

SCHEME OF MERGER

OF

PRECIOUS TRADING & INVSTMENTS LIMITED
("TRANSFEROR COMPANY")

WITH

SHETH DEVELOPERS PRIVATE LIMITED
("TRANSFeree COMPANY")

UNDER

SECTION 230 READ WITH SECTION 232 OF THE COMPANIES ACT, 2013

For Precious Trading and Investments Limited



Director

For SHETH DEVELOPERS PVT. LTD.



Director



GENERAL

1. INTRODUCTION

1.1. Brief of the Transferor Company

- (a) The Transferor Company (*as defined hereunder*) is a listed public limited liability company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number L51900MH1983PLC029176, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East) Mumbai - 400057, Maharashtra.
- (b) The Transferor Company was incorporated under the name and style of "Precious Trading & Investments Limited" on January 24, 1983. The name of the Transferor Company has remained unchanged since incorporation.
- (c) The Transferor Company was incorporated in the State of Maharashtra on January 24, 1983. The details of change in the registered office of the Transferor Company during the last 5 (five) years is as follows:
 - (i) From October 25, 2010 to June 30, 2018, the registered office of the Transferor Company was at Sheth House, General A.K. Vaidya Marg, next to Dindoshi Fire Station, Opposite Oberoi Mall, Malad East, Mumbai – 400097;
 - (ii) From July 1, 2018, the Transferor Company changed its registered office to ground and third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai – 400057.
- (d) The main objects for which the Transferor Company has been incorporated is as follows:

"1. To carry on the business as merchants, traders, commission agents, buying agents, selling agents, brokers, adatis, buyers sellers agents, depot managers, importers, exporters, dealers in, collections distributors of and to import, export, buy, sell, barter, exchange, pledge, distribute, mortgage, advance upon or otherwise trade and deal in merchandise, general produce, substances, materials, goods, machinery and equipment including textile machinery, its spare parts and accessories, chemicals, dyes, intermediaries, fertilizers, electrical goods, electronic devices and components, textile yarns, cloth, garments and furniture, dairy, farm and garden produce and in particular milk, casein and its allied products including cheese, butter, tinned milk, condensed milk and the products and substances derived from the manipulation of or treatment of milk, cream, ice-cream, ghee, poultry, eggs, fruits, vegetables, pickles and cider as wholesalers or retailers, on the basis of ready delivery or forward contracts, on commission basis or otherwise.



1a. To carry on the business of exports of systems and applications software and to otherwise deal in systems design, software engineering programmings, data processing, training, research, development of software packages, computerization and to carry on business as consultants in the field of computerisation and development of software packages in and outside India and to design, manufacture, market, import, trade install, assemble, heir, repair, erect, service or otherwise deal in electrical, electromechanical, software, hardware, process control and systems, magnetic instrumentation systems, equipment's, computers, accessories and spare parts.

2. To carry on business of investment company, and to invest the capital and other monies of company and for that purpose to purchase or otherwise acquire, become interested in, deal in, invest in, hold, sell, mortgage, pledge or otherwise dispose of, to turn to account or realise upon, the security of shares, stock units, debentures, debenture stock, bonds, mortgages, obligation and securities of any kind issued or guaranteed by any company corporation or undertaking whether incorporated or otherwise and wheresoever constituted or carrying on business, in shares, stock, debenture, debenture stock, bonds, notes, mortgages, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioner, trust, municipal local or other authority or body of whatever nature in India or abroad and to underwrite, sub-underwrite, to invest in, and acquire and hold, sell, by or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debenture-stocks bonds, obligations and securities issued and guaranteed by any company, corporations, firms or person whether incorporated or established in India or elsewhere."

- (e) The equity shares of the Transferor Company are listed on BSE.

1.2. Brief of the Transferee Company

- (a) The Transferee Company (as defined hereunder) is a private limited liability company, incorporated under the provisions of the Companies Act, 1956, bearing corporate identity number U45200MH1993PTC070335, having its registered office at Ground and Third floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai - 400057, Maharashtra.
- (b) The Transferee Company was originally incorporated as a public limited company under the name and style of "Sheth Developers Limited" on January 6, 1993, which later converted to a private company as "Sheth Developers Private Limited" vide fresh certificate of incorporation dated March 24, 2003 issued consequent to the conversion of the Transferee Company into a private limited company.
- (c) The Transferee Company was incorporated in the State of Maharashtra on January 6,



1993. The details of change in the registered office of the Transferee Company during the last 5 (five) years is as follows:

- (i) From October 25, 2010 to June 30, 2018, the registered office of the Transferee Company was at Sheth House, General A.K. Vaidya Marg, next to Dindoshi Fire Station, opposite Oberoi Mall, Malad East, Mumbai – 400097;
 - (ii) From July 1, 2018, the Transferee Company changed its registered office to Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East) Mumbai – 400057.
- (d) The Transferee Company has been incorporated to carry on the business of and with the main object of:

"1. To carry on business as developers of land, buildings, immovable properties and of real estates by constructing, reconstructing, altering, improving, furnishing and maintaining offices, flats, houses, factories, ware-houses, shops, wharves, buildings works and conveniences and by consolidating connecting and sub-dividing immovable properties and by leasing and disposing of the same.

2.To carry on business of builders, contractors, erectors constructors of buildings, houses, apartments, structures for residential, industrial, commercial, institutional or Developer of Co-operative Housing Societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, constructing, reconstructing erecting, altering, improving, enlarging, developing, furnishing and maintaining of structures, flats, houses, factories, shops, garages, warehouses, buildings, works, workshops, godowns and conveniences to purchase for development or for resale lands, houses, buildings, structures and other properties of any tenure and any interest and to purchase, sell land or building and give land and/or building and lease, sub-lease and to deal in properties."

1.3. Details of the relationship between the Transferor Company and the Transferee Company

The Transferee Company and the Transferor Company are related parties as the Transferee Company is the promoter of Transferor Company and holds 74.99% equity shares of the Transferor Company.

2. FACTS, RATIONALE AND BENEFITS OF THE SCHEME

- 2.1. This Scheme (*as defined hereunder*) provides for the merger of the Transferor Company with and into the Transferee Company pursuant to Section 230 read with Section 232 and other relevant provisions of the Act (*as defined hereunder*) read with the Rules (*as defined hereunder*) therein, by:

- (a) issuance of redeemable preference shares of the Transferee Company to the equity



shareholders of the Transferor Company except to the Transferee Company as per the terms set out under this Scheme;

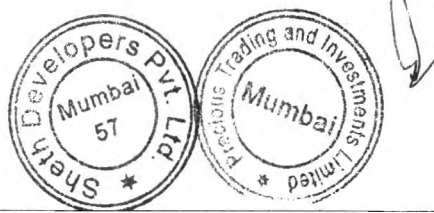
- (b) dissolution without winding up of the Transferor Company;
- (c) alteration of the memorandum of association of the Transferee Company in the manner provided in this Scheme;
- (d) the consequent treatment of the Undertakings (*as defined hereunder*) of the Transferor Company and the Transferee Company, in the manner provided for in this Scheme; and
- (e) various other matters consequential to or otherwise integrally connected with the above.

2.2. Rationale and Benefits of the Scheme

- (a) The Transferor Company has been a loss-making entity and the Transferor Company's revenue for the year ending 31 March 2019 has been nil. The Transferor Company is primarily, holding investments. This function can easily be carried out by the Transferee Company on its own. This would help by reducing an unnecessary layer and thereby improving transparency. Also, the revenue generation of the Transferee Company has been positive and if these entities are merged as per the Scheme hereunder, the activities of the Transferor Company can be carried out by the Transferee Company.
- (b) Further, since the year 2001, no business activity (other than making of investment) has been undertaken by the Transferor Company. No trading activity has been undertaken on BSE by any of the Shareholders of the Transferor Company. Therefore, notwithstanding the listing of equity shares of the Transferor Company, the shareholders of the Transferor Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. On the other hand, under the Scheme, they will be issued redeemable preference shares of the Transferee Company which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Transferor Company and will be assured of obtaining liquidity on redemption of preference shares in an assured timeframe or even earlier if an identified market maker is willing to acquire the preference shares. Thus, with this merger, the Transferor Company is unlocking the value of the shares for its Shareholders. Accordingly, if the Transferor Company is merged with the Transferee Company, there will not be any adverse effect on the Shareholders of the Transferor Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.



- (c) Both the Transferor Company and the Transferee Company have the same key managerial personnel and accordingly the business of the Transferor Company can be merged with the Transferee Company conveniently and can be carried on in conjunction more advantageously and therefore no useful purpose is being served by operating two separate legal entities.
- (d) In the above circumstance, the merger of the Transferor Company with the Transferee Company in accordance with this Scheme and the relevant provisions of the Act, read with the Rules would therefore enable the Parties to utilize the financial resources as well as the managerial, technical, distribution and marketing resources of each other and it would be beneficial for the effective management and controlled supervision of the Transferee Company, thereby protecting the interest of the Transferor Company.
- (e) Further, the Transferor Company, as on date, owes a liability of only Rs. 23,300 and accordingly, if the Transferor Company is merged with the Transferee Company, the liability of the Transferee Company will increase negligibly and there will not be any adverse effect on the Transferee Company.
- (f) The merger under this Scheme will be beneficial to the Transferor Company and the Transferee Company, in the following manner:
- (i) facilities such as manpower, office space and other infrastructure could be better utilized by the Transferee Company and duplication of facilities could be avoided resulting in optimum use of facilities to the advantage of the Transferee Company;
 - (ii) employees of the Transferor Company would be provided an opportunity to be gainfully employed by the Transferee Company;
 - (iii) pursuant to the Scheme, the liabilities of the Transferor Company would be duly discharged by the Transferee Company;
 - (iv) the unutilised assets of the Transferor Company could be put to better use by the Transferee Company;
 - (v) the Transferee Company will be able to ensure better turnover and profits and would ultimately contribute substantially to the future business expansion and will be able to exploit the market to the fullest possible extent;
 - (vi) the merger will reduce compliance cost, for example, listing fees, audit fees, for the Transferor Company;
 - (vii) significant reduction in the multiplicity of legal, regulatory reporting and



compliances required at present;

- (viii) balance sheet of the Transferee Company will become stronger;
- (ix) simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure;
- (x) the merger will provide significant impetus to the growth of the Transferee Company. The merger will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion of the Transferee Company;
- (xi) to increase the efficiency of combined business by pooling of resources and their optimum utilisation, thereby availing synergies from combined resources;
- (xii) to consolidate business for cost control; and
- (xiii) the Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of all the stakeholders. The restructuring proposed by this Scheme will also provide flexibility to the investors to select investments which best suit their investment strategies and risk profile.

2.3. In view of the aforesaid, the Board (*as defined hereunder*) of both the Transferor Company and the Transferee Company, the Parties (*as defined hereunder*) have considered and proposed the merger of the Transferor Company with the Transferee Company as per the terms of this Scheme, pursuant to Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein.

3. PARTS OF THE SCHEME

3.1. This Scheme is divided into the following parts:

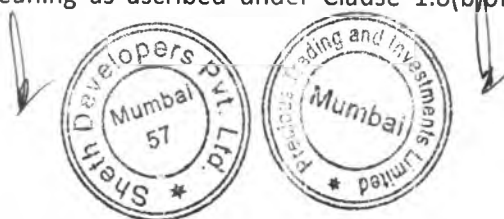
- (a) **PART I: DEFINITIONS AND INTERPRETATION;**
- (b) **PART II: SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY;**
- (c) **PART III: TERMS OF THE SCHEME;**
- (d) **PART IV: CONSIDERATION, REORGANISATION OF SHARE CAPITAL AND ACCOUNTING TREATMENT; and**
- (e) **PART V: GENERAL TERMS AND CONDITIONS OF THE SCH**



PART I**DEFINITIONS AND INTERPRETATION****1. Definitions**

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

- (a) **"Act"** shall mean the Companies Act, 2013, as may be amended from time to time and any statutory modification or re-enactment thereof.
- (b) **"Applicable Law"** shall mean any applicable national, local or other laws, statutes, ordinances, regulations, guidelines, policies, order, ruling, judgment and other pronouncements having the effect of laws of the applicable jurisdiction or jurisdictions, as the case may be, enacted, issued or promulgated by Governmental Authority as may be prevalent at the relevant time.
- (c) **"Appointed Date"** means April 1, 2019 or such other date as may be fixed or approved by the NCLT.
- (d) **"Board"** means the board of directors of the Transferor Company or the Transferee Company, as the case may be.
- (e) **"BSE"** means the Bombay Stock Exchange Limited.
- (f) **"Business Day"** shall mean a day (other than a Saturday or Sunday) on which banks are generally open in Maharashtra for carrying on normal business of the banks.
- (g) **"Clause"** means a clause in the Scheme of respective parts.
- (h) **"Designated Stock Exchange"** means the stock exchange which is chosen by the Transferor Company in accordance with the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, and for the purposes of this Scheme, the Designated Stock Exchange shall be BSE.
- (i) **"Effective Date"** means the date on which the certified or authenticated copies of the order(s) sanctioning the Scheme, passed by the NCLT is filed with the ROC. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- (j) **"Funds"** shall have the meaning as ascribed under Clause 1.8(b) of Part III of the



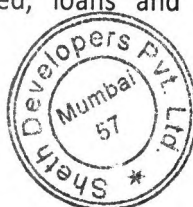
Scheme herein.

- (k) **"Governmental Authority"** means any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organisation to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organisation have the force of law or any court, tribunal, arbitral or judicial body, or any stock exchange of India or any other country.
- (l) **"IT Act, 1961"** shall mean the Income-tax Act, 1961, as may be amended from time to time and any statutory modification or re-enactment thereof.
- (m) **"NCLT"** means the National Company Law Tribunal constituted under the provisions of the Companies Act, 2013, and exercising jurisdiction therein.
- (n) **"New Preference Shares" and "New Preference Share"** shall have the meaning assigned to the term in Clause 3.1 of Part IV of the Scheme herein, and shall have the terms and conditions as provided in **Annexure A** herein.
- (o) **"Person"** shall mean an individual, an association, a corporation, a partnership, a joint venture, a trust, an unincorporated organisation, a joint stock company or other entity or organisation, a government or political subdivision or an agency or instrumentality thereof and/or any other legal entity (in each case, whether or not having separate legal personality).
- (p) **"Party"** means a party to this Scheme and **"Parties"** shall be construed accordingly.
- (q) **"Record Date"** means the date fixed by the Board of the Transferee Company or any committee thereof in consultation with the Transferor Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Preference Shares in the Transferee Company pursuant to this Scheme, upon coming into effect of this Scheme;
- (r) **"ROC"** shall mean the Registrar, as defined under the Act.
- (s) **"Rules"** mean the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (t) **"Scheme"** means this scheme of merger in its present form as approved by the Board of the Transferor Company and Transferee Company subject to such modification(s) to this Scheme as the NCLT or any Governmental Authority may impose on the Transferee Company and Transferor Company respectively and such modifications which the Transferor Company and the Transferee Company may deem necessary subject to the approval of the same by the NCLT, and includes



recitals, introduction and all parts as divided herein.

- (u) **"SEBI"** means the Securities and Exchange Board of India;
- (v) **"Shareholders"** with reference to the Transferor Company or the Transferee Company shall mean persons holding equity and/or preference shares in the said Transferor Company or the Transferee Company in physical form or in electronic form and whose names are entered and registered as members in the register of members of the said Transferor Company or the Transferee Company or whose names appear as the beneficial owners of the preference and/or equity shares in the records of the depositories as on the Record Date.
- (w) **"Tax Laws"** shall have the meaning assigned to the term in Clause 1.10(ii) of Part III of the Scheme herein.
- (x) **"Transferee Company"** means Sheth Developers Private Limited, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle(East), Mumbai - 400057, Maharashtra.
- (y) **"Transferor Company"** means Precious Trading & Investments Limited, having its registered office at Ground and Third Floor, Prius Infinity, Paranjape B Scheme, Subhash Road, Vile Parle (East), Mumbai - 400057, Maharashtra.
- (z) **"Undertaking"** means the business of the Transferor Company and includes all the assets of the Transferor Company as on the Appointed Date and all the liabilities of the Transferor Company as on the Appointed Date and without prejudice to the generality of the above, the term "Undertaking" shall include following:
 - (i) any and all its assets, whether movable or immovable, whether present or future, whether tangible or intangible, in possession or reversion, all rights, title, interests, covenants, undertakings, including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto, and wheresoever situated in India or overseas, and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including in particular, but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, investments, software, technologies, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company;
 - (ii) any and all investments (including shares and other securities), income by whatever name called, loans and advances, including accrued interest



thereon;

- (iii) any and all licenses, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company and advantages of whatsoever nature and wheresoever situated, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, licences, tenancy rights, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections & installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales-tax, turnover tax, excise, permits, quotas, rights, entitlements, tenancies, roof rights, brand, all copyrights, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label, designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges and any rights, title or interest in intellectual property rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled;
- (iv) any and all debts, liabilities, contingent liabilities, duties and obligations, present or future, whether secured or unsecured, of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date;
- (v) all contracts including but not restricted to leave & licence agreements, term sheets, lease deeds, memorandum of understandings, business/asset purchase agreements, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, other agreements, applications and instruments of whatsoever nature to which the Transferor Company is a party and having effect immediately before the Effective Date;
- (vi) any and all employees, who are on the pay roll of the Transferor Company, including those engaged at their respective offices and branches, at their





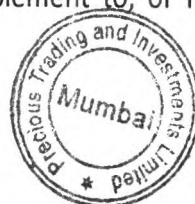
current terms and conditions;

- (vii) any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against any of the Transferor Company;
- (viii) all the tax liabilities under any applicable laws/ regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company;
- (ix) any refunds/ credits/ claims under any tax laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax and service tax credits);
- (x) policies that the Transferor Company is entitled to, in relation to their operations, and all benefits, entitlements and incentives of any nature whatsoever, including minimum alternate tax credit entitlement;
- (xi) all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company; and
- (xii) any and all advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, in connection with or relating to the Transferor Company.

1.2. 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, including the Rules and regulations made there under and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. Interpretation

- 2.1. In this Scheme, reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force or to any provisions replacing such statutory provisions and to all statutory instruments or orders made pursuant to such statutory provisions.
- 2.2. Unless the context otherwise requires, words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 2.3. Reference to a document includes an amendment or supplement to, or replacement or novation of, that document.



- 2.4. Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same.
- 2.5. Any references in this Scheme to "upon this Scheme becoming effective" shall mean the Effective Date.
- 2.6. References to days, months and years are to calendar days (unless otherwise specified), calendar months and calendar years, respectively. Where a period expressed in days, weeks, months or years is to be calculated from the moment at which an event occurs or an action takes place, the day during which that event occurs or that action takes place shall not be counted as falling within the period in question. A period expressed in weeks, months or years shall end with the expiry of whichever day in the last week, month or year (as applicable) of such period is the same day of the week (in the case of weeks), or falls on the same date (in the case of months or years), as the day on which the event or action from which the period is to be calculated occurred or took place. If, for a given period expressed in months, the last day of such period does not fall during the last month expressed to be in such period, such period shall end on the last day of that month.
- 2.7. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under this Scheme is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day.
- 2.8. Words "directly or indirectly" mean directly, or indirectly, through one or more intermediary persons or through contractual or other legal arrangements, and "direct or indirect" have the correlative meanings.
- 2.9. If, in calculating a price or an amount, the relevant variables for such calculation are expressed in different currencies, then all such variables for the purposes of such calculation shall be in Rupees in accordance with the Reserve Bank of India's conversion price as on the Appointed Date.



PART II

SHARE CAPITAL

3. Share Capital

3.1. Transferor Company

- (i) The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on September 9, 2019 is as under:

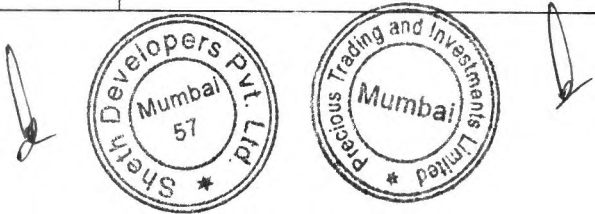
Particulars	Amount (In Rupees)
Authorised Share Capital	
<u>Equity Shares</u>	
2,50,000 equity shares of Rs. 10 each	25,00,000
<u>Preference Shares</u>	
Nil	Nil
Issued, Subscribed and Paid-up Share Capital	
<u>Equity Shares</u>	
2,40,000 equity shares of Rs. 10 each	24,00,000
<u>Preference Shares</u>	
Nil	Nil

- (ii) The equity shares of the Transferor Company are listed on BSE;
- (iii) 74.99% equity shares of the Transferor Company are held by the Transferee Company (directly and / or through its nominees) and the remaining equity shares are held by public shareholders;
- (iv) As on date of the Scheme being approved by the Board of the Transferor Company, there shall not be any change or composition in the authorized, issued, subscribed and paid up share capital of the Transferor Company so as to interfere with the valuation of the shares of the Transferor Company.

3.2. Transferee Company

- (i) The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on September 9, 2019 is as under:

Particulars	Amount (In Rupees)
Authorised Share Capital	
<u>Equity Shares</u>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000



<u>Preference Shares</u>		
31,00,000	redeemable non-cumulative, non-participating preference shares of Rs. 10 each	3,10,00,000
Issued, Subscribed and Paid-up Share Capital		
<u>Equity Shares</u>		
10,00,000	equity shares of Rs. 100 each	10,00,00,000
<u>Preference Shares</u>		
29,77,200	redeemable non-cumulative, non-participating preference shares of Rs. 10 each	2,97,72,000

- (ii) As on date of the Scheme being approved by the Board of the Transferee Company, there shall not be any change or composition in the authorized, issued, subscribed and paid up share capital of the Transferee Company so as to interfere with the valuation of the shares of the Transferee Company.



PART III

TERMS OF THE SCHEME

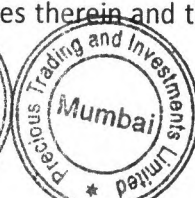
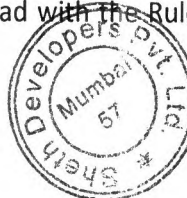
1. **Transfer:**

With effect from the Appointed Date and upon this Scheme becoming effective, and subject to the provisions of this Scheme, pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, without any further act, instrument or deed, the Undertaking of the Transferor Company shall be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company. Without prejudice to the generality of the above, with effect from the Appointed Date and upon this Scheme becoming effective, the Transferor Company shall be merged and transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

1.1. **Transfer of Undertaking:**

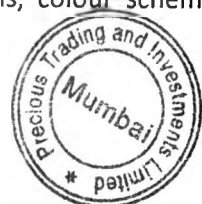
Without prejudice to the generality of Clause 1 above, with effect from the Appointed Date and upon this Scheme becoming effective:

- (a) All the immoveable properties of the Transferor Company, if any, including but not limited to land together with the buildings and structures standing thereon, of whatsoever nature and wherever situated, whether freehold or leasehold and all documents of title, rights and easements with relation thereto, offices, factories, sites, laboratories and other immovable property, including accretions and appurtenances, whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall, under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the assets and properties of the Transferee Company and the concerned authorities having jurisdiction over the assets shall endorse and record the name of Transferee Company in its record so as to facilitate the implementation of the Scheme and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance from the Appointed Date. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to section 230 read with section 232 and other relevant provisions of the Act, read with the Rules therein and the provisions



of this Scheme, without any further act or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the right, title and interest of the Transferee Company.

- (b) In respect of the assets and properties of the Transferor Company which are moveable in nature including investments and/ or are otherwise capable of transfer by manual delivery and/ or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the assets and properties of, and an integral part of the Transferee Company, without requiring any separate deed or instrument or conveyance pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions and upon such transfer the same shall become the property, estate, assets, rights, title interest and authorities of the Transferee Company.
- (c) 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 Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, 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 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 Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (d) All patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licenses, privileges in respect thereof, of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled or which may accrue to the Transferor Company shall, pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, all the patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility

models, holograms, bar codes, patents, copyrights, and industrial or intellectual property rights, licenses and privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions.

- (e) In respect of any assets other than those dealt with in Clause 1.1(a) and Clause 1.1(b) above, the same shall be transferred to and vested in the Transferee Company, without any notice or other intimation to any Person in pursuance of the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and all other applicable provisions to the extent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Person, as the case may be, that the said assets stand transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- (f) Without prejudice to the aforesaid and Clause 1.5 below, the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after this Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any assets set out under Clause 1.1(a), Clause 1.1(b), Clause 1.1(c) and Clause 1.1(e) above, with any party to any contract or agreements to which the Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide the required assistance.
- (g) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred and vested in the Transferee Company upon this Scheme becoming effective pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, provided however that no onerous asset shall have been acquired by the Transferor Company after the date of filing of the Scheme without the prior written consent of the Board of the Transferee Company.
- (h) Without prejudice to what is stated above, the Transferor Company and the Transferee Company shall execute such documents/ instruments or to do all such acts and deeds, including filing of necessary particulars and / or modifications of charge with the concerned ROC to give formal effect to the above Clauses, if



required.

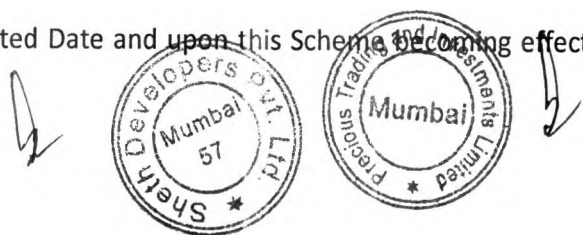
- (i) Without prejudice to what is stated above, upon this Scheme becoming effective, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), of the Transferor Company, pursuant to the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities are listed on any stock exchange, the same shall, subject to Applicable Law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the stock exchanges, unless otherwise modified in accordance with Applicable Law.
- (j) On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

1.2. **Transfer subject to Charges**

The transfer/ vesting as aforesaid shall be subject to charges, hypothecation and mortgages, if any and as may be subsisting, over or in respect of the Undertaking or any part thereof on the Appointed Date. Provided however that, any reference in any security documents or arrangements to which the Transferee Company is party to, the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of Transferor Company, shall be construed as reference only to the assets pertaining to the Undertaking as are vested in Transferee Company by virtue of this Scheme, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of Transferee Company, unless specifically agreed to by Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of Transferee Company, if any.

1.3. **Transfer of Liabilities:**

- (a) With effect from the Appointed Date and upon this Scheme becoming effective, all



liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities including contingent liabilities, duties and obligations and undertakings of the Transferor Company of every kind, nature and description of whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of the Scheme by the NCLT and under the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and other applicable provisions, if any, of the Act, without any further act, instrument deed, matter or thing, be transferred to 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 that they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and 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.1.3.

- (b) All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company 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 Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company 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 Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations between the Transferor Company and the Transferee Company, with effect from the Appointed Date.





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- (e) The Transferee Company, if necessary, shall take steps for suitable alterations in the memorandum of association so as to enable it to implement this Scheme as may be required.
 - (f) Upon this Scheme becoming effective, the benefits of all taxes paid including any advance tax and tax deductions right to carry forward and set off unabsorbed losses, unutilised input tax credits including those lying in the electronic credit ledger, unused tax credits, tax deductions and depreciation by the Transferor Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to be paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company has paid or incurred the same and shall be deemed to be the rights/claims of the Transferee Company.

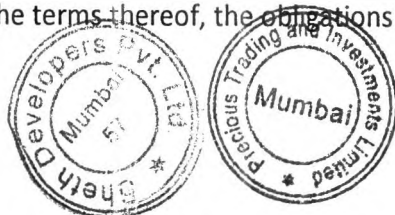
1.4. Transfer of Profits and Losses

With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company 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.

1.5. Transfer of Contracts

- (a) Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments, of whatsoever nature and pertaining to the Undertaking of the Transferor Company to which the Transferor Company is a party, subsisting or having effect immediately on the Appointed Date shall be in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effective as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all the formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- (b) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company 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

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there under, 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 Authority as may be necessary in this behalf.

1.6. Transfer of Legal Proceedings

- (a) On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company 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.
- (b) Upon the Scheme becoming effective and subject to the other provisions contained in this Scheme, the Transferee Company shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of the Transferor Company related to or arising out in any manner, pending litigations.
- (c) Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall, wherever necessary, enter into and/or execute all such documents as may be necessary to give formal effect to the provisions of this Clause 1.6.

1.7. Place of vesting

The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, take place at the registered office of Transferee Company.

1.8. Employees

- (a) All the permanent employees, including the key managerial personnel of the Transferor Company who are in its employment as on the Effective Date shall become the permanent 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 favourable than those on which they are engaged or employed by the Transferor Company. The Transferee Company undertakes to continue to abide by agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company. Subject to this Clause, the Transferee Company shall have the right to transfer such employees




to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or abroad if warranted and as may be deemed necessary from time to time.

- (b) The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the employees concerned. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and be merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.
- (c) It is clarified that with regard to such employees of the Transferor Company who have ceased to be the employees of the Transferor Company on account of reasons other than any disciplinary action that may have been taken against such employees by the Transferor Company, from the Appointed Date, the Transferee Company shall assume all the responsibilities and obligations of the Transferor Company towards such employees until the said responsibilities and obligations stand duly discharged in law.

1.9. It is clarified that all assets and receivables whether contingent or otherwise of the Transferor Company as on start of business on the Appointed Date whether provided for or not, in the books of accounts and all other assets or receivables which may accrue or arise on or after the Appointed Date but which relate to the period up to the Appointed Date shall be the assets and receivables or otherwise as the case may be of the Transferee Company.

1.10. Treatment of taxes paid by the Transferor Company

- (i) This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the IT Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions of the IT Act, 1961, at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the IT Act,

1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the IT Act, 1961.

- (ii) Any tax liabilities under the IT Act, 1961, applicable value added tax legislations, applicable service tax legislations including goods and services tax, stamp laws as amended from time to time 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 appropriate tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- (iii) All taxes (including but not limited to income tax, service tax, value added tax, and goods and service tax) 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, value added tax, goods and service tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall in all proceedings, be dealt with accordingly.
- (iv) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the different Tax Laws other tax laws, and to claim refunds and / or credit for taxes paid (including minimum alternate tax, tax deducted at source, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- (v) All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding / appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.





- (vi) Any refund under the Tax Laws received by / due to the Transferor Company consequent to the assessments made on the Transferor Company subsequent to the Appointed Date 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.
- (vii) Without prejudice to the generality of the foregoing, all benefits including but not limited to benefits relating to all Tax Laws, to which the Transferor Company is entitled in terms of the applicable Tax Laws under the State and / or Central Government, shall be available to and vest in the Transferee Company.
- (viii) Further, any tax deducted at source by Transferor Company or the Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (ix) The obligation for the deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with or by the Transferee Company.
- (x) All taxes, levies, cess etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before the Appointed Date or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

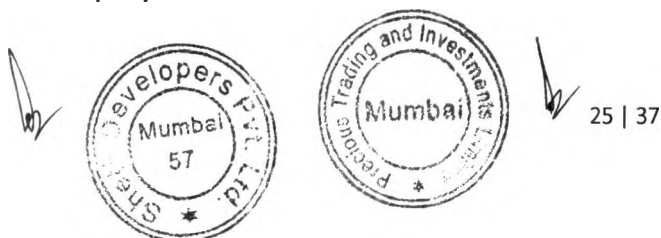
1.11. Concluded Matters

The transfer and vesting of the assets and the liabilities in the Transferee Company and the continuance of contracts or proceedings by or against the Transferee Company as provided in this Scheme shall not affect any contract or proceedings relating to the assets and the liabilities, fully performed and completed by the Transferor Company before the Appointed Date and the Transferee Company accepts and adopts all such acts, deeds, matters and things done and/or executed by the Transferor Company in this regard.

1.12. Dissolution of the Transferor Company

Upon this Scheme becoming effective, with effect from the Appointed Date, the Transferor Company shall stand dissolved without being wound up, and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved, by the order of the NCLT.

1.13. Cancellation of shares of the Transferor Company



Upon the Scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that only New Preference Shares shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.

2. Conduct of business till Effective Date

2.1. With effect from the Appointed Date and upto and including the Effective Date:

- (a) the Transferor Company shall be deemed to have been carrying on and shall carry on all its business(es) and activity(ies) and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date;
- (b) the Transferor Company shall carry on its business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not, without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off any of its units/undertakings or any part thereof except pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;
- (c) all the profits or income accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company shall pursuant to coming into effect of the Scheme for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure, as the case may be, of the Transferee Company.

2.2. Save as provided for in this Scheme, the Transferor Company shall not make any change in its capital structure either by any increase (by fresh issue of equity shares whether by way of public issue, private placement, on a rights basis, or issuance of bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the operation of the Scheme, except by mutual consent of the respective Boards of the Transferor Company and Transferee Company. The Transferor Company shall not change its shareholding in any manner except by the consent of the Board of the Transferee Company.

2.3. The Transferor Company shall also be entitled, pending the sanction of the Scheme, to apply to the Governmental Authority, as are necessary for such consents, approvals and sanctions which the Transferee Company may require.

2.4. The Transferee Company shall carry on the business of the Transferor Company after the Effective Date.



PART IV

**CONSIDERATION, REORGANISATION OF SHARE CAPITAL, ACCOUNTING TREATMENT AND
TREATMENT OF TAXES**

3. Consideration

- 3.1. Upon this Scheme becoming effective, in consideration of the transfer of and vesting of the Undertakings in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot, a total of 7,38,96,930unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference sharesof Rs. 10 each, credited as fully paid up, to the extent indicated below, to the equity shareholders of the Transferor Company other than the Transferee Company, holding fully paid-up equity shares of the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company in the following proportion:

For equity shareholders of the Transferor Company other than the Transferee Company:

"1231unlisted, 10%, redeemable, cumulative, non-participating and non-convertible preference sharesof Transferee Company of Rs. 10/- each fully paid up for one equityshare of the Transferor Company of Rs. 10/- each fully paid up"

(The preference shares to be issued as above are hereinafter collectively referred to as "**New Preference Shares**", and individually as "**New Preference Share**").

- 3.2. No coupons shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to the equity shareholders of the Transferor Company at the time of issue and allotment of New Preference Shares under Clause 3.1 above. In case any equity shareholder's holding in the Transferor Company is such that the shareholder becomes entitled, pursuant to Clause 3.1 above, to a fraction of New Preference Shares of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer and allot New Preference Shares accordingly.
- 3.3. The New Preference Shares to be issued and allotted as provided in Clause 3.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank abovein all respects with the then existing preference shares and future preference shares of the Transferee Company after the Record Date including with respect to dividend, redemption, liquidation, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.
- 3.4. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of the New Preference Shares to the Shareholders of the Transferor Company other than the Transferee

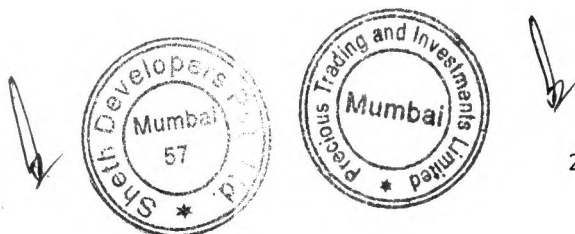
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Company.

- 3.5. In the event of there being any pending share transfer, whether lodged or outstanding, the Board or any committee of Transferee Company shall be empowered even subsequent to the Record Date, to effectuate such transfer as if such changes in the registered holder were operative from the Record Date.
- 3.6. The New Preference Shares issued pursuant to Clause 3.1 above, which the Transferee Company is unable to allot due to Applicable Laws (including, without limitation, the non-receipt of approvals of Governmental Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Transferee Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Transferee Company including to enable allotment and sale of such New Preference Shares to a trustee nominated by the Transferee Company in that behalf who shall sell or redeem such shares at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Transferor Company, in proportion to their entitlements. If the above cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Transferee Company shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein.
- 3.7. In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio provided in Clause 3.1 above and the stock options, restricted stock units and / or share appreciation rights as per Clause 3.1 above, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 3.8. The issue and allotment of the New Preference Shares to the holders of equity shares as provided in this Scheme shall be deemed to be due compliance of the provisions of Section 55, 62 and Section 42 of the Act and other relevant and applicable provisions of the Act and rules made there under for the issue and allotment of the New Preference Shares issued by the Transferee Company to the equity shareholders of the Transferor Company other than the Transferee Company, as provided in this Scheme.
- 3.9. Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. It is clarified that only New Preference Shares shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.

4. **Reorganisation of Share Capital**



- 4.1. Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including filing of statutory forms with the ROC and payment of stamp duty and fees payable to the ROC, by the authorized share capital of the Transferor Company as on the Effective Date, as such fees and duties in respect of such authorized share capital of the Transferor Company have already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company upon this Scheme becoming effective and no separate procedure or further resolution under Section 55 and 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 4.2. The memorandum of association and articles of association of the Transferee Company (clause relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 230 to Section 232 of the Act read with Sections 13, 14, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act as the case may be. It is clarified that the approval of the equity and preference shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the memorandum of association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the memorandum of association of the Transferee Company as required under Sections 13, 14, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act.
- 4.3. Upon this Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled and shall be deemed to be cancelled without any further act, deed or application. Only New Preference Shares shall be issued by the Transferee Company to other existing shareholders of the Transferor Company against the value of the equity shares held by them in the Transferor Company.
5. **Accounting treatment**
- 5.1. The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme (including in respect of transfer of the Undertakings as per the Scheme, assets and liabilities of Transferor Company, issuance of shares to shareholders of Transferor Company and difference, if any, between the value of net assets and shares issued) in its books in accordance with principles as laid down in the applicable accounting standards, including the applicable provisions of the Act, and generally accepted accounting principles in India.
- 5.2. To the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges



in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date, and shall be accounted in accordance with Clause 5.1 above.

- 5.3. In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the free / general reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policies.
- 5.4. The surplus / deficit arising in the books of accounts as a result of the difference of the value of the assets over the value of the liabilities of the Transferor Company and the consideration for the transfer under this Scheme, shall be accounted for as per the principles laid down in the applicable accounting standards, including the applicable provisions of the Act, and generally accepted accounting principles in India.

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PART V

GENERAL TERMS AND CONDITIONS

6. Applications/ Petitions to the NCLT and Approvals

The Parties shall dispatch, make and file all applications and petitions under Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein, before the NCLT, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Laws, and shall apply for such approvals as may be required under Applicable Laws and for dissolution of the Transferor Company without being wound up. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company may require to own the assets and/ or liabilities of the Transferor Company and to carry on the business of the Transferor Company.

7. Declaration of dividend and rights of Shareholders

7.1. Nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Shareholders as on the respective Record Date for the purpose of dividend and the Shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date. On and from the date of filing this Scheme with the NCLT and until the Effective Date, the Transferor Company shall declare dividend only after prior consultation with the Transferee Company.

7.2. Upon this Scheme becoming effective, the Shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing rights under their respective articles of association.

7.3. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

8. Validity of existing resolutions, etc.

Upon this Scheme becoming effective, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions 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 said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

9. Amendment of Memorandum of Association of the Transferee Company

Clause V of the memorandum of association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 88,35,00,000/- (Rupees Eighty Eight Crores Thirty Five Lakhs Only) divided into 10,25,000 Equity Shares of Rs. 100/- each and 31,00,000 Redeemable Non-Cumulative, Non-Participating Preference shares of Rs. 10/- each and 7,50,00,000 Cumulative and Redeemable Non-Participating Preference shares of Rs. 10/- each. The Company has power from time to time to increase or reduce the capital and to issue any of the share in the capital, original in increased or ordinary or preferred with or subject to any preferential, special, deferred or qualified rights, privileges or conditions, as regards payment of dividends, distribution of assets, repayments or reduction of capital, voting or otherwise or sub-divide them and generally on such terms as the Company may from time to time by special resolution determine and to vary the regulation of the Company as far as necessary to give effect to the same, subject to the provisions of laws."

It is clarified that for the purposes of this Clause 9, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment in the objects of the Transferee Company, and shall be deemed to include consent under any other provisions of the Act that may be applicable and no further resolution under any provision of the Act including Section 13 of the Act would be separately required. The Transferee Company shall file the requisite e-forms with the ROC for alteration of its memorandum of association.

10. Modification of the Scheme

- 10.1. The Transferor Company and the Transferee Company by their respective Boards or any director/executive authorized in that behalf, may assent to, or make, from time to time, any modifications(s) or addition(s) to this Scheme which the NCLT or any authorities under law may deem fit to approve of or impose and which the Board of the Transferor Company and the Transferee Company may in their discretion accept such modification(s) or addition(s) as the Boards of the Transferor Company and the Transferee Company, as the case may be, their respective delegate deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out of this Scheme. The Transferor Company and the Transferee Company by their respective Boards or delegates, are authorized to do and execute all acts, deeds, matters and things necessary, waive any such conditions (to the extent permissible under law) for bringing the Scheme into effect, and/or give such consents as may be required in terms of the Scheme.




- 10.2. For the purpose of giving effect to the Scheme or to any modification(s) thereof or addition(s) thereto, the respective delegates (acting jointly) of the Transferor Company and the Transferee Company may give and are authorized to determine and give all such directions as are necessary for settling or removing any questions of doubt or difficulty that may arise under the Scheme or in regard to the meaning or interpretation of any provision of the Scheme of implementation thereof, or in any matter whatsoever connected therewith (including any question or difficulty rising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the Transferor Company) or to review the position relating to the satisfaction of various conditions of the 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 the Parties, in the same manner as if the same were specifically incorporated in the Scheme. For avoidance of doubt, it is clarified that where the Scheme requires the approval of the Boards of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their delegates.

11. Conditions Precedent

The Scheme is conditional upon and shall be subject to the following:

- 11.1. Approval of the Scheme by the requisite majority in value of various classes of the members (where applicable) and such class of creditors and/or persons of the Transferee Company and the Transferor Company as may be directed by the NCLT on applications made for directions under Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and under Applicable Laws;
- 11.2. The NCLT having accorded its approval to the Scheme;
- 11.3. Approvals and sanctions from the Designated Stock Exchange including but not limited to the no-objection required to be obtained from the Designated Stock Exchange as per the provisions of the SEBI Circular (CFD/DIL3/CIR/2017/21) dated March 10, 2017 issued by SEBI and as amended by the SEBI Circular (CFD/DIL3/CIR/2018/2) dated January 3, 2018, and as may be required under any other circular or direction issued by SEBI in respect of this Scheme;
- 11.4. The Scheme is conditional upon it being approved by the public shareholders of the Transferor Company through e-voting in terms of para 9 (a) of part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;
- 11.5. Approvals from the lenders / creditors / debenture holders of the Transferor Company and the Transferee Company (as the case may be) as per the contractual arrangement with them;



- 11.6. Such other sanctions, permissions, consents and approvals as may be required by the provisions of Section 230 read with Section 232 and other relevant provisions of the Act, read with the Rules therein and any other law in respect of the Scheme;
- 11.7. The authenticated or certified copies of the order of the NCLT approving the Scheme being filed with the ROC.

12. Designated Stock Exchange

- 12.1. The Designated Stock Exchange for interaction with SEBI shall be the BSE.

13. SEBI Compliances

- 13.1. Since the Transferor Company is a listed company, this Scheme is subject to the compliances by the Transferor Company of all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulations and directives as are issued by SEBI with respect to the sanction or implementation of the Scheme.
- 13.2. The Transferor Company is subject to the directives issued by SEBI under the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by the subsequent SEBI Circular CFD/DIL3/CIR/2018/2 dated January 3, 2018.

14. Severability

- 14.1. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company 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 Transferor Company and/ or the Transferee Company, then in such case the Transferor Company and/ or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part.
- 14.2. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

15. Effect of non-receipt of approval/sanction

In the event of any of the said sanctions and approvals referred to in Clause 11 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being

sanctioned by the NCLT and/or order or orders not being passed as aforesaid before or within such further period or periods as may be agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)) or for any other reason this Scheme cannot be made effective, this Scheme shall stand revoked, cancelled, be of no effect and be null and void. No rights and liabilities shall accrue to or be incurred inter-se by the Parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in Applicable Law. Further the Boards of Directors of the Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards 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 serious financial implication on the Transferor Company and/or the Transferee Company or any of the aforesaid companies. And in case of any of the aforesaid events, each Party shall bear their respective costs, charges and expenses in connection with this Scheme.


16. Costs, charges, expenses and stamp duty

All costs, charges and expenses (including taxes and duties) incurred or payable by each of the Transferor Company and Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the merger of the Transferor Company in pursuance of the Scheme, including stamp duty on the orders of the NCLT, if any, shall be borne and paid by the Transferee Company.

17. No cause of action

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








ANNEXURE A

TERMS AND CONDITIONS OF NEW PREFERENCE SHARES

Sr. No	Particulars	Terms and Conditions
1.	Title of New Preference Shares	The New Preference Shares to be called as "Cumulative and Redeemable Non-Participating Preference Shares"
2.	Face Value	Each New Preference Share will have the face value of Rs.10/- (Rupees Ten only).
3.	Nature of the New Preference Shares	Unlisted, Redeemable, Cumulative, Non-Participating and Non-Convertible Preference Shares
4.	Dividend and Repayment Clause	<p>(i) Carry a preferential right via-a-vis equity shares of the Transferee Company with respect to payment of dividend and repayment in case of winding up or repayment of capital;</p> <p>(ii) Dividend shall be cumulative and paid every year;</p> <p>(iii) Further, New Preference Shares shall have a rank above the current and future preference shares for the following: payment of dividend, redemption and liquidation.</p>
5.	Participation in Surplus Fund	New Preference Shares shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company
6.	Rate of Dividend	10% per annum - Cumulative
7.	Redemption of New Preference Shares	<p>The redemption of New Preference Shares shall be in the following manner:</p> <p>(i) The tenure of New Preference Shares is 15 years from the date of allotment or as varied after due approval of preference shareholder(s) as required under the Applicable Law;</p> <p>(ii) Subject to the provisions of the Applicable Law, at the end of 5th and 10th year from the issuance and allotment of the New Preference Shares herein, each holder of the New Preference Shares shall be entitled to apply for redemption of their New Preference Shares, on a first come first serve basis, provided the total number of the New Preference Shares which are redeemed at the end of 5th year and 10th year should on each occasion not</p>



Sr. No	Particulars	Terms and Conditions
		<p>exceed 33.333% of the total number of New Preference Shares issued under this Scheme.</p> <p>(iii) At the expiry of 15 years from the date of allotment of New Preference Shares, the remaining New Preference Shares shall be redeemed by the Transferee Company, subject to the provisions of the Applicable Law;</p> <p>(iv) Redemption premium in all the cases of redemption shall be nil.</p>
8.	Conversion Clause	Non-Convertible
9.	Voting rights	New Preference Shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013
10.	Transferability	Subject to the terms of New Preference Shares and Applicable Law, holders of New Preference Shares shall be entitled to assign or transfer their rights and obligations in the New Preference Shares allotted to them.
11.	Exit Option to holders of New Preference Shares	<p>The Transferee Company will make reasonable efforts to appoint a third party who is willing to purchase either by itself or make arrangement for prospective investors who will purchase the New Preference Shares issued and allotted to the Shareholders of the Transferor Company pursuant to this Scheme. The said third party, if appointed by the Transferee Company, may choose to buy whole or part of the New Preference Shares allotted under this Scheme. In case of part purchase, every holder of New Preference Shares shall be given an option to sell proportionate New Preference Shares held by them. The price at which such sale may happen shall not be less than the price at which the New Preference Shareholders were to be redeemed as per the provisions of the Applicable Law on the date when such sale would be consummated. The said third party shall have the same rights and obligations as the holders of New Preference Shares had before such sale. The holders of New Preference Shares who are keen to sell their respective New Preference Shares may be required to give relevant representations and warranties in this regard, including title, encumbrance on such preference shares. It is hereby clarified that the aforementioned is not an obligation on the Transferee Company.</p>

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