 (hereinafter called as “Appointed Date”) or such other date as may be decided by the Hon’ble National Company Law Tribunal, Chandigarh Bench at Chandigarh (“Hon’ble NCLT”) or any other relevant authority having jurisdiction to approve the said Scheme.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the composite arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble NCLT, while sanctioning the Scheme, or by any other authorities under applicable law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board of Directors may deem fit and proper.”

Copies of the said Scheme of Amalgamation, the statement under Section 230(3), report as per Section 232 (2)(c) of the Act, Audited Account Statements as on 31st March 2023 and Provisional Account Statements as on 30th September 2023 and all other documents as required under the Act are annexed along with this notice and can also be obtained free of charge from the Registered Office of the Companies or from the office of AKS Partners, Legal Representatives of the Applicant Companies at Building No. G-16, Saket, New Delhi-110017 or from the office



of Mr. Abhinav Sood, Counsel for the Applicant Companies at # 17, Sector-2, Chandigarh, on all working days during working hours of the Company between 11:00 A.M. (IST) to 2:00 P.M. (IST) up to the date of this meeting.

Facility of remote e-voting will be made available during the prescribed time period before the meeting. Accordingly, Unsecured Creditors can vote through remote electronic means (without attending the meeting) instead of voting in the Unsecured Creditors' meeting. The facility for e-voting shall also be made available at the meeting and Creditors attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Hon'ble NCLT, has appointed Mr. Akshay Bhan, Senior Advocate as Chairperson, Ms. Deepika Bedi, Advocate as Alternate Chairperson and Mr. Nikhil Sachdeva, Chartered Accountant (CA) as Scrutinizer for the said meeting of Unsecured Creditors of Adidas India Marketing Private Limited, the Transferee Company.

The Scheme, if approved at the meeting, will be subject to the subsequent approval of the Hon'ble NCLT.

By the Order dated 07th June 2024 of the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh.

For and on behalf of Adidas India Marketing Private Limited



Megha Sharma
Sd/
(Megha Sharma)
Company Secretary

Date: 21-06-2024

Place: Gurugram

NOTES :

1. Only Unsecured Creditors of the Company as on 29th February, 2024 may attend and vote (either in person or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) through Video Conferencing at the Unsecured Creditors' meeting and vote through e-voting system.
2. The Authorized Representative of a body corporate which is the Unsecured Creditor of the Company as on 29th February, 2024 may attend and vote at the Unsecured Creditors' meeting through Video Conferencing, provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Unsecured Creditors' meeting is emailed to the Scrutinizer at nikhilsachdeva.ca@gmail.com with a copy marked to sunali.ahluwalia@adidas.com or otherwise deposited at the Registered Office of the Company not later than 48 hours before the meeting. The Unsecured Creditors shall be entitled to avail the facility of remote e-voting and will be entitled to attend and vote in the meeting through Video Conferencing. The schedule for remote e-voting will be as per the following details:

Commencement of remote e-voting	Tuesday, 23 rd July 2024 at 10:00 A.M. (IST)
End of remote e-voting	Friday, 26 th July 2024 at 05:00 P.M. (IST)

The facility for e-voting shall also be made available at the meeting and creditors attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

3. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the "Act") read with Section 230(3) and 232(2) of the said Act and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 setting- out the material facts/details with respect to Scheme, as required under the law, is annexed hereto.
4. Unsecured Creditors attending the meeting through Video Conferencing shall be counted for the purpose of reckoning the quorum. The Hon'ble NCLT has appointed Chairperson, Alternate Chairperson and Scrutinizer for the aforesaid meeting to ensure e-voting process in a fair and transparent manner.
5. Notice is being sent to the Unsecured Creditors whose names appear in the books of account of the Company as on 29th February 2024.
6. Notice of the meeting, Explanatory Statement and other documents are available for inspection as per the instructions mentioned in the Explanatory Statement.
7. Notice convening the meeting of Unsecured Creditors through Video Conferencing, indicating the day, date and time as aforesaid will be published through advertisement in the newspapers, namely "Financial Express (English)" and "Jansatta" (Hindi), both in Delhi-NCR Edition.
8. The deemed venue of the meeting shall be Registered Office of Adidas India Marketing Private Limited, the Transferee Company.
9. Instructions for voting through electronic means including remote e-voting and attending the meeting through Video Conferencing are given below:

The remote e-voting period begins on Tuesday, 23rd July 2024 at 10:00 A.M. (IST) and ends on Friday, 26th July 2024 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Unsecured Creditors, whose names appear in the creditors list as on 29th February 2024, may cast their vote electronically. The voting right of creditors shall be in proportion to their respective amount.
10. In case of any query or grievance pertaining to e-voting, Creditors may contact megha.sharma@adidas.com.



Further, Creditors may also contact with vivek.tyagi@adidas.com.

LOGIN METHOD FOR CREDITORS:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member/ Creditor' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. **Your Login id and password details casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the unique id mentioned above or the first time the system will ask to reset your password.**
5. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
6. Now, you will have to click on "Login" button.
7. After you click on the "Login" button, Home page of e-Voting will open.
8. You will be able to see the EVEN no. of the company.
9. Click on "EVEN" of company to cast your vote.
10. Now you are ready for e-Voting as the Voting page opens.
11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and also "Confirm" when prompted.
12. Upon confirmation, the message "Vote cast successfully" will be displayed.
13. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
14. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
15. If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 022 - 48867000 / 022 – 24997000 or contact on email id evoting@nsdl.co.in

Note:

- 1) Only those Creditors, who will be present in the Unsecured Creditors meeting through VC/ OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Unsecured Creditors Meeting.



Instructions for Unsecured Creditors for attending the Unsecured Creditors Meeting through VC/OAVM are as under:

Unsecured Creditors will be provided with a facility to attend the Unsecured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Unsecured Creditors may access the same at <https://www.evoting.nsdl.com> under shareholder / member / creditors login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / member/ creditors login where the EVEN of Company will be displayed.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECTION 230(3) AND 232(2) OF THE SAID ACT AND RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND OTHER APPLICABLE PROVISIONS.

The Scheme of Amalgamation is presented for the Adidas India Private Limited (the “**Transferor Company**”) with Adidas India Marketing Private Limited (the “**Transferee Company**”) and with their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the “**Act**”) read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and all other applicable provisions of the Act and rules, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and Rules made thereunder for the time being in force.

The management of all companies examined the relative business strengths and the potential of commercial & other synergies of the consolidated entity and, accordingly, the possibility of consolidating their businesses under a single entity was considered most appropriate.

It was also examined by the Board of Directors of all the Companies involved in the present Scheme that the amalgamation would result in reduction of costs, pooling of business and strategic resources and focused management control. The Scheme is in the interest of both the Companies and will help in growth and consolidation of businesses. The amalgamation would enable the consolidated entity to carry on the businesses more efficiently and effectively and meet the regulatory norms for the specified businesses. The detailed rationale for the present amalgamation has been provided in the Scheme itself which is accompanying the present notice of the meeting and shall be read part and parcel of the present notice and this explanatory statement.

The Board of Directors of all these Companies are of the opinion that the amalgamation of both the Companies involved in the Scheme would result in benefit to the shareholders, creditors, depositors, employees, if any, of both companies and all concerned and the Scheme shall not in any manner be prejudicial or adversely affecting the interest of concerned shareholders or directors or creditors or key managerial personnel or promoters or non-promoter members or depositors or employees, if any, of the Companies or general public at large and in no manner adverse to public interest. Further, there is no material interest of directors or key managerial personnel of the Companies involved in the present Scheme of Amalgamation.

In view of the above, the Board of Directors of both the Companies involved in the Scheme approved the said Scheme of Amalgamation unanimously on 29th November 2023 in their respective board meetings held separately.

An application was moved before the Hon’ble National Company Law Tribunal, Chandigarh Bench at Chandigarh, seeking dispensation/ directions of the Hon’ble Tribunal with respect to the meetings of shareholders and creditors of the Companies involved in the Scheme. All the shareholders of the companies have given their 100% No Objections/ Written Consents in value with respect to the Scheme. Further, there are no secured creditors in the Transferor Company and the Transferee Company. Further, there are no unsecured creditors in the Transferor Company. 70.70% in value of Unsecured Creditors of the Transferee Company have given the NOC/Consent with respect to the Scheme of Amalgamation.



In view of the above, the Hon'ble National Company Law Tribunal vide its Order dated 7th June 2024 dispensed with the requirement of convening the meetings of shareholders of both the Companies.

Furthermore, vide the aforesaid Order dated 7th June 2024, the Hon'ble Tribunal ordered the meeting of Unsecured Creditors of Applicant No. 2/ the Transferee Company to be held at 10:00 A.M. (IST) through Video Conferencing on 27th July 2024 (Saturday).

The copy of Order of Hon'ble National Company Law Tribunal dated 7th June 2024 is already annexed with this notice and the same shall also be available for inspection as per the instructions mentioned herein below.

The Applicant No. 2/ Transferee Company is subsidiary company of the Applicant No. 1/ Transferor Company and the Applicant No. 1/ Transferor Company is also the subsidiary company of Adidas International B.V.. Adidas International B.V is not part of the present Scheme.

The Promoters of the Transferor Company are Adidas International B.V, the Holding Company and Adidas AG, the ultimate holding company. And the Promoters of the Transferee Company are Adidas India Private Limited, the holding company, Adidas International B.V and Adidas AG, the ultimate holding company. Adidas International B.V and Adidas AG are not part of the present Scheme.

Upon sanction of the Scheme, the present entire issued, subscribed and paid-up share capital of the Transferor Company shall stand automatically cancelled and extinguished and the Transferor Company shall stand dissolved without the process of winding up.

The Board of Directors of the Transferor Companies and the Transferee Company have appointed Transaction Square Advisory LLP, through Partner, Niranjana Kumar, IBBI Registered Valuer, having Regn. No. IBBI/RV-E/06/2023/194, having its office at 6th Floor, 601, Tower A, Manikchand Ikon, Dhole Patil Road, Pune Maharashtra - 411001, India and as per the Valuation Report and Fair Share Exchange Report dated 28th November 2023, the Transferee Company shall allot 46,30,50,680 (Forty-Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty) Equity Share to the shareholders of the Transferor in proportion to their holding in the Transferor Company on the record date. The copy of the aforesaid Valuation Report and Fair Share Exchange Report containing the share exchange ratio is also annexed along with the present notice of the meeting.

Salient features of the Scheme

- a. The Scheme provides for Amalgamation of Transferor Company as mentioned above with Transferee Company through a Tribunal approved Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") including any rules or regulations made there under and also including any statutory modifications or re-enactments thereof for the time being in force;
- b. The Scheme provides that "Appointed Date" shall be 1st April 2023 or such other date as may be approved by the Hon'ble National Company Law Tribunal (NCLT) or Hon'ble National Company Law Appellate Tribunal



(NCLAT), or any other competent Court(s), judicial or quasi-judicial authority or any other competent authority having power to sanction the Scheme, as the case may be.

- c. The Transferor Company and the Transferee Company are the holding -subsidiary companies. Upon sanction of the Scheme, the present entire issued, subscribed and paid-up share capital of the Transferor Company shall stand automatically cancelled and extinguished and the Transferor Company shall stand dissolved without the process of winding-up. The Transferee Company shall allot 46,30,50,680 (Forty-Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty) Equity Share to the shareholders of the Transferor in proportion to their holding in the Transferor Company on the record date in accordance with the Valuation Report and Fair Share Exchange Report dated 28th November 2023 issued by Transaction Square Advisory LLP, through Partner, Niranjan Kumar, IBBI Registered Valuer, having Regn. No. IBBI/RV-E/06/2023/194, having its office at 6th Floor, 601, Tower A, Manikchand Ikon, Dhole Patil Road, Pune Maharashtra - 411001, India.
- d. On Scheme becoming effective, Transferee Company shall account for amalgamation of Transferor Company with itself in its books of account as per prevailing accounting standards as notified under the relevant sections of the Companies Act, 2013 and as mentioned in the Scheme.
- e. On the coming into effect of the Scheme, all staff and employees of the Transferor Company, if any, in service on such date shall become the staff and employees of Transferee Company without any interruption or break in their service and on the basis of continuity of service and the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Appointed Date.
- f. This Scheme is and shall be conditional upon and subject to (a) The Scheme being approved by the requisite majority in number and value of the shareholder and/or creditors (both secured and unsecured), if any, either by way of a meeting or by no objection certificate/ letter of consent from the shareholders and/or creditors of the Transferor Company and the Transferee Company or dispensation of the meetings of the Shareholders and the Creditors as per the provisions of the Act or the settled law/precedents on the subject; and (b) The sanction of the Hon'ble NCLT under Sections 230-232 of the Act in favour of the Transferor Company and the Transferee Company under the said provisions and to the necessary Order under the aforesaid Section being obtained.
- g. The Scheme provides that the Transferor Company and the Transferee Company, by their respective Board of Directors may make and/ or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the Hon'ble NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Company and the Transferee Company by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise, however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- h. All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Transferee Company and the Transferor 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.

The features set-out above being only the salient features of the Scheme of Amalgamation, the concerned creditors are requested to read the entire text of the Scheme of Amalgamation to get themselves fully acquainted with the provisions thereof.



The present Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2) (c) of the Act or a Scheme of compromise or arrangement under Section 230 of the Act.

No proceedings under Sections 235 to 251 of the Companies Act, 1956 and/or under Sections 206 to 229 of the Companies Act, 2013 are pending or instituted against any of the Transferor Company and Transferee Company involved in the present scheme of amalgamation.

A copy of the draft Scheme has already been filed with the concerned Registrar of Companies in accordance with the provisions of this Act.

The total amount due to Unsecured Creditors of the Companies involved in the Scheme as on 29th February 2024 are as under:

S. No.	Name of the Company	Amount (in INR)
1.	Adidas India Private Limited	NIL/-
2.	Adidas India Marketing Private Limited	2,105,892,814/-

As per the Order of Hon'ble NCLT, Audited Account Statements as on 31st March 2023 and Provisional Account Statements as on 30th September 2023 of both the Companies are also accompanying the present notice along with a copy of Scheme and other documents mentioned hereinabove.

The other details required as per Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 have been provided in the Scheme itself which has been annexed hereto along with the notice of this Meeting and shall be construed as part and parcel of the present statement.

The present statement has been adopted by the Board of Directors of both the Companies involved in the present scheme of amalgamation to satisfy the requirement of Section 232 (2)(a) and (c) of the Companies Act, 2013 and shall be construed accordingly.

All documents mentioned in the accompanying notice and explanatory statement including the documents provided under Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, so far as applicable, in physical or electronic mode, are open for inspection at the Registered Office of the Company between 11:00 A.M. (IST) to 2:00 P.M. (IST) on all working days up to the date of this meeting and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office of the Companies at Plot No.-53, Sector-32, Institutional Area, Gurugram - 122001, Haryana or from the office of AKS Partners, Legal Representatives of the Applicant Companies at Building No. G-16, Saket, New Delhi-110017 or from the office of Mr. Abhinav Sood, Counsel for the Applicant Companies at # 17, Sector-2, Chandigarh, on all working days during working hours of the Company between 11:00 A.M. (IST) to 2:00 P.M. (IST) and also at the meeting date.

Accordingly, the Board of Directors recommends the proposed resolution for your approval.

None of the directors / key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except in the ordinary course of business.

By the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh

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For and on behalf of Adidas India Marketing Private Limited

Date: 21-06-2024
Place: Gurugram



Megha Sharma
Sd/
(Megha Sharma)
Company Secretary

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADIDAS INDIA MARKETING PRIVATE LIMITED BY WAY OF PASSING THE CIRCULAR RESOLUTION NO. (1) ON 21ST JUNE 2024, EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013.

1. Background

- 1.1 The proposed Scheme of Amalgamation provides for amalgamation of Adidas India Private Limited (the “**Transferor Company**”) with Adidas India Marketing Private Limited (the “**Transferee Company**”) and with their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (the “**Act**”) read with the relevant Rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the “**Rules**”).
- 1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of amalgamation on each class of shareholders, Key Managerial Personnel (KMPs), promoters and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the case may be.
- 1.3 This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.
- 1.4 The draft Scheme was passed by the Board of Directors at its meeting held on 29th November, 2023.

2. Effect of the Scheme of Amalgamation on shareholders (promoters and non-promoter shareholders), employees, KMP and Creditors of Transferor Companies & Transferee Company.

- 2.1 The Transferor Company and the Transferee Company are the Holding-subsidary companies. Upon sanction of the Scheme, the present entire issued, subscribed and paid-up share capital of the Transferor Company shall stand automatically cancelled and extinguished and the Transferor Company shall stand dissolved without the process of winding-up. The Transferee Company shall allot 46,30,50,680 (Forty-Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty) Equity Share to the shareholders of the Transferor in proportion to their holding in the Transferor Company on the record date in accordance with the Valuation Report and Fair Share Exchange Report dated 28th November 2023 issued by Transaction Square Advisory LLP, through Partner, Niranjana Kumar, IBBI Registered Valuer, having Regn. No. IBBI/RV-E/06/2023/194, having its office at 6th Floor, 601, Tower A, Manikchand Ikon, Dhole Patil Road, Pune Maharashtra - 411001, India.
- 2.2 The existing Directors including Key Managerial Personnel (the “**KMP**”) of the Transferor Company shall cease to be the Directors and KMP of the Transferor Company from the Scheme coming into effect without any further compliance of any other provisions of the Act, whereas there shall be no effect upon the Directors and KMP of the Transferee Company. The Directors and KMP of the Transferor Company and the Transferee Company do not have any interest, whether, material or immaterial, financial or non-financial or otherwise, in the proposed Scheme except, to the extent of their remuneration due, if any, till the Scheme coming into effect, in their professional capacity.
- 2.3 Upon the coming into effect of this Scheme all the staff, workmen, employees of the Transferor Company, if any, who are in their employment as on the Scheme coming into effect, shall become the staff, workmen, employees or other labour of the Transferee Company with effect from the Appointed Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company whereas there



will be no effect on the employees of the Transferee Company.

- 2.4 The Promoters of the Transferor Company are Adidas International B.V, the Holding Company and Adidas AG, the ultimate holding company. That upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without the process of winding-up and Adidas International B.V and Adidas AG, the Ultimate Holding Company will remain the promoters of the Transferee Company post Scheme coming into effect. Adidas International B.V and Adidas AG, the ultimate holding company are not part of the present Scheme.
- 2.5 The Scheme of Amalgamation, in no way, is a Scheme of compromise or arrangement with the creditors including debenture holder(s), if any, as all the creditors of the Transferor Company and the Transferee Company, respectively will be paid in full as and when their respective amounts fall due in the usual course and therefore, this Scheme will never be affecting the rights of the creditors in any manner. Further the aggregate of assets of the Transferor Company and the Transferee Company are sufficient to meet the liabilities of all the creditors of the Transferor Company and the Transferee Company, respectively in full. The present Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2)(c) of the Act.
- 2.6 The Transferor Company and the Transferee Company as on the date do not have any Non-promoter members, Depositors.
- 2.7 No special difficulties were reported in arriving at the share entitlement ratio.

By the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh

For and on behalf of Adidas India Marketing Private Limited



Megha Sharma
Sd/
(Megha Sharma)
Company Secretary

Date: 21-06-2024

Place: Gurugram

REPORT(S) ADOPTED BY THE BOARD OF DIRECTORS OF ADIDAS INDIA PRIVATE LIMITED BY WAY OF PASSING THE CIRCULAR RESOLUTION NO. (1) ON 21st JUNE 2024 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013.

1. Background

- 1.1 The proposed Scheme of Amalgamation provides for amalgamation of Adidas India Private Limited (the "Transferor Company") with Adidas India Marketing Private Limited (the "Transferee Company") and with their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (the "Act") read with the relevant Rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
- 1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of amalgamation on each class of shareholders, Key Managerial Personnel (KMPs), promoters and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the case may be.
- 1.3 This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.
- 1.4 The draft Scheme was passed by the Board of Directors at its meeting held on 29th November, 2023.

2. Effect of the Scheme of Amalgamation on shareholders (promoters and non-promoter shareholders), employees, KMP and Creditors of Transferor Companies & Transferee Company.

- 2.1 The Transferor Company and the Transferee Company are the Holding-subsidary companies. Upon sanction of the Scheme, the present entire issued, subscribed and paid-up share capital of the Transferor Company shall stand automatically cancelled and extinguished and the Transferor Company shall stand dissolved without the process of winding-up. The Transferee Company shall allot 46,30,50,680 (Forty-Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty) Equity Share to the shareholders of the Transferor in proportion to their holding in the Transferor Company on the record date in accordance with the Valuation Report and Fair Share Exchange Report dated 28th November 2023 issued by Transaction Square Advisory LLP, through Partner, Niranjana Kumar, IBBI Registered Valuer, having Regn. No. IBBI/RV-E/06/2023/194, having its office at 6th Floor, 601, Tower A, Manikchand Ikon, Dhole Patil Road, Pune Maharashtra - 411001, India.
- 2.2 The existing Directors including Key Managerial Personnel (the "KMP") of the Transferor Company shall cease to be the Directors and KMP of the Transferor Company from the Scheme coming into effect without any further compliance of any other provisions of the Act, whereas there shall be no effect upon the Directors and KMP of the Transferee Company. The Directors and KMP of the Transferor Company and the Transferee Company do not have any interest, whether, material or immaterial, financial or non-financial or otherwise, in the proposed Scheme except, to the extent of their remuneration due, if any, till the Scheme coming into effect, in their professional capacity.
- 2.3 Upon the coming into effect of this Scheme all the staff, workmen, employees of the Transferor Company, if any, who are in their employment as on the Scheme coming into effect, shall become the staff, workmen, employees or other labour of the Transferee Company with effect from the Appointed Date without any break



or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company whereas there will be no effect on the employees of the Transferee Company.

- 2.4 The Promoters of the Transferor Company are Adidas International B.V, the Holding Company and Adidas AG, the ultimate holding company. That upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without the process of winding-up and Adidas International B.V and Adidas AG, the Ultimate Holding Company will remain the promoters of the Transferee Company post Scheme coming into effect. Adidas International B.V and Adidas AG, the ultimate holding company are not part of the present Scheme.
- 2.5 The Scheme of Amalgamation, in no way, is a Scheme of compromise or arrangement with the creditors including debenture holder(s), if any, as all the creditors of the Transferor Company and the Transferee Company, respectively will be paid in full as and when their respective amounts fall due in the usual course and therefore, this Scheme will never be affecting the rights of the creditors in any manner. Further the aggregate of assets of the Transferor Company and the Transferee Company are sufficient to meet the liabilities of all the creditors of the Transferor Company and the Transferee Company, respectively in full. The present Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2)(c) of the Act.
- 2.6 The Transferor Company and the Transferee Company as on the date do not have any Non-promoter members, Depositors.
- 2.7 No special difficulties were reported in arriving at the share entitlement ratio.

By the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh

For and on behalf of Adidas India Private Limited




Sd/
(Sunali Ahluwalia)

Date: 21-06-2024

Place: Gurugram

Adidas India Private Limited
Balance Sheet

(Amount in Lakhs)

	As at September 30, 2023 (Provisional)	As at March 31, 2023
ASSETS		
Non-current assts		
Right of use assets	22.5	24.14
Financial assets		
(i) Investment in subsidiary	46,305.07	46,305.07
(ii) Other financial assets	1.08	0.83
Non-current tax assets	2.05	1.85
Total non-current assets	46330.7	46331.89
Current assets		
Financial assets		
(i) Cash and cash equivalents	136.22	139.77
(ii) Other current financial assets	0.32	0.12
Other current assets	2.69	2.3
Total current assets	139.23	142.19
Total assets	46469.93	46474.08
EQUITY AND LIABILITIES		
Equity		
Equity share capital	46610.07	46610.07
Other equity	(174.51)	(166.30)
Total equity	46435.56	46443.77
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Lease liabilities	19.22	22.21
Total non-current liabilities	19.22	22.21
Current liabilities		
Financial liabilities		
(i) Lease liabilities	3.77	1.5
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	10.51	5.98
Other current liabilities	0.87	0.62
Total current liabilities	15.15	8.1
Total liabilities	34.37	30.31
Total equity and liabilities	46469.93	46474.08

For and on behalf of the Board of directors of
Adidas India Private Limited



Anah
Sunali Ahluwalia
Director

Adidas India Private Limited
Statement of Profit and Loss

(Amount in Lakhs)

	For the year ended September 30, 2023 (Provisional)	For the year ended March 31 2023 (Audited)
INCOME		
Other income	2.34	5.9
Total Income	2.34	5.9
Expenses		
Employee benefits expense	0	0.01
Finance cost	1.15	1.12
Depreciation expense	1.47	3.01
Other expenses	7.92	12.01
Total expenses	10.56	16.15
Loss before tax	(8.21)	(10.25)
Tax expense:		
Current tax	-	-
Deferred tax	-	-
Loss after tax (A)	(8.21)	(10.25)
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans	-	-
Income tax relating to remeasurement of defined benefit plans	-	-
Total other comprehensive income for the period (B)	-	-
Total comprehensive income for the period (A + B)	(8.21)	(10.25)
Earning per equity share (face value of INR 10 each)		
Basic	0.00002	0.00003
Diluted	0.00002	0.00003

For and on behalf of the Board of Directors of
Adidas India Private Limited



Sunali Ahluwalia

Sunali Ahluwalia
Directors

Adidas India Marketing Private Limited
Balance sheet

(Amount in Lakhs)

	As at September 30, 2023 (Provisional)	As at March, 31 2023 (Audited)
ASSETS		
Non-current assts		
Property, plant and equipment	14,700	14,800
Right of use assets	46,280	49,610
Capital work in progress	1,300	280
Intangible assets	-	-
Financial assets		
(i) Net investment in sub lease		
(ii) Other financial assets	4,770	3,850
Deferred tax assets (net)	8,770	8,250
Non-current tax assets (net)	2,250	2,170
Other non-current assets	50	190
Total non-current assets	78,120	79,150
Current assets		
Inventories	83,120	71,550
Financial assets		
(i) Net investment in sub lease	30	60
(ii) Trade receivables	52,960	50,110
(iii) Cash and cash equivalents	56,740	46,210
(iv) Other financial assets	560	210
Other current assets	12,610	11,070
Total current assets	2,06,020	1,79,210
Total assets	2,84,140	2,58,360
EQUITY AND LIABILITIES		
Equity		
Equity share capital	46,950	46,950
Other equity	1,09,780	99,740
Total equity	1,56,730	1,46,690
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Lease liabilities	44,370	46,310
Provisions	4,760	3,340
Total non-current liabilities	49,130	49,650
Current liabilities		
Financial liabilities		
(i) Lease liabilities	7,050	7,090
(ii) Trade payables		



(a) Total outstanding dues of micro enterprises and small enterprises	600	590
(b) Total outstanding dues of creditors other than micro and small enterprises	45,520	33,970
(iii) Other financial liabilities	7,350	3,750
Provisions	90	800
Other current liabilities	17,670	15,820
Total current liabilities	78,280	62,020
Total liabilities	1,27,410	1,11,670
Total equity and liabilities	2,84,140	2,58,360

For and on behalf of the Board of Directors of
Adidas India Marketing Private Limited



[Handwritten Signature]
Sd/ =
(Company Secretary)

Adidas India Marketing Private Limited
Statement of Profit and Loss

(Amount in Lakhs)

	For the period ended 30 September 2023 (Provisional)	For the year ended 31 March 2023 (Audited)
Income		
Revenue from operation	1,47,280	2,50,680
Other income	2,040	7,130
Total income	1,49,320	2,57,810
Expenses		
Purchase of stock-in-trade	77,600	1,56,300
Changes in inventories of stock-in-trade	(11,570)	(38,360)
Employee benefits expense	29,420	42,790
Finance costs	2,610	4,470
Depreciation and amortization expense	8,480	11,680
Other expenses	29,180	46,120
Total expenses	1,35,720	2,23,000
Profit before tax	13,600	34,810
Income tax expenses:		
Current tax	4,050	10,490
Deferred tax	(490)	(1,470)
Total tax expenses	3,560	9,020
Profit for the period/ year (A)	10,040	25,790
Other comprehensive income		
Items that will not be reclassified subsequently to Profit and Loss account		
Remeasurement of defined benefit obligation	-	(130)
Income tax relating to remeasurement of defined benefit obligation	-	30
Total other comprehensive income for the period/ year, net of tax (B)	-	(100)
Total comprehensive income for the period/ year (A+B)	10,040	25,690
Earnings per equity share (face value of INR 10 each)		
Basic (INR)	21.4	54.9
Diluted (INR)	21.4	54.9

For and on behalf of the Board of Directors of
Adidas India Marketing Private Limited

[Signature]
Sd/
(Company Secretary)



IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT CHANDIGARH

CA (CAA) No. 3/Chd/Hry/2024
(1st Motion)

Under Sections 230 to 232 and other applicable provisions
of the Companies Act, 2013 read with
Companies(Compromise, Arrangements and
Amalgamations) Rules, 2016

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

ADIDAS INDIA PRIVATE LIMITED

Company registered under the Companies Act, 1956 CIN:U19201HR1996PTC114728; PAN: AAACA8513D
Income Tax Ward/Circle: Ward 1(1), Delhi,
C.R. Building, Delhi.
Registered office: Plot No.-53, Sector-32, Institutional Area, Gurugram - 122001, Haryana.
Through its Authorized Representative Mr. Vivek Tyagi (authorized representative)

..Transferor Company/ Applicant Company No. 1

With

ADIDAS INDIA MARKETING PRIVATE LIMITED

Company registered under the Companies Act, 1956 CIN: U74899HR1995PTC114816; PAN: AAACA5313P
Income Tax Ward/Circle: Circle 1(1), Delhi,
C.R. Building, Delhi
Registered office: Plot No.-53, Sector-32, Institutional Area, Gurugram - 122001, Haryana, India.
Through its Authorized Representative Mr. Vivek Tyagi (authorised representative)

..Transferee Company/ Applicant Company No. 2

Order delivered on: 07.06.2024

Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. L. N. GUPTA, MEMBER (TECHNICAL)

Present:-

For the Applicant Companies: Mr. Abhinav Sood, Advocate

Per: Mr. Harnam Singh Thakur, Member (Judicial)

Mr. L.N. Gupta, Member (Technical)

ORDER

1. This is a Joint First Motion Application filed by Applicant Companies namely; ADDIDAS INDIA PRIVATE LIMITED (referred to as "Applicant Company 1/Transferor Company") and ADDIDAS INDIA MARKETING PRIVATE



LIMITED (referred to as "Applicant Company 2/Transferee Company"), under Section 230-232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 (the Rules) in relation to the Scheme of Amalgamation. The said Scheme is attached as Annexure A-1 with the Application.

2. The applicant companies have prayed for dispensing with the requirement of convening the meetings of equity shareholders, secured and unsecured creditors of the applicant companies.
3. The Applicant Company No.1 is investment company and Applicant Company No.2 is presently engaged in the business of manufacturing of shoes, footwear. The scheme involves the Amalgamation of holding company into subsidiary company.

The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company/ Applicant Company No. 1 as on 31st March 2023 are as under:

Particulars	Amount in Rupees
Authorized Share Capital	
47,50,00,000 equity shares of INR 10/- each	4,75,00,00,000
Total	4,75,00,00,000
Issued, Subscribed and Paid-up Share Capital	
46,61,00,680 equity shares of INR 10/- each	4,66,10,06,800
Total	4,66,10,06,800

The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company/ Applicant Company No. 2 as on 31st March 2023 are as under:

Particulars	Amount in Rupees
Authorized Share Capital	
47,50,00,000 equity shares of INR 10/- each	4,75,00,00,000
Total	4,75,00,00,000
Issued, Subscribed and Paid-up Share Capital	
46,95,17,830 equity shares of INR 10/- each	4,69,51,78,300
Total	4,69,51,78,300

4. It is submitted that the registered offices of the Applicant Company No. 1 and Applicant Company No. 2 are situated at the same address- Gurugram, Haryana and are within the State of Haryana, therefore, the territorial jurisdiction of Applicant Companies falls with this Bench.
5. The rationale of the Scheme is given below :-
 - i. The initial shareholding structure of the Companies was approved pursuant to the approval vide letter dated 26.02.1996 and 19.03.1996 as issued by DIPP [(now referred as Department of Promotion of Industry and Internal Trade (DPIIT)], at a time where Applicable Laws including Foreign Exchange Regulation Act, 1973 imposed numerous restrictions including sectoral caps on direct shareholding of foreign entities into an Indian company. In view of such restrictions, a structure was implemented wherein a company being a wholly owned subsidiary of foreign group companies (i.e., now the Transferor Company), was incorporated to act as a holding company of a joint venture company (i.e., now the Transferee Company).
 - ii. Subsequently, with the liberalization of the FDI Policy by the Government of India, easing the restrictions on foreign shareholding and vide approval letter dated 09.01.2006 the shareholding of the joint venture partner (i.e., a minority shareholder) in the Transferee Company was acquired by one of the foreign group companies. This acquisition resulted in increasing the foreign equity participation in the Transferee Company to 100% (one



hundred percent). Pursuant to an approval dated 26.07.2016, the Transferee Company commenced its Single Brand Retail Trade ("BRT") operations.

- III. Thereafter, with the issue of Press Note 1 of 2018 by the Government of India which was subsequently notified vide Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) (Amendment) Regulations, 2018, the foreign direct investment in SBRT was increased to 100% (One hundred percent) and brought under automatic route. Considering the said liberalization, the current structure where Transferor Company and the Transferee Company form part of the same group wherein the Transferor Company (directly and through its shareholders) owns 100% (One hundred percent) of the Transferee Company has become redundant and superfluous. Accordingly, this Scheme is a re-organization plan to rationalize and streamline the existing group structure in India.
- IV. Accordingly, the Boards of the Companies have jointly decided to amalgamate the Transferor Company together with its businesses and undertakings, with the Transferee Company, so as to achieve the following benefits:
- simplification and consolidation of group and business structure resulting in the reduction of managerial overlaps, which are necessarily involved in running multiple entities;
 - cost savings resulting from rationalization, standardization and simplification of business and compliance processes and elimination of duplication of activities and optimal utilization of resources;
 - reducing time and efforts on consolidation of financials at the group level; and
 - to achieve administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses, and optimal utilization of various resources.
- V. The Scheme is in the best interest of the shareholders, employees and other stakeholders of the Applicant Companies.
6. It is stated that the Board of Directors of the Applicant Companies, in their meetings held on 29.11.2023, have considered and unanimously approved the Scheme subject to the sanction of the same by this Tribunal. The copies of the Board Resolutions of the Applicant Companies are part of Annexures A-4 and A9.
7. The appointed date of the Scheme is 01.04.2023 as defined in Part-A, Clause 1.3.3 of Scheme of Amalgamation which is attached as Annexure A-1 of the Application.
8. It is submitted that the Scheme of Amalgamation (Annexure A-1) also takes care of the interest of the staff/workmen and employees of the Applicant Companies, by virtue of Clause 3.9 of the Scheme.
9. It is stated that the Applicant Companies have filed the audited financial statements as at 31.03.2023 along with provisional financial statements as on 30.09.2023, with the application which are attached as Annexure-A-3, Annexure A-8 of the application respectively.
10. It is further submitted that in pursuance to Section 230 and Section 232 of the Act, the Applicant Companies have filed the certificate dated 18.12.2023 issued by the Statutory Auditor of the Applicant Companies certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act which is attached as Annexure A-15 of the application.
11. It is further submitted by the counsel for applicant companies that the valuation report has been submitted by Transaction Square Advisory LLP through Partner, Niranjana Kumar, IBBI Registered Valuer, having Regn. No. IBBI/RV-E/06/2023/194 which is attached as Annexure A-13 of the application. As per the valuation report dated 28.11.2023 the following share exchange ratio has been proposed :-

"46,30,50,680 (Forty Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty Only) fully paid-up equity shares of the face value of IN 10 each of aIMPL shall be issued and allotted as fully paid-up equity shares to the equity shareholders of aPL, in the proportion to their holding as on the record



date”.

12. It is deposed by way of affidavits furnished by authorized signatories of the Applicant Companies that companies does not envisage any reduction of share capital under Section 66 of the Companies Act, 2013 (Annexure A-16 of the Application).
13. It is deposed by the way of affidavit that no proceeding(s) or investigation(s) under Sections 235 to 251 of the Companies Act, 1956 and/or under Sections 206 to 229 of the Companies Act, 2013 are pending or instituted against Applicant Companies involved in the present Scheme (Annexure A17 of the Application).
14. It is deposed by the way of affidavit that the present Scheme of Amalgamation is not scheme of Corporate Debt restructuring as envisaged under Section 230(2)(c) of the Companies Act, 2013 (Annexure A-18 of the Application).
15. It is further deposed by the authorized representatives of Applicant Companies that the Applicant Companies are not regulated or governed by any sectoral regulators or authorities which are to be affected by the present Scheme of Amalgamation and hence not required to serve notices to any other authorities apart from the authorities- Registrar of Companies, Regional Director, Official Liquidator, Income Tax Department. Further, it is deposed that the requirement of obtaining approval from the Competition Commission of India under sub-clause (2) of Section 6 of the Competition Act, 2002 is exempted vide Entry 9 to Schedule I in terms of Regulation 4 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. The aforesaid affidavit has been attached as (Annexure A-19 of the Application).
16. The Applicant Companies have furnished the following documents:-
 - (a) Proposed Scheme (Annexure A-1 of the application).
 - (b) The Certificates of Incorporation along with Memorandum and Articles of Association of applicant companies. (Annexures A-2, A-7, respectively of the Application).
 - (c) List of Equity Shareholders of Applicant Company No.1 along with consent duly supported by affidavit of director (Annexures A-5 of the application).
 - (d) List of NIL Secured and Unsecured Creditors of Applicant Company No. 1 duly certified by N.S Kumar and Co., Chartered Accountant (Annexures A-11 of the application).
 - (e) List of Equity Shareholders of Applicant Company No. 2 along with consent duly supported by affidavit of director (Annexure A-10 of the application).
 - (f) List of secured Creditors of Applicant Company No. 2 duly certified by Chartered Accountant (CA 93/2024 filed vide Dairy No. 01201 dated 04.04.2024).
 - (g) List of Unsecured Creditors of Applicant Company No. 2 duly certified by Chartered Accountants along with consent affidavits (CA 93/2024 filed vide Dairy No. 01201 dated 04.04.2024).
 - (h) Certificates of Statutory Auditors to the effect that accounting treatment proposed in the Scheme is in conformity with Section 133 of the Act (Annexures A -15 of the application).
 - (i) Valuation Report (Annexure A-13 of the application).
 - (j) Audited Financial Statements as on 31.03.2023 of the applicant companies and provisional financial statements as on 30.09.2023 (Annexures A-3, A-8 of the application).
 - (k) Affidavit with regard to the Sectoral Regulator of the applicant companies (Annexure A-19 of the application).
 - (l) Affidavit with regard to the Sectoral Regulator of the applicant companies (Annexure A-19 of the application).
 - (m) Affidavit with regard to the reduction of share capital (Annexure A-16 of the application).
 - (n) Affidavit with regard to the pendency of legal proceedings of the applicant companies (Annexure A-17 of the application).
 - (o) Affidavit with regard to the Debt Restructuring of the applicant companies (Annexure A-18 of the application).



- (p) The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors, Unsecured Creditors as follows:

17. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors, Unsecured Creditors as follows:

Name of the Applicant Companies	Shareholders along with their consent		Creditors along with their consent			
	Equity shareholder	Consent with calculations	Secured Creditors	Consent with calculations	Unsecured Creditors	Consent with calculations
Applicant Company 1	2	100% in Value	NA	NIL	NA	NIL
Applicant Company 2	3	100% in Value	NIL	NA	270	70.70% in Value (Meetings to be convened)

18. Accordingly, this Bench directs as under:

I. In relation to Applicant Company No. 1/Transferor Company:

- The meeting of the Equity Shareholders is dispensed with keeping in view the shareholding pattern, financial structure of the company, and the fact that the consents have been received by way of affidavits;
- Since, there are NIL secured and unsecured creditors, therefore, there is no scope of any meeting.

II. In relation to Applicant Company No. 2/Transferee Company:

- The meeting of the Equity Shareholders is dispensed with keeping in view the shareholding pattern, financial structure of the company, and the fact that the consent has been received by way of affidavits;
- Since, there are NIL secured creditors, therefore, there is no scope of any meeting.
- The meeting of unsecured creditors of the Applicant Company No. 2 has been dispensed with as the consent of unsecured creditors 70.70% in value have been furnished by way of affidavits filed by CA 93/2024 vide Dairy No. 01201 dated 04.04.2024. However as per Section 230 (9) of the Companies Act, 2013 atleast 90% of the consent is required by way of affidavit to the proposed scheme. Therefore, in view of the same, the meeting of the Unsecured Creditors of the Applicant Company No.2 be convened as prayed for on 27 July , 2024 (Saturday) at 10:00 AM through video conferencing with facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the Unsecured Creditors shall be 108 in number or 40% in value of the Unsecured Creditors;

- III. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.

- IV. Mr. Akshay Bhan, Senior Advocate Address: # 302, Sector 10-B Chandigarh- 160011, Mobile No. 9501059250, email id: akshaybhan302@gmail.com is appointed as the Chairperson for the meetings to be called under this order. An amount of ₹2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson.

- V. Ms. Deepika Bedi, Advocate, address: House No: 974 Street No: 14 Saraswati Vihar Sector 14 Dera Bassi SAS



Nagar Punjab- 140507, Mobile No.: 6284287292, email: advocatedeepikabedi@gmail.com is appointed as the Alternate Chairperson for the meetings to be called under this order. An amount of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) be paid for her services as the Alternate Chairperson.

- VI. Mr. Nikhil Sachdeva, Chartered Accountant, Address: House No: 2822 First Floor Sector 32-A Chandigarh Road Ludhiana Punjab-141010, Mobile No. 8699003124, email id:- nikhilsachdeva.ca@gmail.com, is appointed as the Scrutinizer for the above meetings to be called under this order. An amount of ₹1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) be paid for his services as the Scrutinizer.
- VII. The fee of the Chairperson, Alternate Chairperson and Scrutinizer and other out of pocket expenses for them shall be borne by the Applicant Company No.2.
- VIII. It is further directed that along with the notices, Applicant Company No. 2 shall also send, statements explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members, etc. along with the effect of the scheme of amalgamation on any material interests of the Directors of the Company or the debenture trustees if any, as provided under sub-section (3) of Section 230 of the Act.
- IX. That the Applicant Company No.2 shall publish an advertisement with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and place and the time of the meeting as aforesaid, to be published in "Financial Express" (English) and "Jansatta" (Hindi), both in Delhi NCR Edition. The publication shall also indicate that the explanatory statement required to be furnished pursuant to Sections 230 & 232 read with Section 102 of the Companies Act, 2019 can be obtained free of charge at the registered office of the Applicant Companies. The Applicant Company No.2 shall also publish the notice on its website, if any.
- X. Voting shall be allowed on the "Scheme" through electronic means which will remain open for a period as mandated under Clause 8.3 of Secretarial Standards on General Meetings to the Applicant Companies under the Act and the Rules framed thereunder.
- XI. The Scrutinizer's report will contain his/her findings on the compliance to the directions given in Para VII to X above.
- XII. The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) days of the conclusion of the meeting. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Companies and the Alternate Chairperson. The Scrutinizer will assist the Hon'ble Chairperson and Alternate Chairperson in preparing and finalizing the report.
- XIII. The Applicant Company No. 2 shall individually and in compliance of sub-Section(5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the "Rules" to (i) Central Government through the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi; (ii) Jurisdictional Registrar of Companies; (iii) Official Liquidator (iv) Reserve Bank of India (as the equity shareholders are foreign entities) (v) Income Tax Department through the Nodal Officer – Principal Commissioner of Income Tax, NWR, Aayakar Bhawan, Sector 17-E, Chandigarh by mentioning the PAN number of the Applicant Companies; and to such other Sectoral Regulator(s) governing the business of the Applicant Companies, if any, stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme.
- XIV. The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any creditor or member/shareholder entitled to attend the meeting as aforesaid.



- XV. The authorized representative of the Applicant Company No.2 shall furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meeting.
- XVI. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.
19. With the aforesaid directions, this First Motion Application stands disposed of. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer immediately.
20. In view of the above, the First Motion Application stands allowed by giving liberty to the Applicant Companies to file Second Motion Petition with a direction that the Applicant Companies shall make specific prayer for sending notices to the (a) Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, (b) concerned Registrar of Companies; (c) Reserve Bank of India (as the equity shareholders of the Applicant Companies are foreign entities) (d) Official Liquidator; and (e) Income Tax Authorities by disclosing the PAN numbers of all the Applicant Companies in the title of the Second Motion Petition.

Sd/-
(L.N. Gupta)
Member (Technical)

June 07, 2024

Sd/-
(Harnam Singh Thakur)
Member (Judicial)



SCHEME OF AMALGAMATION

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER)

AMONG
ADIDAS INDIA PRIVATE LIMITED
("aIPL" or "Transferor Company")
WITH
Adidas INDIA MARKETING PRIVATE LIMITED
("aIMPL" or "Transferee Company")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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1. PART A | INTRODUCTION, DEFINITIONS, AND INTERPRETATION

1.1. INTRODUCTION

This Scheme of Amalgamation (the "Scheme" as more particularly defined hereinafter) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and in compliance with Section 2(1B) and other applicable provisions of the Income Tax Act (as defined hereinafter), rules and regulations thereunder among adidas India Private Limited (hereinafter referred to as "aIPL" / "Transferor Company") and adidas India Marketing Private Limited (hereinafter referred to as "aIMPL" / "Transferee Company") and their respective shareholders and creditors for amalgamation of the Transferor Company into and with the Transferee Company and dissolution of the Transferor Company without winding up, with effect from the Appointed Date (as defined hereinafter). In addition, this Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected therewith.

1.2. DESCRIPTION OF COMPANIES

1.2.1. Transferor Company (aIPL)

- (i) Transferor Company is a private limited company incorporated on 26 February 1996 under provisions of the Companies Act, 1956 and rules made thereunder and functioning under the Companies Act, 2013 and the rules made thereunder, having Corporate Identification Number U19201HR1996PTC114728 and Permanent Account Number AAACA8513D. The Transferor Company was initially incorporated with registered office at Office No. 6, 2nd Floor, Sector B, Pocket No. 7, Plot No. 11, Vasant Kunj, New Delhi, Delhi – 110070 which was vide order dated 20 July 2023 shifted to Plot No.-53, Sector-32, Institutional Area, Gurugram – 122001, Haryana, India.



- (ii) Pursuant to the approval vide letters dated 26 February 1996 and 19 March 1996 issued by Department of Industrial Policy & Promotion ("DIPP") (now referred as Department of Promotion of Industry and Internal Trade ("DPIIT")) under the erstwhile Foreign Exchange Regulation Act, 1973, Transferor Company was incorporated only to act as a holding company of Transferee Company whereas the business was allowed to be undertaken by Transferee Company.
- (iii) Transferor Company is an unregistered Core Investment Company under the provision of Core Investment Companies (Reserve Bank) Directions, 2016 as issued by RBI from time to time with sole investment being in the Transferee Company. As on 31 March 2023, Transferor Company holds 463,050,680 equity shares of the Transferee Company representing 98.62% equity shares thus being the holding company of the Transferee Company. Remaining 1.38% shareholding in Transferee Company is being held by adidas International BV, Netherlands and adidas AG, Germany i.e. shareholders of the Transferor Company.

1.2.2. Transferee Company (aIMPL)

- (i) The Transferee Company is a private limited company incorporated on 22 December 1995 under provisions of the Companies Act, 1956 and rules made thereunder, with Corporate Identification Number U74899HR1995PTC114816 and having Permanent Account Number AAACA5313P. Transferee Company was originally incorporated with the name 'adidas India Trading Private Limited' and with registered office at Office No. 6, 2nd Floor, Sector B, Pocket No. 7, Plot No. 11, Vasant Kunj New Delhi, South West Delhi, Delhi – 110070. The name of the Transferee Company was subsequently changed to 'Adidas India Marketing Private Limited' pursuant to a special resolution passed by its shareholders at the Annual General Meeting held on 8 August 2001, and whereas the registered office was shifted to Plot No.-53, Sector-32, Institutional Area, Gurugram – 122001, Haryana, India vide order dated 17 July, 2023.
- (ii) The Transferee Company is engaged in the business of (a) cash and carry wholesale trading ("CCWT"); and (b) single brand retail trading ("SBRT") of sportswear and lifestyle apparel / clothing, footwear, leather goods and other related accessories and equipment.
- (iii) Until 2016, Transferee Company was carrying only CCWT. Pursuant to Letter no. 6 (2016)/SIA-RT/(5)/2016 dated 26 July 2016 is sued by the DIPP, the Transferee Company was granted approval to carry out SBRT in addition to CCWT.

1.2.3. The Transferor Company and Transferee Company are not subject to any investigation or proceeding under the Act.

1.3. DEFINITIONS

In this Scheme unless repugnant to the meaning or context thereof, (i) capitalized terms defined by inclusion in the quotation and/or parenthesis have the meaning so ascribed; (ii) Subject to (iii) below, all the terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, shall have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification(s) or re-enactment(s) thereof from time to time; and (iii) the following expressions shall have the meanings ascribed hereunder:

1.3.1. "Act" or "the Act" means the Companies Act, 2013, and any rules, regulations, notifications, circulars or guidelines issued thereunder including any modifications, re-enactments or amendments thereof as in force from time to time;

1.3.2. "Applicable Law" means all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, codes, directives, rules, bye-laws, regulations, tax laws, notifications, circulars, clarifications, guidelines or policies of any Governmental Authority;



- 1.3.3.** "Appointed Date" for the purpose of this Scheme (as defined hereinafter) means 1 April 2023 or such other date as may be approved by the NCLT (as defined hereinafter) and accepted by the Board of the respective Companies;
- 1.3.4.** "Board of Directors" or "Board" in relation to the Transferor Company or the Transferee Company means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorized by the board of directors or by such committee of directors;
- 1.3.5.** "Companies" means collectively the Transferor Company and the Transferee Company;
- 1.3.6.** "Effective Date" means the date on which this Scheme shall become effective pursuant to Clause 4.4 of Part D of the Scheme. Any references in this Scheme to the date of "Scheme becoming effective" or "coming into effect of this Scheme" or "upon this Scheme taking effect" or "effectiveness of this Scheme" or likewise, shall mean the Effective Date;
- 1.3.7.** "Encumbrance" means any mortgage, lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, security interest, guarantee or commitment;
- 1.3.8.** "Governmental Authority" means the RBI or any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, tribunal or court or other entity authorized 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;
- 1.3.9.** "NCLT" means the National Company Law Tribunal, Chandigarh Bench, Chandigarh, having jurisdiction in relation to the Companies;
- 1.3.10.** "RBI" means the Reserve Bank of India;
- 1.3.11.** "Record Date" means the date fixed by the Board of the Transferor Company or committee thereof, if any in consultation with the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company who shall be entitled to receive equity shares of the Transferee Company, as consideration as per Clause 3.11 of Part C of the Scheme;
- 1.3.12.** "ROC" means the Registrar of Companies, NCT of Delhi, having jurisdiction over the Companies;
- 1.3.13.** "Rs." or "INR" means Indian Rupees, the lawful currency of the Republic of India;
- 1.3.14.** "Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.3.15.** "Scheme" or "the Scheme" or "this Scheme" means this scheme of amalgamation, in its present form or with any modifications and amendments as may be made from time to time under Clause 4.3 of this Scheme, with the appropriate approvals and sanction of the NCLT and other relevant Governmental Authorities, or as may be required under the Applicable Laws; and
- 1.3.16.** "Share Entitlement Ratio Report" means the report stating share exchange ratio issued on November 28, 2023

1.4. INTERPRETATION

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



- 1.4.1. any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board of Directors of the respective Companies and for the time being in force;
- 1.4.2. all subordinate legislation made from time to time under that provision (whether or not mended, modified, re-enacted, or consolidated);
- 1.4.3. words denoting the singular shall include the plural and words denoting any gender shall include all genders;
- 1.4.4. headings, subheadings, titles, subtitles to clauses, sub-clauses, sections, and paragraphs are for information only and shall not form part of the operative provisions of this scheme or the schedules hereto and shall be ignored in construing the same;
- 1.4.5. references to clauses, and schedules are, unless the context otherwise requires, references to clauses, and schedules to this scheme;
- 1.4.6. reference to days, months and years are to calendar days, calendar months and calendar years as per the english calendar, respectively;
- 1.4.7. any reference to "writing" shall include all means of reproducing words in visible form;
- 1.4.8. the words "include" and "including" are to be construed without limitation; and
- 1.4.9. where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

1.5. PART B | RATIONALE OF THE SCHEME, DATE OF TAKING EFFECT OF THE SCHEME, SHARE CAPITAL AND COMPLIANCE WITH TAX LAWS

1.6. RATIONALE OF THE SCHEME

- 1.6.1. The initial shareholding structure of the companies was approved pursuant to the approval vide letter dated 26 February 1996 and 19 March 1996 as issued by DIPP (now referred as DPIIT), at a time where applicable laws including Foreign Exchange Regulation Act, 1973 imposed numerous restrictions including sectoral caps on direct shareholding of foreign entities into an indian company. In view of such restrictions, a structure was implemented wherein a company being a wholly owned subsidiary of foreign group companies (i.e., now the transferor company), was incorporated to act as a holding company of a joint venture company (i.e., now the transferee company).
- 1.6.2. Subsequently, with the ease of restriction on foreign shareholding and vide approval letter dated 9 January 2006 the shareholding of the joint venture partner (i.e., a minority shareholder) in the transferee company was acquired by one of the foreign group companies. This acquisition resulted in increasing the foreign equity participation in the transferee company to 100% (one hundred percent). Pursuant to an approval dated 26 July 2016, the transferee company commenced its SBRT operations (refer Part A for details).
- 1.6.3. Thereafter, with the issue of Press Note 1 of 2018 by the Government of India which was subsequently notified vide Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) (Amendment) Regulations, 2018, the foreign direct investment in SBRT was increased to 100% (One hundred percent) and brought under automatic route. Considering the said liberalization, the current structure where Transferor Company and the Transferee Company form part of the same group



wherein the Transferor Company (directly and through its shareholders) owns 100% (One hundred percent) of the Transferee Company has become redundant and superfluous. Accordingly, this Scheme is a re-organization plan to rationalize and streamline the existing group structure in India.

1.6.4. Accordingly, the Boards of the Companies have jointly decided to amalgamate the Transferor Company together with its businesses and undertaking, with the Transferee Company, so as to achieve the following benefits:

- (a) simplification and consolidation of group and business structure resulting in the reduction of managerial overlaps, which are necessarily involved in running multiple entities;
- (b) cost savings resulting from rationalization, standardization and simplification of business and compliance processes and elimination of duplication of activities and optimal utilization of resources;
- (c) reducing time and efforts on consolidation of financials at the group level; and
- (d) to achieve administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses, and optimal utilization of various resources.

1.7. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1.7.1. This Scheme as set out herein in its present form or with any modification(s) made as may be approved or imposed or directed by the NCLT or made in accordance with the scheme, shall become effective from the appointed date but shall be operative from the effective date and the amalgamation shall be in accordance with section 2(1b) of the income tax act.

1.7.2. Further, this scheme, in no way, is a scheme of compromise or arrangement with the creditors as all the creditors will be paid in full as and when their respective amounts fall due in the usual course of business and therefore, this scheme is not affecting the rights of the creditors because the aggregate assets of the companies are more than sufficient to meet the liabilities of all the creditors in full. This scheme is not scheme of corporate debt restructuring as envisaged under Section 230(2)(c) of the Act or a scheme of compromise or arrangement under Section 230 of the Act.

1.8. CAPITAL STRUCTURE

1.8.1. Capital structure of Transferor Company as on 31 March 2023 is set out below:

Particulars	Amount in Rupees
Authorised Share Capital	
47,50,00,000 equity shares of INR 10/- each	4,75,00,00,000
Total	4,75,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
46,61,00,680 equity shares of INR 10/- each	4,66,10,06,800
Total	4,66,10,06,800

Subsequent to the above date and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the share capital of the Transferor Company.



1.8.2. Capital Structure of Transferee Company as on 31 March 2023 is as set out below:

Particulars	Amount in Rupees
Authorised Share Capital	
47,50,00,000 equity shares of INR 10/- each	4,75,00,00,000
Total	4,75,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
46,95,17,830 equity shares of INR 10 /- each	4,69,51,78,300
Total	4,69,51,78,300

Subsequent to the above date and up to the date of approval of this Scheme by the Board of Transferee Company, there has been no change in the share capital of the Transferee Company.

1.8.3. The Transferee Company is a subsidiary of Transferor Company wherein the latter holds 463,050,680 equity shares, representing 98.62% (ninety-eight point six two percent) of the total paid-up equity share capital of the former as on 31 March 2023.

1.9. COMPLIANCE WITH LAWS

1.9.1. This Scheme is presented and drawn up to comply with the provisions / requirements of sections 230 to 232 of the Companies Act, 2013 for the purpose of amalgamation of the Transferor Company with the Transferee Company.

1.9.2. The amalgamation of the Transferor Company into the Transferee Company shall be in full compliance with the conditions relation to "amalgamation" as provided under Section 2(1b) and other related provisions of the Income Tax Act such that, *inter alia*:

- (a) All the properties of the Transferor Company (if any), immediately before the amalgamation, shall become the properties of the Transferee Company, by virtue of the amalgamation;
- (b) All the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of the amalgamation; and
- (c) Shareholders holding at least 3/4th (three fourth) in value of the shares in the Transferor Company, will become shareholders of the Transferee Company by virtue of the amalgamation.

1.9.3. Further, this Scheme compiles with Section 47 and other relevant provisions of the Income Tax Act and is intended to apply accordingly. If any terms or provisions of this Scheme is/are found to be or interpreted to be inconsistent with any of the said provisions of Income Tax Act (including the conditions set out hereinabove) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said Sections of the Income Tax Act shall prevail. This Scheme shall stand modified to the extent determined necessary to comply with the said provisions of the Income Tax Act. Such modification will however not affect other parts of this Scheme. The power to make such amendments as may become necessary shall vest with the respective Boards of the Companies, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

1.9.4. Upon this Scheme becoming effective, the Transferee Company is expressly permitted to revise its



financial statements and tax returns, if required.

2. PART C | AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

2.1. Pursuant to the sanction of this Scheme by the NCLT in accordance with the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, and upon this Scheme becoming effective, the entire business and undertaking of the Transferor Company shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date together with all assets, properties, estate, rights title and authorities, benefits, claims, liabilities, contingent liabilities and interest therein of every description, of the Transferor Company without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, business and undertaking of the Transferee Company together with all assets, properties, estate, rights, title and authorities, benefits, claims, liabilities and interest therein of every description, by virtue of and in the manner provided in this Scheme.

2.2. TRANSFER OF ASSETS

2.2.1. All the assets and properties of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery of possession and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including cash in hand, shall, without any further act, instrument, deed, matter or thing being made, done or executed, 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 Transferee 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 recordal, as appropriate to the property being vested and title to such property shall be deemed to have been transferred accordingly to the Transferee Company.

2.2.2. All other movable properties not referred in Clause 3.2.1. above, including all rights, title and interests in all the agreements, investments, assets recoverable in cash or in kind or for value to be received, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loan and advances (if any), bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons of the Transferor Company shall, without any further act, instrument, deed, matter or thing being made, without any notice or other intimation to the debtors, done or executed, become the property of the Transferee Company.

2.2.3. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights, claims, title and interests in such 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, matter or thing being made, done or being required to be done by the Transferor Company and/or the Transferee Company and shall become the property and an integral part of 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 charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. All taxes, charges, payments in any form made by the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to have been paid by the Transferee Company and Transferee Company shall be entitled to claim benefits/credits of such amounts paid. 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 NCLT and upon this Scheme becoming effective in accordance with the terms hereof. The Transferee Company shall subsequent to the vesting order of the NCLT be



entitled to the delivery and possession of all documents of title to such immoveable properties.

- 2.2.4.** Any recommendations, permits, licenses, approvals, consents, quotas, rights, authorisations, entitlements, registrations, tax deferrals, tax credits and benefits, subsidies, concessions, grants, tenancy rights, no-objection certificates and licenses, if any, to which the transferor company is a party or to the benefit of which the transferor company may be entitled or which may be required to carry on the operations of the transferor company, and which are subsisting or in effect immediately prior to the effective date, shall be, and remain, in full force and effect in favour of or against 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, a beneficiary or an obligee thereto without any further act, instrument, deed, matter or thing being made, done or executed.
- 2.2.5.** All rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, goodwill, logos and other intellectual / intangible property rights of every kind and description, if any, whether registered, unregistered or pending registration, arising therefrom, to which Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlements or property of the Transferee Company and shall be enforceable by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or a beneficiary or an obligee thereto or the holder or owner thereof, without any further act, instrument, deed required by the Transferor Company.
- 2.2.6.** 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 as 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, if any, 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.

2.3. TRANSFER OF LIABILITIES

Without prejudice to the generality of Clause 3.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- 2.3.1.** All debts, liabilities, contingent liabilities, duties and obligations whether 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, as on or after the Appointed Date whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the orders of the NCLT or such other Governmental Authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and



conditions as were applicable to the Transferor Company and to the extent that they are outstanding on the Appointed Date the Transferee Company shall meet, discharge and satisfy the same.

- 2.3.2.** All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the transferor company after the appointed date and prior to the effective date, shall also be deemed to have been raised, used, incurred or undertaken for an 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, pursuant to the provisions of sections 230 to 232 of the act, without any further act, instrument, or deed shall 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 obligation of the transferee company which shall meet, discharge and satisfy the same.
- 2.3.3.** For the removal of doubt, it is clarified that upon this scheme coming into effect and with effect from the appointed date, to the extent there are inter-corporate loans, deposits, obligation, balances or other outstanding as between the transferor company inter-se and/or the transferee company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the transferee company for the reduction of such assets or liabilities as the case may be.
- 2.3.4.** Upon this Scheme coming into effect and with effect from the Appointed Date, in respect of the debts, liabilities, duties and obligations of the Transferor Company, 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 (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Transferee Company). It is further clarified that the Transferee Company shall honor all liabilities and obligations arising on account of all written commitment / open purchase orders issued by the Transferor Company. Furthermore, where any of liabilities and obligations of the Transferor Company, as on the Appointed Date, deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loan raised and used and all liabilities and obligations incurred by the Transferor Company on and after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on Effective Date shall also, without any further act, instrument, deed, matter or thing being made, done or executed, stand transferred to the Transferee Company and become the liabilities and obligations of the Transferee Company, which shall undertake to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is party to any contract or arrangement by virtue of which such loans and liabilities have arisen in order to give effect to the provisions of this sub-clause.

2.4. TRANSFER OF BANK ACCOUNTS, ETC.

- 2.4.1.** 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 the Effective Date.



2.5. TRANSFER OF TAXES AND CONSEQUENTIAL MATTERS THEREOF

Without prejudice to the generality of Clause 3.1 above, upon the effectiveness of this Scheme and with effect from

- 2.5.1. Taxes of whatsoever nature, duties, cess or any other tax deducted or any other similar payments to any statutory authorities including income tax, advance tax, self-assessment tax, regular assessment taxes, tax deduction/collection at source, dividend distribution tax, Minimum Alternative Tax, if any, Goods and Service Tax, Custom Duty, tax credits (including GST credits) etc. paid by Transferor Company shall be deemed to have been made on account of or on behalf of or treated as paid by Transferee Company, without any further act, instrument, deed, matter or thing being made, done or executed, notwithstanding that the certificates / challans or other documents for payment of such taxes / duties are in the name of the Transferor Company and Transferee Company shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to Transferee Company / Transferor Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by Transferee Company and shall, in all proceedings, be dealt accordingly.
- 2.5.2. Further, upon this Scheme coming into effect, all tax compliances under the applicable tax laws by the Transferor Company on or after the Appointed Date shall be deemed to be made by the Transferee Company.
- 2.5.3. If Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall be and stand vested in Transferee Company.
- 2.5.4. Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax/value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/withheld, etc. if any, as may be required for the purposes of/consequent to implementation of this Scheme.
- 2.5.5. It is hereby clarified that in case of any refunds (including refund for which no credit is taken in the books of accounts of the Transferor Company on the Appointed Date), benefits, incentives, grants, subsidies, book unabsorbed depreciation, tax unabsorbed depreciation, etc. under the Income Tax Act, Goods and Services Tax, custom duty law or other Applicable Laws, Transferee Company, if so required, shall issue notice in the name of Transferor Company, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of Transferee Company, as the person entitled thereto, to the end and intent that the right of Transferor Company, to recover or realise the same, stands transferred to Transferee Company.
- 2.5.6. All the deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or any deduction of appropriate taxes or on payment of tax deduction at source (such as Section 43B, Section 40, Section 40A, Section 36 and the like, of the Income Tax Act) will be eligible for deduction to Transferee Company, upon fulfillment of conditions, if any required under the Income Tax Act.

2.6. TRANSFER OF LEGAL PROCEEDINGS

- 2.6.1. Without prejudice to the generality of Clause 3.1 above, upon the effectiveness of this Scheme and with effect from the Appointed Date, if any suits, actions, proceedings, appeals or other legal, tax,



quasi-judicial, regulatory, arbitral, administrative or other proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company are pending and/or arising on or after as on the Effective Date, the same 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 this Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company, without any further act, instrument, deed, matter or thing being made, done or executed, and the Transferee Company will have all legal or other proceedings initiated by or against the Transferor Company referred to in this sub-clause, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company, to the exclusion of the Transferor Company.

2.7. VALIDITY OF EXISTING RESOLUTION AND CORPORATE APPROVALS

2.7.1. Upon this Scheme coming into effect, the resolutions/corporate approvals as may have been already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Section 42, 62(1)(a), 180, 185, 186, 188 etc. of the Act read with the rules and regulations made thereunder including such resolutions having any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions for the purpose of Transferee Company.

2.8. CONTRACTS, DEED, LEASE, LICENSES, REGISTRATIONS ETC.

Without prejudice to the generality of Clause 3.1 above, on coming into effect of this Scheme, without any further subject to the provisions of this Scheme:

2.8.1. all contracts, deeds, bonds, agreements, engagements, arrangements, memoranda of understanding, memoranda of agreements, memoranda of agreed point, bids, letters of intent, insurance policies, guarantee and indemnities, schemes, arrangements undertakings and other instruments, whether written or otherwise and other instruments (including all licenses and other assurances in favour of Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which Transferor Company is a party or to the benefit of which Transferor Company may be eligible/entitled, or under which Transferor Company has any obligations to discharge and which are subsisting or having effect shall, without any further act, instrument or deed, continue in full force and effect in favour of or against Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder. If the Transferee Company enters into and/or issues and/or executes, deeds, writing or confirmation or enter into any tripartite arrangement, 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 its duly constituted attorney of the Transferor Company.

2.8.2. All lease or license or rent agreement, if any, entered into by the Transferor Company with the landlords, owners, licensors in connection with the assets being used by the Transferee Company, together with the security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay lease/rent amounts provided for in such agreements and shall comply with other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company.



2.8.3. all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-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, power of attorney given by, issued to or executed in favor of the Transferor Company 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 NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with the relevant authorities concerned for information and record purposes.

2.9. TRANSFER OF EMPLOYEES

Without prejudice to the generality of Clause 3.1 above, on coming into effect of this Scheme, without any further subject to the provisions of this Scheme:

2.9.1. All the employees of the Transferor Company, if any in service on the Effective Date shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date without any further act instrument, deed, matter or thing being made, done or executed. The Transferee Company undertakes to engage without any interruption in service all the employees of Transferor Company, if any, on terms and conditions no less favourable than those on which they are engaged by Transferor Company. Transferee Company undertakes to continue to abide by any agreement/settlement or arrangement, if any, entered into or deemed to have been entered into by Transferor Company with any of the aforesaid employees or union representing them. Transferee Company agrees that the services of all such employees with Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. Further, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company shall be continued/ continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company.

2.9.2. The accumulated balances, if any, standing to the credit of and in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of Transferee Company set-up in accordance with Applicable Law and caused to be recognized by the Governmental Authorities. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Transferor Company and such funds shall be held for the benefit of the employees transferred under this Scheme.

2.10. SAVING OF CONCLUDED TRANSACTIONS

2.10.1. The transfer of the assets and liabilities of the Transferor Company under Clause(s) 3.2 and 3.3 above, the continuance of legal Proceedings under Clause 3.6 above and the effectiveness of contracts, deeds,



bonds, licenses, lease and other instruments under Clause 3.8, transfer of all employee of the Transferor Company under Clause 3.9 and transfer of all statutory liabilities such as duties, taxes under Clause 3.5, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the sanction of this Scheme, 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 thereof, as if done and executed on its behalf.

2.11. CONSIDERATION

2.11.1. Upon coming into effect of this Scheme, and in consideration of the transfer and vesting of undertaking of the Transferor Company in the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, basis the Share Entitlement Ratio Report, issue and allot to the shareholders of the Transferor Company, on a proportionate basis (whose name is recorded in the register of members of the Transferor Company as on the Record Date) equity shares of the face value of INR 10/- (Rupees Ten) each in the following manner ("Amalgamation Equity Shares"):

"46,30,50,680 (Fourty Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty Only) fully paid up equity shares of each of Transferee Company shall be issued and allotted to the equity shareholders of Transferor Company in the proportion of shares held by them in Transferor Company as on the Record Date."

2.11.2. It is hereby clarified that for the purpose of allotment of Amalgamation Equity Shares of the Transferee Company, fractional entitlements, if any, of the equity shareholders of the Transferor Company shall be rounded off to the nearest integer.

2.11.3. Upon this Scheme becoming effective, the Board of the Transferor Company shall, on the Record Date, provide to the Transferee Company, a list containing particulars of the equity shareholders of the Transferor Company as on the Record Date, along with their respective entitlement to the fully paid-up equity shares of the Transferee Company, pursuant to this Scheme.

2.11.4. In the event that the Transferor Company or the Transferee Company restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of this Scheme, the Amalgamation Equity Shares shall be adjusted accordingly to take into account the effect of any such corporate actions.

2.11.5. Pursuant to the issuance of the Amalgamation Equity Shares as aforesaid to the shareholders of the Transferor Company, the shareholders of the Transferor Company shall become the shareholders of the Transferee Company.

2.11.6. The shareholders of the Transferor Company shall be entitled to receive the equity shares of the Transferee Company in physical form and such other confirmations as may be required by the Transferee Company. It is clarified that, each of the members holding equity shares as appearing in the Register of Members of the Transferor Company as on the Record Date shall be issued equity shares of the Transferee Company.

2.11.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.

2.11.8. The Amalgamation Equity Shares to be issued to the members of the Transferor Company under Clause



3.11.1 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 the Transferee Company in all respects for the financial year starting from the Appointed Date in terms of this Scheme with the existing equity shares of the Transferee Company.

2.11.9. It is clarified that issue and allotment of the Amalgamation Equity Shares to the shareholders of the Transferor Company as provided in this 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. Further, the Transferee Company shall be deemed to be in compliance with necessary compliances under relevant provisions of the Act including the provisions and procedure laid down under Section 42 and 62 of the Act for the issue and allotment by the Transferee Company of Amalgamation Equity Shares to the members of the Transferor Company under this Scheme.

2.11.10. With respect to any foreign shareholders of the Transferor Company, the Transferee Company shall comply with the Applicable Laws including RBI guidelines and directions and applicable provisions of Foreign Exchange Management Act 1999, Including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, to enable it to issue equity shares pursuant to this Scheme.

2.11.11. The Board of the Transferee Company, shall, if and to the extent required, apply for and obtain any approvals from concerned Governmental Authorities and undertake necessary compliances for the issue and allotment of Amalgamation Equity Shares to the equity shareholders of the Transferor Company pursuant to Clause 3.11.1 above.

2.12. CANCELLATION OF EXISTING SHARES OF TRANSFEEE COMPANY

2.12.1. Simultaneously, with the issue and allotment of the Amalgamation Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company in accordance with Clause 3.11 above, all the equity shares held by the Transferor Company or its nominees, if any, in the share capital of the Transferee Company, shall, without any further application, act, instrument or deed, be automatically cancelled, extinguished and annulled on and from the, Effective Date and the paid up equity capital of the Transferee Company to that effect shall stand cancelled.

2.12.2. The reduction of the subscribed, issued and paid-up share capital of the Transferee Company shall be effected as an integral part of this Scheme in accordance with the provisions as provided under Section 230 and any other applicable provisions of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation on the reduction of the subscribed, issued and paid-up share capital of the Transferee Company, which shall be deemed to be an order under Section 66 of the Act confirming the reduction and pursuant to provisions under Section 230 and no separate application or sanction shall be necessary for the purpose of such reduction.

2.12.3. The reduction of the subscribed, issued and paid-up share capital, as contemplated above, would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

2.12.4. The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

2.13. CONSOLIDATION OF AUTHORISED SHARE CAPITAL

2.13.1. Upon this Scheme becoming effective, but prior to the issuance of and allotment of the Amalgamation Equity Shares under Clause 3.11.1 above, the authorized share capital of the Transferor Company shall be deemed to be added to and combined with the authorized share capital of the Transferee Company, hence increasing the authorized share capital of the Transferee Company.



2.13.2. Pursuant to the combination/ consolidation of the authorized share capital pursuant to Clause 3.13.1 above, the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, deed, be and stand altered, modified and amended, such that Clause V of the memorandum of association of the Transferee Company shall be replaced by the following:

"The Authorized Share Capital of the Company is 9,500,000,000 (Indian Rupees Nine Hundred and Fifty Crore only) divided into 950,000,000 (Ninety-Five Crore) equity shares of INR 10 (Rupees Ten only) each."

2.13.3. It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and increase of authorized share capital of the Transferee Company pursuant to this Clause 3.13 and no further resolutions) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be passed separately. However, the Transferee Company will take necessary steps, if any required to give effect to increase in its authorized share capital in the records of the ROC or any other applicable authorities.

2.13.4. In accordance with Section 232(3)(9) of the Act and the Applicable Law, the stamp duties and/ or fees (including registration fees) paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company pursuant to this Clause 3.13 and no stamp duties and/ or fees would be payable for increase in the authorized share capital of the Transferee Company to the extent of fees already paid in relation to the authorized share capital of the Transferor Company.

2.14. CONDUCT OF BUSINESS UNTILL THE EFFECTIVE DATE

2.14.1. The Companies agree that during the period between the approval of this Scheme by the respective Boards of the Companies and up to the Effective Date, the business of the Companies be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Laws.

2.14.2. Till this Scheme becomes effective, the Companies shall be free to increase or alter in any other manner their respective authorized, issued, subscribed and paid-up share capital as may be required by the respective business requirements or for ensuring compliance with Applicable Laws. In the event of any increase in the issued, subscribed or paid up share capital or restructuring of the share capital of either of Transferor Company or the Transferee Company including by way of share split/ consolidation/ issue of bonus shares or other similar action during pendency of this Scheme, the Amalgamation Equity Shares shall be adjusted appropriately and the same shall be approved by the Boards of both the Companies.

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

2.14.3. The Transferor Company undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of all rights, title and interest in and to the properties and assets pertaining to the Transferor Company, for and on account of and in trust for the Transferee Company;

2.14.4. The Transferor Company hereby undertakes to hold it's said assets with utmost prudence in the ordinary course of business until the Effective Date;

2.14.5. All profits and income accruing to the Transferor Company, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the



Appointed Date based on the accounts of the Transferor Company shall, subject to this Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company;

- 2.14.6.** All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company;
- 2.14.7.** All assets and properties comprised in the Transferor Company as on the date immediately preceding the Appointed Date, and all assets and properties relating thereto, which are acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company; and
- 2.14.8.** Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company.
- 2.14.9.** For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal rights upon the transfer of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.
- 2.14.10.** Upon this Scheme becoming effective, the Transferee Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- 2.14.11.** The transfer and vesting of the assets, liabilities and obligations of the Transferor Company and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

2.15. DISSOLUTION OF THE TRANSFEROR COMPANY

- 2.15.1.** From the Effective Date, the Transferor Company shall be automatically dissolved without being wound up and the Board of the Transferee Company or any committee thereof is hereby authorized to take all steps as may be necessary or desirable or proper on behalf of the Transferor Company from the Effective Date to resolve any question, doubts, or difficulty whether by reason of any order(s) of the court(s) or any directive, order or sanction of any Governmental Authority or otherwise arising out of or under this Scheme or any matter therewith.

2.16. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 2.16.1.** Notwithstanding anything to the contrary contained herein, the Transferee Company shall account for the amalgamation of the Transferor Company in its separate financial statements in accordance with the applicable accounting principles as prescribed under the Companies (Indian Accounting Standard) Rules, 2015, as notified under Section 133 of the Companies Act, 2013, as may be amended from time to time, and on the date determined as per Ind AS, as below:



- i. The Transferee Company shall recognise the assets and liabilities of the Transferor Company (excluding investment in Transferee Company) at their respective fair values.
- ii. Existing share capital issued by the Transferee Company to the Transferor Company shall stand cancelled in terms of Clause 3.12 above. The Transferee Company shall recognise the issue of an equivalent number of equity shares as consideration to the shareholders of the Transferor Company in terms of Clause 3.11.1 above.
- iii. Inter-company balances between Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled.
- iv. The surplus/deficit, if any arising after taking the effect of Clauses 3.16.1(i) and Clause 3.16.1(iii) shall be recognized in equity in the separate financial statements of the Transferee Company.

2.16.2. The comparative information presented by the Transferee Company in its financial statements shall not be restated to give effect to the amalgamation.

3. PART D | GENERAL TERMS AND CONDITIONS

3.1. APPLICATION TO THE NCLT

- 3.1.1. The Transferor Company and the Transferee Company shall make joint application and/or petition under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for approval of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.
- 3.1.2. Upon this Scheme becoming effective, the shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

3.2. FACILITATION PROVISIONS

- 3.2.1. Notwithstanding anything contained in this Scheme, on or after Effective Date, until all Undertaking and rights and benefits arising therefrom pertaining to Transferor Company are transferred, vested, recorded, effected and/ or perfected, in the records of any Governmental Authority, regulatory bodies or otherwise, in favour of Transferee Company, Transferee Company is deemed to be authorized to enjoy the undertaking 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 as if it were the original party to the license, approval, permission, contract or agreement.

3.3. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 3.3.1. 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, may consent to any modifications/ amendments to this Scheme or to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. 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 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 this Scheme and/or any matter concerned or connected therewith. The Companies, acting through their respective Boards of Directors, shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is unacceptable to any of them or if so otherwise decided by the Board of Directors.



3.3.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of 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 all parties, in the same manner as if the same were specifically incorporated in this Scheme.

3.4. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

This Scheme, although to come into effect from the Appointed Date shall not be effective and shall be conditional upon ar

- 3.4.1.** This Scheme being approved by requisite majorities of the shareholders and/or creditors of the Transferor Company and the Transferee Company as prescribed under the Act and may be directed by the NCLT;
- 3.4.2.** The requisite consent, approval or permission of the relevant Governmental Authority or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 3.4.3.** The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
- 3.4.4.** Any other sanctions and orders as may be directed by the NCLT while sanctioning this Scheme;
- 3.4.5.** Certified copy of the order of the NCLT Sanctioning this Scheme being filed with ROC.

3.5. EFFECT OF NON-RECEIPTS OF APPROVALS

- 3.5.1.** In the event of any of the said sanctions and approvals referred to in Clause 4.4 above not being obtained and/ or this Scheme not being sanctioned by the NCLT or such other Governmental Authority, if any, 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 this Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme.
- 3.5.2.** It is further provided in a case if the Board of Directors of any of the Companies as being part of this Scheme, at any stage prior to this Scheme coming into effect, decide not to proceed further with the Scheme and withdraw the consent of the respective company to this Scheme, in such a case, this Scheme in its entirety shall not be proceeded with by any party and this Scheme shall stand revoked, cancelled and be of no effect.

3.6. COSTS

- 3.6.1.** All past, present and future costs, charges, taxes including 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 or implementation thereof and matters incidental thereto, shall be respectively borne by the Transferor Company or the Transferee Company, as may be mutually agreed.
- 3.6.2.** All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and of carrying out and implementing/ completing the terms and provisions of this Scheme and/ or incidental to the completion of amalgamation of the



Transferor Company in pursuance of this Scheme shall be allowed as a deduction to the Transferee Company in accordance with Section 35DD of the Income Tax Act over a period of 5 (five) years beginning with the previous year in which the appointed date falls.

3.7. FILING AMENDMENTS OF RETURNS

3.7.1. Transferee Company is expressly permitted to file/ revise their respective income-tax, withholding tax, goods and service tax, sales tax/ value added tax, excise and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. The Transferee Company is expressly permitted to amend tax deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to its incomes/ transactions from the Appointed Date.

3.8. SEVERABILITY

3.8.1. If any part of this Scheme is found to be invalid, unenforceable or unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

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Transaction Square Advisory LLP

Registered Valuer - Securities or Financial Assets

Regd. Office: 6th Floor, Tower-A, Mamkchand Ikon, Dhole Patil Road, Pune -411 001, Maharashtra, India

November 28, 2023

To,
Board of Directors,
Adidas India Private Limited
Plot No. – 53, Sector 32, Industrial Area,
Gurugram, Haryana - 122001

To,
Board of Directors,
Adidas India Marketing Private Limited
Plot No. – 53, Sector 32, Industrial Area,
Gurugram, Haryana - 122001

Sub: Recommendation of fair share exchange ratio for the proposed amalgamation of Adidas India Private Limited ('AIPL') with Adidas India Marketing Private Limited ('AIMPL')

Dear Sir/ Madam,

We refer to the engagement letter dated 22 November 2023 and discussion undertaken with the Management of Adidas India Private Limited (hereinafter referred to as 'AIPL' or Transferor Company') and Adidas India Marketing Private Limited (hereinafter referred to as 'AIMPL' or 'Transferee Company') whereby the Management of AIPL and AIMPL has requested Transaction Square Advisory LLP, Registered Valuer - Securities or Financial Assets ('Transaction Square', 'we' or 'us') to recommend the fair share exchange ratio for the proposed amalgamation of AIPL with AIMPL.

Hereinafter the abovementioned proposed transaction shall be referred to as the 'proposed amalgamation' and the Management including the Board of Directors of AIPL and AIMPL, together, shall be referred to as 'the Management' and the Transferor Company and Transferee Company shall together be referred to as 'Transacting Companies'.

Please find enclosed the report (comprising 10 pages) detailing our recommendation of fair share exchange ratio for the proposed amalgamation, the methodologies employed, and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us and our recommendation of fair share exchange ratio for the proposed amalgamation.

COMPANY BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Adidas India Private Limited ('AIPL' or 'Transferor Company') was incorporated on 26 February 1996 with an objective to make investments in the group companies. Currently AIPL holds investment in Adidas India Marketing Private Limited ('AIMPL' or 'Transferee company').

Adidas India Marketing Private Limited ('AIMPL' or 'Transferee company') was incorporated on 22 December 1995 and is engaged in the business of cash and carry wholesale trading ("CCWT") and single brand retail trading ("SBRT") of sportswear and lifestyle apparel/ clothing, footwear, leather goods and other related accessories and equipment.

With an intention to simplify the shareholding structure, we understand that the Management of the Transacting Companies are contemplating a scheme of amalgamation, wherein they intend to amalgamate AIPL with AIMPL in accordance with the provisions of Section 230-232 and Section 66 of the Companies Act, 2013, or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable law for the time being in force and in a manner provided in the Draft Scheme of Amalgamation ("the Scheme")

As a part of the Scheme, the entire existing issued and paid-up share capital of the Transferee Company which



is held by Transferor Company shall stand cancelled on the Scheme being effective.

As a consideration for the proposed amalgamation under Part C of the Scheme, equity shares of AIMPL would be Issued to the equity shareholders of AIPL

The equity shares to be issued for the proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors on the basis of share exchange ratio report prepared by a Registered Valuer as required under the applicable provisions of Companies Act, 2013.

It is in this regard that the Management has appointed Transaction Square Advisory LLP, Registered Valuer — Securities or Financial Assets ('Transaction Square' or 'we' or 'us') submit a report recommending fair share exchange ratio for the proposed amalgamation of AIPL with AIMPL

We understand that the appointed date for the proposed amalgamation shall be 01 April 2023 as defined In the Scheme or such other date as the competent authority may direct or approve. We have determined the fair share exchange ratio for the proposed amalgamation as at the report date ('Valuation date').

We would like to emphasize that certain terms of the proposed amalgamation are stated in our report, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

SCOPE OF OUR SCHEME

The scope of our service is to determine the share exchange ratio as at the Valuation date after considering the facts of the case and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI).

The Management has informed us that.

- a) There would be no change in the shareholding of Transferor Company in Transferee Company between report date and scheme implementation date.
- b) Till the proposed amalgamation becomes effective, the Transacting Companies would not declare any dividend which is materially different from those declared in the past few years.
- c) There would be no significant variation between the draft scheme of amalgamation and the final scheme approved and submitted with the relevant authorities.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction With the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with preparation of this report, we have used and relied on the following sources of information.

Information provided by the Management which includes.

- Unaudited provisional financial statements for the six months period ended 30 September 2023 and audited financial statements for the financial year ended 31 March 2023 ('FY23') of AIPL and AIMPL;
- Shareholding pattern of Transacting Companies as at report date and confirmation from the Management that shareholding of Transferor Company in Transferee Company would not change prior to implementation of the Scheme;



- Draft scheme of amalgamation pursuant to which the proposed amalgamation is to be undertaken; and
- Such other information and documents as provided by the Management for the purpose of this engagement;

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management;

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope;

PROCEDURES ADOPTED

- Procedures used in our analysis included such circumstances, including, but not necessarily limited to the following:
 - Analysis of information shared by the Management;
 - Reviewed the unaudited provisional financial statements for the six months period ended 30 September 2023 and audited financial statements for the financial year ended 31 March 2023 ('FY23') of AIPL and AIMPL;
 - Reviewed the shareholding pattern of Transacting Companies as at the report date and considered the confirmation from the Management that the shareholding of Transferor Company in the Transferee Company would not change till the Scheme implementation date;
 - Reviewed the draft scheme of amalgamation;
 - Discussions with the Management to obtain requisite explanation and clarification of data provided; and
 - Determined the fair share exchange ratio for the proposed amalgamation of AIPL with AIMPL, in discussions with the Management, for issue of equivalent equity shares of AIMPL held by AIPL to the equity shareholders of AIPL in proportion to their respective shareholding pattern in AIPL as consideration for the proposed amalgamation of AIPL with AIMPL under Part C of the Scheme;

COMPANY AND FINANCIAL OVERVIEW

Adidas India Private Limited ('AIPL' or Transferor Company') was incorporated with an objective to make investments in the group companies. Currently AIPL is an unregistered Core Investment Company under the provision of Core Investment Companies (Reserve Bank) Directions, 2016 as issued by RBI from time to time and currently holds investment in Adidas India Marketing Private Limited ('AIMPL' or Transferee company) only.

The equity shareholding pattern of AIPL as at report date is set out below:

<u>Name of Shareholder</u>	<u>Number of shares (Face Value of INR 10 each)</u>	<u>Percentage %</u>
Adidas International B.V Netherland	41,63,52,507	89.3%
Adidas AG	4,97,48,173	10.7%
Total	46,61,00,680	100.0%

Adidas India Marketing Private Limited ('AIMPL' or 'Transferee Company') is primarily engaged in the business of cash and carry wholesale trading ("CCWT") and single brand retail trading ("SBRT") of sportswear and lifestyle apparel/ clothing, footwear, leather goods and other related accessories and equipment.

The equity shareholding pattern of AIMPL as at report date is set out below:



<u>Name of Shareholder</u>	<u>Number of shares (Face Value of INR 10 each)</u>	<u>Percentage %</u>
Adidas India Private Limited	46,30,50,680	98.6%
Others	64,67,150	1.4%
Total	46,95,17,830	100.0%

We understand that as a part of the Scheme, the outstanding issued and paid-up share capital of AIMPL held by AIPL would be cancelled on Scheme being effective.

FINANCIAL OVERVIEW

A. Adidas India Private Limited ('AIPL' or 'Transferor Company')

Snapshot of unaudited provisional financial statements for the six months period ended 30 September 2023 and audited financial statements for the financial year ended 31 March 2023 ('FY23') of AIPL is set out below:

Balance sheet as at

INR in Million

<u>Particulars</u>	<u>30-Sep-23 Unaudited</u>	<u>31-Mar-23 Audited</u>
Equity and Liabilities		
Shareholder's funds		
Share capital	4,661.0	4,661.0
Reserve and surplus	(17.5)	(16.6)
Non-current liabilities		
Other non-current liabilities	2.3	2.2
Current liabilities		
Trade Payables	1.1	0.6
Other current liabilities	0.1	0.2
Total equity and liabilities	4,647.0	4,647.4
Assets		
Non-current assets		
Right-of-use assets	2.3	2.4
Non-current investment	4,630.5	4,630.5
Other non-current assets	0.3	0.3
Current assets		
Cash and cash equivalents	13.6	14.0
Other current assets	0.3	0.2
Total assets	4,647.0	4,647.4

Profit and loss statements for the period/year ended

INR in Million

<u>Particulars</u>	<u>30-Sep-23 Unaudited</u>	<u>31-Mar-23 Audited</u>
Revenue from operations		
Expenses		
Employee benefit expense	(0.0)	(0.0)
Other operating expenses	(0.8)	(1.2)



EBITDA	(0.8)	(1.2)
Depreciation and amortisation	(0.1)	(0.3)
EBIT	(0.9)	(1.5)
Finance cost	(0.1)	(0.1)
Other income	0.2	0.6
PBT	(0.8)	(1.0)
Tax expense	-	-
PAT	(0.8)	(1.0)

B. Adidas India Marketing Private Limited ('AIMPL' or 'Transferee Company')

Snapshot of unaudited provisional financial statements for the six months period ended 30 September 2023 and audited financial statements for the financial year ended 31 March 2023 ('FY23') of AIMPL is set out below:

Balance sheet as at

INR in Million

<u>Particulars</u>	<u>30-Sep-23</u> <u>Unaudited</u>	<u>31-Mar-23</u> <u>Audited</u>
Equity and liabilities		
Shareholder's funds		
Share capital	4,695.0	4,695.0
Reserve and surplus	10,978.6	9,973.7
Non-current liabilities		
Non-current lease liabilities	4,410.8	4,630.8
Other non-current liabilities	476.3	333.6
Current liabilities		
Current lease liabilities	705.2	709.2
Trade Payables	4,637.0	3,456.0
Other current liabilities	2,510.5	2,037.4
Total equity and liabilities	28,413.4	25,836.0
Assets		
Non-current assets		
Net fixed assets	6,202.0	6,468.8
Other non-current assets	1,580.6	1,446.3
Current assets		
Inventories	8,312.0	7,155.0
Trade receivables	5,323.0	5,011.0
Cash and cash equivalent	5,674.0	4,621.0
Other current assets	1,321.9	1,133.9
Total assets	28,413.4	25,836.0

Profit and loss statements for the period/year ended

INR in Million

<u>Particulars</u>	<u>30-Sep-23</u> <u>Unaudited</u>	<u>31-Mar-23</u> <u>Audited</u>
Revenue from operations	14,716.0	25,068.0
Expenses		
Cost of goods sold	(6,603.0)	(11,794.0)
Employee benefit expense	(2,942.0)	(4,279.0)
Other operating expenses	(2,899.0)	(4,611.5)
EBITDA	2,272.0	4,383.5



Depreciation and amortization	(848.0)	(1,168.0)
EBIT	1,424.0	3,215.5
Finance cost	(261.0)	(447.0)
Other income	197.0	713.0
PBT	1,360.0	3,481.5
Tax expense	(356.0)	(902.0)
PAT	1,004.4	2,579.0

RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION

As mentioned under Part C of the Scheme, AIPL (Transferor Company) IS proposed to be amalgamated with AIMPL (Transferee Company). We understand that AIPL does not carry out any significant standalone business operations and primarily acts as the holding company of AIMPL, which derives majority of its value from the equity shares of AIMPL it holds as an investment Accordingly, the shareholders of AIPL indirectly enjoy the economic interest in AIMPL and upon the proposed amalgamation of AIPL with AIMPL, the shareholders of AIPL would be entitled to equivalent equity shares of AIMPL in proportion to the equity shares held by them in AIPL. Pursuant to amalgamation, there would be no change In paid-up capital of AIMPL.

We understand that upon the Scheme being effective, no additional consideration is being discharged except for shares of AIMPL being issued to the shareholders of AIPL In lieu of equal number of shares as held by AIPL in AIMPL which is being duly cancelled. Thus, for every fresh issue of share of AIMPL to the shareholders of AIPL, there is a corresponding cancellation of an existing share of AIMPL held by AIPL Given that no additional consideration is being discharged and no additional shares being issued for the proposed amalgamation, we have therefore not carried out any Independent valuation of either of Transacting Companies.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, Limitations and assumptions describe in this report and the engagement letter, we recommend the following share exchange ratio.

To the equity shareholders of AIPL.

46,30,50,680 (Forty Six Crore Thirty Lakh Fifty Thousand Six Hundred and Eighty Only) fully paid-up equity shares of the face value of INR 10 each of AIMPL shall be issued and allotted as fully paid-up equity shares to the equity shareholders of AIPL, in the proportion to their holding as on the record date.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- The purpose of valuation agreed as per the terms of this engagement;
- The date of the report;
- Shareholding pattern of Transacting Companies as at the report date and no change in shareholding of Transferor Company in Transferee Company prior to implementation of the Scheme;
- Unaudited provisional financial statements of AIPL for the six months period ended 30 September 2023;
- Draft scheme of amalgamation; and
- Data detailed in the section — Sources of Information

A value analysis of this nature is based on the information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not



assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Transacting Companies till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value for arriving at share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value. While we have provided our recommendation of the share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange ratio at which the proposed amalgamation shall take place will be with the Board of Directors of the Transacting Companies, who should take into account other factors such as their own assessment of the proposed amalgamation and input of other advisors.

In the course of our analysis, we were provided with both written and verbal information, as detailed in the section — Sources of Information.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of:

- The accuracy of information made available to us by the Management which formed a substantial basis for the report; and
- The accuracy of information that was publicly available.

We have not carried out a due diligence or audit or review of the Transacting Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the proposed amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management of Transacting Companies is accurate. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management has indicated to us that they have understood any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Transacting Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Transacting Companies. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

We would like to emphasize that AIPL does not carry out any significant standalone business operations and primarily act as the holding company of AIMPL, which derives majority of its value from the equity shares of AIMPL it holds as an investment. Accordingly, the shareholders of AIPL indirectly enjoy the economic interest in AIMPL. As part of the Scheme, the equity shares held by AIPL in AIMPL would stand cancelled on Scheme being effective and



the shareholders of AIPL would be entitled to equivalent equity shares of AIMPL in proportion to the equity shares held by them in AIPL. Hence, pursuant to amalgamation, there would be no change in paid-up capital of AIMPL.

Given that no additional consideration is being discharged and no additional shares being issued for the proposed amalgamation, we have therefore not carried out any independent valuation of either of Transacting Companies.

The report assumes that the companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

This report does not look into the business/ commercial reasons behind the proposed amalgamation or the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to the recommendation of share exchange ratio for the proposed amalgamation only.

Certain terms of the proposed amalgamation in our report, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of Transacting companies who have appointed us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance shall the liability of Transaction Square exceed the amount as agreed in our Engagement Letter.

This valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of recommending the share exchange ratio for the proposed amalgamation and the relevant filings with the statutory authorities with respect to the proposed amalgamation, without our prior written consent.

Respectfully Submitted,
Transaction Square Advisory LLP
IBBI Registration No: 1BBI/RV-E/06/2023/194

Sd/-
Niranjan Kumar
Partner
Registered Valuer: Securities or Financial Assets
IBBI Registration No. - IBBI/RV/06/2018/10137
Date: 28 November, 2023
Place: Pune
UDIN: 23121635BGUWYH3791

