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**SCHEME OF AMALGAMATION OF**  
**KHATU INVESTMENT & TRADING COMPANY LIMITED**  
(TRANSFEROR COMPANY NO.1)  
**AND**  
**NEW LOOK INVESTMENT (BENGAL) LIMITED**  
(TRANSFEROR COMPANY NO.2)  
**WITH**  
**TOWER INVESTMENT & TRADING COMPANY LIMITED**  
(TRANSFeree COMPANY)

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013**  
**And all other applicable provisions of the Companies Act, 2013 (to the extent notified) and**  
**The Companies Act, 1956, (to the extent still in force)**

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**CERTIFIED TRUE COPY**

TOWER INVESTMENT & TRADING CO. LTD.

  
Director

## **INTRODUCTION**

1. This scheme of Amalgamation ("Scheme") is presented pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 ("Act") as may be applicable, and in compliance with the applicable section(s) of the Income tax Act, 1961 for the following:

- 1.1 Amalgamation of Khatu Investment & Trading Company Limited ("Transferor Company 1") into and with Tower Investment & Trading Company Limited ("Transferee Company") and consequent dissolution of the Transferor Company 1 without winding up; and
- 1.2 Amalgamation of New Look Investment (Bengal) Limited ("Transferor Company 2") into and with Tower Investment & Trading Company Limited ("Transferee Company") and consequent dissolution of the Transferor Company 2 without winding up.

1.3 The Scheme is divided into the following parts:

<b>PART</b>	<b>PARTICULARS</b>
<b>I</b>	<b>BACKGROUND AND RATIONALE</b>
<b>II</b>	<b>DEFINITIONS, SHARE CAPITAL AND DATE OF SCHEME TAKING EFFECT</b>
<b>III</b>	<b>TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANIES</b>
<b>IV</b>	<b>ISSUE OF EQUITY SHARES BY THE TRANSFEEE COMPANY</b>
<b>V</b>	<b>ACCOUNTING TREATMENT</b>
<b>VI</b>	<b>DISSOLUTION OF TRANSFEROR COMPANIES MATTERS INCIDENTAL THERETO</b>

The Transferor Company 1 and Transferor Company 2 are collectively referred to herein as the Transferor Companies.



## PART I

### **A. BACKGROUND AND DESCRIPTION OF COMPANIES**

1. **KHATU INVESTMENT & TRADING COMPANY LIMITED**, is a public limited company incorporated under the provisions of the Companies Act, 1956 (CIN: L65993WB1979PLC032406) and having its Registered Office at 6, Old Post Office Street, Kolkata - 700001 in the State of West Bengal (hereinafter referred to as "TRANSFEROR COMPANY NO.1"). The shares of the Transferor Company 1 are listed in The Calcutta Stock Exchange Limited ('CSE') only. The Permanent Account Number of Transferor Company 1 is AABCK0786D

Transferor Company 1 is presently carrying on the business of rendering of consultancy services.

2. **NEW LOOK INVESTMENT (BENGAL) LIMITED**, is a public limited company incorporated under the provisions of the Companies Act, 1956 (CIN: L67120WB1975PLC030035) and having its Registered Office at 6, Old Post Office Street, Kolkata - 700 001 in the State of West Bengal (hereinafter referred to as "TRANSFEROR COMPANY NO.2"). The shares of the Transferor Company 2 are listed in The Calcutta Stock Exchange Limited ('CSE') only. The Permanent Account Number of the Transferor Company 2 is AABCN0486F.

Transferor Company 2 is presently carrying on the business of rendering of consultancy services.

3. **TOWER INVESTMENT & TRADING COMPANY LIMITED**, is a public limited company incorporated under the provisions of the Companies Act, 1956 (CIN: L67120WB1981PLC033500) and having its Registered Office at 'Temple Chambers' 6, Old Post Office Street, Kolkata - 700 001 in the State of West Bengal (herein after referred to as "TRANSFEEEE COMPANY"). The shares of the Transferee Company



are listed in The Calcutta Stock Exchange Limited ('CSE') only. The Permanent Account Number of the Company is AABCT1076F.

Transferee Company is a Non Banking Finance Company duly registered with the Reserve Bank of India and is currently engaged in investing and financing activities.

## **B. RATIONALE FOR THE SCHEME**

With a view to consolidate similar businesses under a single entity and to achieve simplified corporate structure by way of group reorganization, the management has envisaged to undertake the amalgamation of the Transferor Companies in the Transferee Company under this Scheme.

The amalgamation of Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

- a) The scheme will help in achieving improved operational efficiency and optimum advantages and also synergy in operations by combining the business of the Transferor Companies with the Transferee Company;
- b) The amalgamation will enable the Transferee Company to consolidate its line of business by restructuring and re-organizing its business activities and Capital Structure;
- c) The amalgamation will result in economy of scale including reduction in overhead expenses relating to management and administration in better and more productive utilization of various resources;
- d) The business of the Transferor Companies and Transferee Company can be conveniently and advantageously combined together and in general business of the Companies concerned and will be carried on more economically and profitably under the said Scheme;



- e) The said Scheme of Amalgamation will enable the establishment of a larger company with larger resources and a larger capital base enabling further development of the business of the Companies concerned. The said scheme will also enable the undertakings and business of the said applicant Companies to obtain greater facilities possessed and enjoyed by one large company compared with a number of small Company for raising capital, securing and conducting trade on favorable terms and other benefits;
- f) The said scheme will contribute in furthering and fulfilling the objects of the Companies concerned and in the growth and development of these businesses;
- g) The said scheme will strengthen and consolidate the position of the Transferee company and will enable the Transferee company to increase its profitability;
- h) The said scheme will enable the Companies concerned to pool their resources and to expand their activities;
- i) The said scheme will enable the Companies concerned to rationalize and streamline their management, business and finances and to eliminate duplication of work to their common advantages;
- j) The said scheme will have beneficial results for the Companies concerned, their shareholders, employees and all concerned.

In view of the aforesaid, the Board of Directors of the TRANSFEROR COMPANIES and the TRANSFEE COMPANY have considered and proposed the amalgamation of the entire undertaking and business of the TRANSFEROR COMPANIES with the TRANSFEE COMPANY in order to benefit the stakeholders of all companies. Accordingly, the Board of Directors of the TRANSFEROR COMPANIES and the TRANSFEE COMPANY have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the TRANSFEROR COMPANIES with and into the TRANSFEE COMPANY pursuant to the provisions of Section 230 to Section 232 of



Companies Act, 2013 and other relevant provisions of the Act and rules made there under.

The Scheme is in the interest of the shareholders, creditors and employees of all the Companies and their stakeholders and would enable the Transferee Company to adopt a focused business approach for the maximization of benefits to the stakeholders. The Scheme shall not in any manner be prejudicial to the general public at large.

## **PART II**

### **DEFINITIONS AND SHARE CAPITAL**

#### **DEFINITIONS**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- a) **"ACT" or "THE ACT"** means the Companies Act, 2013 (to the extent notified) and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force and includes any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include the Companies Act, 1956 (to the extent still in force);
- b) **"APPOINTED DATE"** For the purpose of this Scheme, means 1<sup>st</sup> April, 2020 or such other dates as may be fixed or approved by the Appropriate Authority;
- c) **"TRANSFEROR COMPANIES"** means and includes TRANSFEROR COMPANY NO.1 and TRANSFEROR COMPANY NO.2.
- d) **"BOARD OF DIRECTORS" or "BOARD"** shall mean the board of directors of the TRANSFEROR COMPANIES and the TRANSFeree COMPANY, as the case may be, and shall include a



duly constituted committee thereof for implementation of the scheme;

- e) "**CSE**" means the Calcutta Stock Exchange Limited;
- f) "**Companies**" means collectively, the Transferor Companies and the Transferee Company;
- g) "**DESIGNATED STOCK EXCHANGE**" shall mean The National Stock Exchange of India Limited or NSE;
- h) "**EFFECTIVE DATE**" means the last of the dates on which the certified or authenticated copy of the orders of the Hon'ble National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Companies and by the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- i) "**APPROPRIATE AUTHORITY**" means any government, statutory, regulatory, departmental or public body or authority having jurisdiction over the Transferor Companies and the Transferee Company, including the Central Government, Regional Director, Registrar of Companies and the National Company Law Tribunal;
- j) "**ASSETS**" in relation to Transferor Companies means Fixed Assets, Loans and Advances, Investments, Current Assets, debit balance in Profit and Loss account and any other assets as per the books of the Transferor Company as on 31st March 2020;
- k) "**LIABILITIES**" in relation to the Transferor Companies means Loan Funds, Current Liabilities, Reserves and Surplus



(including balance in Profit and Loss Account), provisions and all other liabilities of the Transferor Companies as per the books of the Transferor Companies as on 31st March 2020;

- l) **"IT ACT"** means the Indian Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- m) **"PROCEEDINGS"** include any suit, appeal or any legal proceeding of whatsoever nature in any Court of law, or tribunal or any judicial or quasi-judicial body or any assessment proceeding before any authority under any law and also arbitration proceeding;
- n) **"RECORD DATE"** means the date to be fixed by the Board of Directors of the TRANSFEREE COMPANY for the purpose of determining the names of the equity shareholders of the TRANSFEROR COMPANIES as applicable, who shall be entitled to shares of the TRANSFEREE COMPANY upon coming into effect of this Scheme;
- o) **"SCHEME" or "THE SCHEME" or "THE SCHEME OF AMALGAMATION"** means this Scheme of Amalgamation drawn pursuant to Section 232 of the Companies Act, 2013, in its present form submitted to the Hon'ble National Company Law Tribunal Bench at Kolkata with or without any modification(s) made in terms contained in PART-VI under Paragraph 19 to this Scheme.
- p) **"SEBI"** means the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992;





- q) "**SEBI CIRCULARS**" means (i) Circular No. CFD/DIL3/CIR/2017/21 dated March 10 2017, (ii) Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, (iii) SEBI Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017, (iv) SEBI Circular No CFD/DIL3/CIR/2018/2 dated January 03, 2018 issued by SEBI or any other circulars issued by SEBI applicable to scheme of arrangement from time to time;
- r) "**STOCK EXCHANGES**" means collectively CSE and NSE;
- s) "**TRANSFEROR COMPANIES**" means Khatu Investment & Trading Company Limited and New Look Investment (Bengal) Limited;
- t) "**TRANSFeree COMPANY**" means Tower Investment & Trading Company Limited
- u) "**NCLT**" shall mean the Hon'ble National Company Law Tribunal, Kolkata Bench under whose jurisdiction the Company falls.
- v) "**UNDERTAKING**" or "**UNDERTAKING OF THE TRANSFEROR COMPANIES**" shall mean and include the whole of the assets, properties, liabilities and the undertaking(s) and entire business(es) of the Transferor Companies as a going concern and specifically include the following (without limitation):
- (a) All the assets and properties (whether movable and immovable, if any, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent of whatsoever nature and wherever situated) of the Transferor Companies, including, without being limited to all their lands (freehold or leasehold), buildings, factory, work shop, all plant and machinery, fixed assets, godown, guest house, tenancy right, work in progress, show room, office equipments, accessories, power lines, power station, sub-station, railway tracks, vehicles, furniture and fixtures, deposits, assets, current assets, premises, investments of all kinds (including share scrips, stocks, bonds, debenture stocks, units), cash balances



including with banks, loans (including working capital loan), advances, contingent rights or benefits, receivables, refunds, claims, earnest moneys, advances or deposits paid by the Transferor Companies, their goodwill, financial assets, lease and hire purchase contracts, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantee, reversions, powers, municipal permissions, authorities, allotments, approvals, consents, licences, registrations, contracts, engagements, arrangements, customer contracts, customer approvals, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of, or enjoyed by the Transferor Companies including licenses, fixed and other assets, trade and service names liberties, patents, brand, trademarks, logo, designs, copyrights and other intellectual property rights of any nature whatsoever, import licences, quotas, permits, concessions, subsidies, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections, LAN installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets and properties and all agreements and all other interests held in trust, registrations, contracts, engagements, arrangements of all kinds, privileges and all other rights, benefits of all agreements, subsidies, grants, incentives, tax and other credits [including but not limited to credits in respect of Tax, income-tax, minimum alternate tax i.e. tax on book profits, (whether recorded or not in the financial statements), tax deducted at source, tax collected at source, advance tax, goods and service tax, value added tax, central sales tax, sales tax, CENVAT, MODVAT, excise duty, service tax, custom duty, octroy, entry tax etc), tax losses (including unabsorbed depreciation), brought forward tax losses, book losses for minimum alternate tax purposes, tax benefits and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated, easements, arrangements of all kind, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to that of the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies;



- (b) All secured and unsecured debts, liabilities (including contingent liabilities), duties and obligations of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for the benefit of or enjoyed by the Transferor Companies;
- (c) All agreements, rights, contracts, entitlements, permits, licences, approvals, authorities, concessions, consents, quota rights, fuel linkages, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantee, reversions, powers and all other approvals of every kind, nature, description whatsoever relating to the Transferor Companies' business activities and operations;
- (d) All intellectual property, records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales materials, lists of present and former clients and suppliers, other client information, client credit information, client pricing information and all other records and documents, whether in physical form or electronic form relating to the business activities and operations of the Transferor Companies.
- (e) All staff, workmen, and employees engaged in or relating to the business activities and operations of the Transferor Companies.

## **INTERPRETATION**

In this Scheme, unless the context otherwise requires:

- (a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (c) words in the singular shall include the plural and vice versa; and
- (d) all the expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996, the IT Act or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.



## 1. SHARE CAPITAL OF THE COMPANIES

### A. TRANSFEROR COMPANY NO.1

The authorized, subscribed and paid-up share capital of the TRANSFEROR COMPANY NO.1 as on March 31, 2020 is as under:

Particulars	Rs.
<b>AUTHORIZED SHARE CAPITAL</b>	
2,00,000 Equity Shares of Rs.10/- each	20,00,000/-
<b>TOTAL</b>	<b>20,00,000/-</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
2,00,000**Equity Shares of Rs.10/- each	20,00,000/-
<b>TOTAL</b>	<b>20,00,000/-</b>

**NOTE: \*\* 35,000 equity shares are held by TRANSFEROR COMPANY NO. 2 and 45,600 equity shares are held by TRANSFEREE COMPANY.**

There is no change in the authorized, issued, subscribed and paid-up share capital of the TRANSFEROR COMPANY NO.1 from appointed dated till the date of approval of the Scheme by the Board of Directors of the TRANSFEROR COMPANY NO.1.

### B. TRANSFEROR COMPANY NO.2

The authorized, subscribed and paid-up share capital of the TRANSFEROR COMPANY NO.2 as on March 31, 2020 was as under:

Particulars	Rs.
<b>AUTHORIZED SHARE CAPITAL</b>	
2,00,000 Equity Shares of Rs.10/- each	20,00,000/-
<b>TOTAL</b>	<b>20,00,000/-</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
2,00,000**Equity Shares of Rs.10/- each	20,00,000/-



<b>TOTAL</b>	<b>20,00,000/-</b>
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**NOTE: \*\* 53,100 equity shares are held by TRANSFEROR COMPANY NO. 1 and 38,150 equity shares are held by TRANSFEREE COMPANY.**

There is no change in the authorized, issued, subscribed and paid-up share capital of the TRANSFEROR COMPANY NO.2 from appointed dated till the date of approval of the Scheme by the Board of Directors of the TRANSFEROR COMPANY NO.2.

### **C. TRANSFEREE COMPANY**

The authorized, subscribed and paid-up share capital of the TRANSFEREE COMPANY as on March 31, 2020 was as under:

<b>Particulars</b>	<b>Rs.</b>
<b>AUTHORISED SHARE CAPITAL</b>	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000/-
<b>TOTAL</b>	<b>1,00,00,000/-</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
4,12,130** Equity Shares of Rs.10/- each	41,21,300/-
<b>TOTAL</b>	<b>41,21,300/-</b>

**NOTE: \*\* 64,138 equity shares are held by TRANSFEROR COMPANY NO. 1 and 74,104 equity shares are held by TRANSFEROR COMPANY NO. 2.**

There is no change in the authorized, issued, subscribed and paid-up share capital of the TRANSFEREE COMPANY from appointed dated till the date of approval of the Scheme by the Board of Directors of the TRANSFEREE COMPANY.

## **2. DATE WHEN THE SCHEME COMES INTO OPERATIONS**

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by the Hon'ble National Company Law Tribunal, Kolkata Bench shall be operative from the Appointed Date but shall be effective from the Effective Date.



**P A R T - III**  
**TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR**  
**COMPANIES**

**1. TRANSFER OF UNDERTAKING**

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the Hon'ble National Company Law Tribunal, Kolkata Bench under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the TRANSFEREE COMPANY, as a going concern 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, the Undertaking of the TRANSFEREE COMPANY by virtue of and in the manner provided in this Scheme.

**1.1 TRANSFER OF ASSETS**

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

- a) All the assets and properties comprised in the Undertaking of whatsoever nature and where so ever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the TRANSFEREE COMPANY or be deemed to be transferred to and vested in the TRANSFEREE COMPANY as a going



concern so as to become the assets and properties of the Transferee Company.

- b) Without prejudice to the provisions of Clause (a) above, in respect of such assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the TRANSFEROR COMPANIES and shall, upon such transfer, become the assets and properties of the TRANSFEE COMPANY as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- c) In respect of movables other than those dealt with in Clause (b) above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the TRANSFEE COMPANY.
- d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the TRANSFEROR COMPANIES and all rights and benefits that have accrued or which may accrue to the TRANSFEROR COMPANIES, whether before



after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the TRANSFEE COMPANY and shall remain valid, effective and enforceable on the same terms and conditions.

- e) The TRANSFEROR COMPANIES shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by the Hon'ble National Company Law Tribunal, Kolkata Bench under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the TRANSFEE COMPANIES the debt, loan or advance or make the same on account of the TRANSFEROR COMPANIES and the right of the TRANSFEROR COMPANIES to recover or realize the same stands vested in the TRANSFEE COMPANY.
- f) All assets and properties of the TRANSFEROR COMPANIES as on the Appointed Date, whether or not included in the books of the respective TRANSFEROR COMPANIES, and all assets and properties which are acquired by the TRANSFEROR





COMPANIES on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the TRANSFEREE COMPANY, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the TRANSFEREE COMPANY upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the TRANSFEROR COMPANIES after the Appointed Date without the consent of the TRANSFEREE COMPANY as provided for in this Scheme.

## **1.2 TRANSFER OF LIABILITIES :**

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the TRANSFEROR COMPANIES of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the Hon'ble National Company Law Tribunal, Kolkata Bench under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred



and vested in or be deemed to have been transferred to and vested in the TRANSFEREE COMPANY, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the TRANSFEREE COMPANY to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the TRANSFEREE COMPANY on the same terms and conditions as were applicable to the TRANSFEROR COMPANIES, and the TRANSFEREE COMPANY shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- (b) All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the respective TRANSFEROR COMPANIES, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the TRANSFEREE COMPANY by virtue of this Scheme.
- (c) Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the TRANSFEROR COMPANIES after the Appointed Date and prior to the Effective Date, such discharge



or satisfaction shall be deemed to be for and on account of the TRANSFEREE COMPANY.

- (d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the TRANSFEREE COMPANY shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the TRANSFEREE COMPANY.

## 2. ENCUMBRANCES :

- (a) The transfer and vesting of the assets comprised in the Undertaking to and in the TRANSFEREE COMPANY under paragraph 1 of Part III of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- (b) All the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the TRANSFEROR COMPANIES after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the TRANSFEREE COMPANY by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the TRANSFEROR COMPANIES, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they



related or attached prior to the Effective Date and as are transferred to the TRANSFEREE COMPANY, and such Encumbrances shall not relate or attach to any of the other assets of the TRANSFEREE COMPANY, provided however that no encumbrances shall have been created by the TRANSFEROR COMPANIES over its assets after the Appointed Date without the consent of the TRANSFEREE COMPANY as provided for in this Scheme.

(c) The existing encumbrances over the assets and properties of the TRANSFEREE COMPANY or any part thereof which relate to the liabilities and obligations of the TRANSFEREE COMPANY prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the TRANSFEREE COMPANY by virtue of this Scheme.

(d) Any reference in any security documents or arrangements (to which the TRANSFEROR COMPANIES is a party) to the TRANSFEROR COMPANIES and its assets and properties, shall be construed as a reference to the TRANSFEREE COMPANY and the assets and properties of the TRANSFEROR COMPANIES transferred to the TRANSFEREE COMPANY by virtue of this Scheme. Without prejudice to the foregoing provisions, the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s)



ofcharge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

- (e) Upon the coming into effect of this Scheme, the TRANSFEREE COMPANY alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- (f) It is expressly provided that, no other term or condition of the Liabilities transferred to the TRANSFEREE COMPANY is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- (g) The provisions of Paragraph 1 of Part III shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

### **3. INTER - SE TRANSACTIONS :**

Without prejudice to the provisions of paragraph 1 with effect from the Appointed Date, all inter-party transaction between the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY or the TRANSFEROR COMPANIES inter-se shall be considered as intra-party transactions for all purposes.



#### 4. CONTRACTS, DEEDS, ETC.

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the TRANSFEROR COMPANIES are a party or to the benefit of which the TRANSFEROR COMPANIES may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the TRANSFEREE COMPANY and may be enforced as fully and effectually as if, instead of the TRANSFEROR COMPANIES, the TRANSFEREE COMPANY had been a party or beneficiary or obligee or obligor thereto or thereunder.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the TRANSFEREE COMPANY may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the TRANSFEROR COMPANIES are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The TRANSFEREE COMPANY shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the TRANSFEROR COMPANIES and to carry out or perform all such formalities or



compliances referred to above on the part of the TRANSFEROR COMPANIES.

- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the TRANSFEROR COMPANIES shall without any further act or deed, stand transferred to the TRANSFEREE COMPANY, as if the same were originally given by, issued to or executed in favour of the TRANSFEREE COMPANY, and the TRANSFEREE COMPANY shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the TRANSFEREE COMPANY. The TRANSFEREE COMPANY shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

#### **5. LEGAL PROCEEDINGS :**

On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the TRANSFEROR COMPANIES pending and/or arising on or before the Effective Date shall be continued and/or enforced as desired by the TRANSFEREE COMPANY and on and from the Effective Date, shall be continued and/or enforced by or against the TRANSFEREE COMPANY as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the TRANSFEREE COMPANY. On and from the Effective Date, the TRANSFEREE COMPANY shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been



initiated by the TRANSFEROR COMPANIES as the case may be, had the Scheme not been made. If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the TRANSFEROR COMPANIES be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the TRANSFEREE COMPANY in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the TRANSFEROR COMPANIES as if this Scheme had not been made.

#### **6. TRANSFER OF PROFITS/LOSSES AND RESERVES**

With effect from the Appointed Date, all profits (including losses), reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or costs of litigation) arising to or incurred by the Undertaking of the Transferor Companies shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of the Transferee Company.

#### **7. CONDUCT OF BUSINESS:**

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

- (i) The TRANSFEROR COMPANIES shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the TRANSFEREE COMPANY.





- (ii) All the profits or income accruing or arising to the TRANSFEROR COMPANIES, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the TRANSFEROR COMPANIES shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the TRANSFEREE COMPANY.
- (iii) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the TRANSFEROR COMPANIES shall be deemed to have been exercised by the TRANSFEROR COMPANIES for and on behalf of and as agent for the TRANSFEREE COMPANY. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the TRANSFEROR COMPANIES shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the TRANSFEREE COMPANY.
- b) With effect from the date of filing of this Scheme with the Hon'ble National Company Law Tribunal and up to and including the Effective Date, the TRANSFEROR COMPANIES shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group companies or any third party or sell, transfer, alienate,



charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

- (i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the National Company Law Tribunal; or
  - (ii) if the same is permitted by this Scheme; or
  - (iii) if consent of the Board of Directors of the TRANSFEREE COMPANY has been obtained.
- c) The TRANSFEROR COMPANIES shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations (ii) any agreement or transaction; and (iii) such other matters as the TRANSFEREE COMPANY may notify from time to time save and except in each case in the following circumstances:
- i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the National Company Law Tribunal.
  - ii) if the same is permitted by this Scheme; or
  - iii) if consent of the Board of Directors of the TRANSFEREE COMPANY has been obtained.
- d) Without prejudice to the generality of Clause (c) above, the TRANSFEROR COMPANIES shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner except by way of making calls on partly paid shares to make them as fully paid, which may, in any way, affect the



Share Exchange Ratio (as provided in Clause 10 below),  
except under any of the following circumstances:

- i) by mutual consent of the Board of Directors of the TRANSFEROR COMPANIES and of the TRANSFEREE COMPANY; or
- ii) as may be permitted under this Scheme.

**8. TREATMENT OF TAXES :**

- a) Any tax liabilities under the Income-Tax Act, 1961, Service Tax/GST, Stamp Acts/Laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the TRANSFEROR COMPANIES to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the TRANSFEREE COMPANY.
- b) All taxes (including income tax, service tax/GST, etc.) paid or payable by the TRANSFEROR COMPANIES in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the TRANSFEREE COMPANY and, insofar as it relates to the tax payment (including without limitation income tax, service tax/GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the TRANSFEROR COMPANIES in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the TRANSFEREE COMPANY, and shall, in all proceedings, be dealt with accordingly.
- c) Any refund under the Tax Laws due to the TRANSFEROR COMPANIES consequent to the assessments made on



TRANSFEROR COMPANIES and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the TRANSFEREE COMPANY.

- d) Without prejudice to the generality of the above, all benefits including that of withholding tax (TDS) under the income tax, GST etc., to which the TRANSFEROR COMPANIES are entitled to in terms of the applicable Tax Laws shall be available to and vest in the TRANSFEREE COMPANY.

## **9. EMPLOYEES**

Upon the coming into effect of this Scheme, all the employees of the TRANSFEROR COMPANIES who are in its employment as on the Effective Date shall become the employees of the TRANSFEREE COMPANY with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the TRANSFEROR COMPANIES.

## **10. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the TRANSFEROR COMPANIES under Paragraph 1 of PART III of this Scheme shall not affect any transactions or proceedings already concluded by the TRANSFEROR COMPANIES on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the TRANSFEREE COMPANY accepts and adopts all acts, deeds and things made, done and executed by the TRANSFEROR COMPANIES as acts, deeds and things made, done and executed by or on behalf of the TRANSFEREE COMPANY.



## **11. OTHERS:**

- (a) The Scheme does not involve any compromise or composition with the creditors of the Transferor Companies or the Transferee Company and the rights of the creditors of the Transferor Companies and the Transferee Company are not affected in any manner.
- (b) The charge and/or security of the secured creditors of the Transferor Companies and the Transferee Company shall remain unaffected by this Scheme.
- (c) On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realise all monies and complete and enforce all pending contracts and transactions and to issue credit notes in respect of the Transferor Companies in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- (d) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorisations in relation to the Transferor Companies, shall stand transferred by the order of the Appropriate Authority to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Appropriate Authority.

## **PART IV**

### **ISSUE OF EQUITY SHARES BY THE TRANSFEE COMPANY**

The provisions of this Part IV shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

#### **1. ISSUE OF NEW EQUITY SHARES BY THE TRANSFEE COMPANY:**

- a. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking of the TRANSFEROR COMPANIES in the TRANSFEE COMPANY, in terms of this scheme, the TRANSFEROR



COMPANY shall without any further application or deed, be required to issue and allot to the equity shareholders of the TRANSFEROR COMPANIES whose names appear in the register of members as on the Record Date:

- i. To every Equity Shareholder of TRANSFEROR COMPANY NO.1, 27 (Twenty Seven) Equity Shares of Rs.10/- each credited as fully paid-up in the TRANSFEREE COMPANY (hereinafter referred to as the "New Equity Shares") for every 50 (Fifty) Equity Shares of Rs.10/- each fully paid-up held by such Equity Shareholder in TRANSFEROR COMPANY NO.1.
  - ii. To every Equity Shareholder of TRANSFEROR COMPANY NO.2, 11 (Eleven) Equity Shares of Rs.10/- each credited as fully paid-up in the TRANSFEREE COMPANY (hereinafter referred to as the "New Equity Shares") for every 13 (Thirteen) Equity Shares of Rs.10/- each fully paid-up held by such Equity Shareholder in TRANSFEROR COMPANY NO.2.
- b.** The new equity shares issued and allotted by the TRANSFEREE COMPANY in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the TRANSFEREE COMPANY and shall *inter-se* rank *paripassu* in all respects with the then existing equity shares of the TRANSFEREE COMPANY, including in respect of dividend, if any, that may be declared by the TRANSFEREE COMPANY on or after the Effective Date



## **FRACTIONAL ENTIELEMENTS**

- c.** Fractional shares, if any, resulting in the process of allotment of shares by the Transferee Company to the Shareholders of the Transferor Companies involved in the Amalgamation based on the Swap Ratio, such fractional shares shall be ignored.
- d.** In the event that the Transferor Companies and Transferee Company restructure its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account effect of such corporate actions.
- e.** In the event of there being any pending share transfers, whether lodged or outstanding of any shareholders of Transferor Companies, the Board of Directors of Transferor Companies shall be empowered prior to the Record Date, to effectuate such transfers in the Transferor Companies as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the equity shares issued by the Transferee Company after the Scheme is effected. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
- f.** The equity shares issued and/or allotted pursuant to the Scheme in respect of such of the equity shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the Act shall, pending



settlement of the dispute by order of court or otherwise, be held in abeyance by the Transferee Company.

- g.** It is clarified that upon the approval of this Scheme by the shareholders of the Transferor Companies and Transferee Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 42, 62, 186, 188 and any other applicable provisions under the Act, and that no separate approval from the shareholders or others if so applicable to that extent shall be required to be sought by the parties for the matters specified in this Scheme.
- h.** Upon this Scheme becoming effective, the existing Share Certificates held by the Shareholders of the TRANSFEROR COMPANIES shall automatically stand cancelled. The equity shares to be issued pursuant to this scheme shall be issued to the shareholders of the Transferor Companies in such form, physical or dematerialized as permitted under Applicable laws.
- i.** All the shares held by the TRANSFEE COMPANY in the TRANSFEROR COMPANIES or by the TRANSFEROR COMPANIES in the TRANSFEE COMPANY or the TRANSFEROR COMPANIES inter-se, shall stand cancelled and accordingly, the Paid-up Equity Share Capital of the Transferee Company shall stand reduced to that extent;
- j.** The cancellation and the consequent reduction of the share capital of the TRANSFEE COMPANY shall be done as an integral part of the Scheme and not in accordance with Section 66 of the Companies Act, 2013 as the same does not involve either diminution of liability in respect of any





unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the National Company Law Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

## **11. AMALGAMATION OF AUTHORISED CAPITAL OF TRANSFEROR COMPANIES**

- a. Upon this Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the TRANSFEROR COMPANIES shall stand transferred to and be amalgamated with the authorized share capital of the Transferee Company.
- b. It is hereby clarified that the consent of the shareholders of the Transferor Companies and the Transferee Company to this Scheme shall be sufficient for the purposes of effecting this amendment in the Memorandum and Articles of Association of the Transferee Company and that no further resolution under Section 13, and Sections 61 and 64 or any other applicable provisions of the Act, would be required to be separately passed.
- c. For this purpose, the filing fees already paid by the TRANSFEROR COMPANIES on their respective authorised share capital shall be adjusted with total fees payable by the Transferee Company on such increase of authorized capital in accordance with Section 232(3)(i) of the Companies Act, 2013. Balance fees if required to be paid after adjusting such fees already paid by the Transferor Companies shall be paid by the Transferee Company.



## **CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY**

Accordingly, in terms of this Scheme, the authorised share capital of the TRANSFEREE COMPANY shall stand enhanced to Rs.1,40,00,000/- (Rupees One Crore Forty Lacs only) divided into 14,00,000 equity shares of Rs. 10/- each. The capital clause being Clause V of the Memorandum of Association shall on the Effective Date stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1,40,00,000/- (Rupees One Crore Forty Lacs only) divided into 14,00,000(Fourteen Lacs) equity shares of Rs. 10/- (Rupees Ten)each with the rights of privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company, and to divide the shares in the capital for the time being into several classes and to attaché thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determines by or accordance with the Article of Association of the Company for the time being and vary modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the Companies Act 1956 or any other relative At for the time being in force or provided by the Articles of Association of the Company for the time being.*

### **12. REDUCTION OF SHARE CAPITAL**

The Scheme does not contain any reduction in the share capital of the **TRANSFEREE COMPANY** as per Sec. 66 of the COMPANIES Act, 2013 except cancellation of shares of TRANSFEREE COMPANY due to Inter/cross holding of shares resulting from this amalgamation.



### **13. LISTING OF NEW EQUITY SHARES**

- a. After the Effective Date of this Scheme, the new equity shares to be issued and allotted by the Transferee Company in terms of clause 12 of Part IV above shall be listed and shall be admitted for trading on the CSE by virtue of this Scheme and in accordance with the provisions of SEBI Circulars. Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of the aforesaid circulars and Applicable Laws and take all steps to get its share capital including the new equity shares issued by it in pursuance to this Scheme listed on the CSE.
- b. The new equity shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the CSE.
- c. There shall be no change in the shareholding pattern of the Transferee Company between the Record Date and the listing which may affect the basis on which approval is received from the Appropriate Authority.

### **14. APPROVALS**

- 14.1 The Transferor Companies and the TRANSFEE COMPANY shall be entitled, pending the sanction of the Scheme, to apply to any appropriate Authority, if required, under any law for such consents and approvals which the TRANSFEE COMPANY may require to own the Undertaking and to carry on the business of the TRANSFEROR COMPANIES.



**14.2** This Scheme is specifically and conditional upon and subject to:

- a. The approval of and agreement to the Scheme by requisite majority of the members and Creditors of the Transferor Companies and the Transferee Company as may be directed by the National Company Law Tribunal on the applications made for directions under Section 230 of the said Act;
- b. The sanction of the National Company Law Tribunal being obtained under Sections 230 to 232 of the said Act in favour of the Transferor Companies and the Transferee Company and to the necessary order or orders under Section 232 of the said Act, being obtained;
- c. The requisite consents, no-objections and approvals of the Stock Exchange and SEBI to the Scheme in terms of the SEBI Circular and/or SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, on the terms acceptable to the Companies;
- d. The approval of the public shareholders of the Transferor Companies and the Transferee Company in accordance with the provisions of the SEBI Circulars issued in this behalf. Such approval of public shareholders will be obtained through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, and the Scheme shall be acted upon only if the votes casted by public shareholders in favour of the Scheme are more than the number of votes casted by public shareholders against it.
- e. Approval of merger of Transferor Companies with the Transferee Companies by the Reserve Bank of India.
- f. Any other sanction or approval of the appropriate authorities concerned, as may be considered necessary and appropriate by the respective Boards of Directors of the Transferor Companies and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required;



## **PART V**

### **ACCOUNTING TREATMENT**

#### **15. ACCOUNTING TREATMENT :**

Notwithstanding anything to the contrary contained in any other Clause in the Scheme, upon the Scheme becoming effective, the amalgamation of Transferor Companies into Transferee Company, shall be accounted as per "**Pooling of Interest Method**" in accordance with Indian Accounting Standard (Ind AS 103), Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of the Companies Act, 2013;

Comparative accounting period presented in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period in the financial statement

## **PART VI**

### **DISSOLUTION OF THE TRANSFEROR COMPANIES AND MATTERS INCIDENTAL THERETO**

#### **16. DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the coming into effect of this Scheme, the TRANSFEROR COMPANIES shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the TRANSFEROR COMPANIES shall without any further act, instrument or deed be and stand dissolved.



**17. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

**18. PROCEEDINGS BEFORE THE APPROPRIATE AUTHORITY:**

- a. The Transferor Companies and the Transferee Company shall file in the Appropriate Authority a joint application for convening and holding of meetings of their respective equity and creditors to be called, held and conducted in such manner or for their dispensation, as the Appropriate Authority may direct and to consider and if thought fit to approve, with or without modification, this Scheme.
- b. On this Scheme being agreed by the requisite majority of members/creditors of the Transferor Companies and the requisite majority of members/creditors of the Transferee Company, the Transferor Companies and the Transferee Company shall apply to the Appropriate Authority for sanctioning the Scheme of Amalgamation under Sections 230 and 232 of the Companies Act, 2013 and for such other order, or orders, as the Appropriate Authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding up.
- c. It is hereby clarified that submissions of the Scheme to the Appropriate Authority and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that the Transferor Companies and the Transferee



Company has or may have under or pursuant to all applicable laws.

- d. The Transferor Companies and the Transferee Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

#### **19. MODIFICATION OF SCHEME**

- a. Subject to approval of the Hon'ble National Company Law Tribunal, the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY by their respective Board of Directors may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the Hon'ble National Company Law Tribunal or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY may in their discretion accept, such modification(s) or addition(s) as the Board of Directors of the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The TRANSFEROR COMPANIES and the TRANSFEREE COMPANY by their respective Boards of Directors are authorized to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible in law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the National Company Law Tribunal or any Governmental Authorities, which the Board of Directors of the TRANSFEROR COMPANIES or the TRANSFEREE COMPANY find unacceptable for any reason, then



the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY shall be at liberty to withdraw the Scheme.

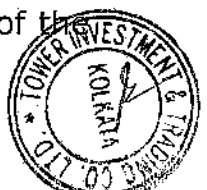
- b. For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Board of Directors of the TRANSFEROR COMPANIES and TRANSFEREE COMPANY may give and are authorized to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any, of the Transferor Companies) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## **20. FILING OF APPLICATIONS**

The TRANSFEROR COMPANIES and the TRANSFEREE COMPANY shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the National Company Law Tribunal having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

## **21. WITHDRAWAL OF THE SCHEME**

The Companies shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the Board of Directors of the





respective Companies prior to the Effective Date. In such a case, the Companies shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, the Companies shall not be entitled to withdraw the Scheme unilaterally without the prior written consent of the other.

## **22. COSTS, CHARGES, EXPENSES AND STAMP DUTY**

All costs, charges and expenses (including any taxes and duties) incurred or payable by the TRANSFEROR COMPANIES and the TRANSFEREE COMPANY in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the TRANSFEROR COMPANIES with the TRANSFEREE COMPANY in pursuance of this Scheme, including stamp duty on the orders of the Hon'ble National Company Law Tribunal, if any and to the extent applicable and payable, shall be paid by the TRANSFEREE COMPANY.

## **23. MISCELLANEOUS**

- a. If any part of this Scheme is found to be unworkable for any reason whatsoever, in the sole discretion of the Transferor Companies and the Transferee Company either by their respective Boards of Directors or through Committees appointed by them in this behalf, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- b. In the event that any conditions imposed by the Appropriate Authority are found unacceptable for any reason whatsoever by any Transferor Company or the Transferee Company, then the respective Transferor Company and/or Transferee Company shall be entitled to withdraw the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.
- c. On the approval of the Scheme by the members of the Transferor Companies and Transferee Company pursuant to Section 230 of the Act, it shall be deemed that the said members



have also accorded all relevant consents under other provisions of the Act to the extent the same may be considered applicable for the purpose of this Scheme.

- d. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company in respect of the immovable properties vested in it. Any inchoate title or possessory title of the Transferor Companies or its predecessor companies shall be deemed to be the title of the Transferee Company.
- e. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors of the Transferor Companies and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have an adverse implication(s) on all or any of the Transferor Companies or the Transferee Companies.
- f. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the any of the Transferor Companies and /or the Transferee Company, then in such case the Transferor Companies and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Companies and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part. Without prejudice to above, if the modification required is not acceptable, then the Companies can withdraw the Scheme.

