

**SCHEME OF AMALGAMATION  
(By way of Merger by Absorption)**

**OF**

**PRANAVADITYA SPINNING MILLS LIMITED ... TRANSFEROR COMPANY**

**WITH**

**INDO COUNT INDUSTRIES LIMITED ... TRANSFEREE COMPANY**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 READ WITH  
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES  
FRAMED THEREUNDER**

**("The Scheme")**

**Certified True Copy**



## PREAMBLE

### I. BACKGROUND AND DESCRIPTION OF COMPANIES

1. **Pranavaditya Spinning Mills Limited** (hereinafter referred to as the "Transferor Company") is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number (CIN) L17119PN1990PLC058139 and having its registered office at Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India. The Transferor Company was incorporated on 12<sup>th</sup> September, 1990. The equity shares of the Transferor Company are listed on the BSE Limited. The Transferor Company is a subsidiary of the Transferee Company. The Transferor Company is authorised to carry on, inter alia, the business of manufacturing of cotton yarn.
2. **Indo Count Industries Limited** (hereinafter referred to as the "Transferee Company") is a public company, limited by shares, incorporated under the Indian Companies Act, 1956, under corporate identification number (CIN) L72200PN1988PLC068972 and having its registered office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India. The Transferee Company was incorporated on 7<sup>th</sup> November 1988 as Vishnu Aluminium Limited and subsequently, name was changed to Indo Count Industries Limited w.e.f 30<sup>th</sup> April 1990. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (together the "Stock Exchanges"). The Transferee Company holds 1,43,41,280 equity shares of Rs 10/- each of the Transferor Company constituting 74.53% of the total paid up equity share capital of the Transferor Company. The Transferee Company is engaged in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheet, Pillow Cover and Comforter.

### II. RATIONALE FOR THIS SCHEME

The Transferor Company, listed on BSE Limited and the Transferee Company, listed on BSE Limited and National Stock Exchange of India Limited, both are a part of the same group. Further, the Transferor Company is a subsidiary of the Transferee Company wherein the Transferee Company holds majority shareholding in the Transferor Company. The main business of PSML has been manufacturing of cotton yarn and it has a huge freehold land of ~ 34 acres at Plot No. Village Alte, Tal. Hatkanangale, Dist. Kolhapur (near textile hub Ichalkaranji) and ~ 20000 spindle capacity for spinning. The land, machinery, infrastructure and all other resources available with the Transferor Company can be utilized in cost effective and efficient manner to carry out Transferee Company's business expansion. The Transferor and Transferee's industrial units are situated within a distance of ~ 40 kilometers.



Hence, it is proposed to amalgamate Transferor Company into the Transferee Company in this Scheme. Further, the Amalgamation of the Transferor Company into the Transferee Company would inter alia have the following benefits:

- a. Consolidation of the Transferor Company and the Transferee Company will achieve simplified corporate structure, rationalise the number of listed entities and result in a single listed entity with combined businesses.
- b. Provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide an opportunity to fully leverage assets, capacities, experience and infrastructure of the Transferor Company and Transferee Company.
- c. Reducing managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.
- d. Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.
- e. Better value creation for the shareholders of both the companies enabling the public shareholders to hold shares of the combined listed entity.
- f. Upon completion of the amalgamation, the Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit compliance requirements, tax filings, company law compliances, Stock Exchange compliances etc. and therefore reduction in administrative costs.

The intended Scheme is not prejudicial to the interest of the creditors or the employees of the Transferor Company and the Transferee Company.

### III. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- **Part A** dealing with the definitions, interpretation and share capital details of the Transferor Company and the Transferee Company.
- **Part B** dealing with amalgamation of the Transferor Company into and with the Transferee Company, consideration, accounting treatment in the books of the Transferee Company, combination of authorized share capital of Transferor Company with the Transferee



Company, dissolution without winding up of the Transferor Company, exemptions under SAST Regulations (*as defined hereinafter*).

- **Part C** comprising of general terms and conditions applicable to this Scheme.

## PART A

### 1. DEFINITIONS

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- “the Act” or “Companies Act”** means the Companies Act, 2013 any re-enactment thereof including the rules and regulations made thereunder, , and, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- “Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- “Applicable Laws”** means any statute, law, regulation, ordinance, rule, bye laws, judgment, order, decree, clearance, approval, terms of any approval, permit or no-objection of any Governmental Authority, directive, guideline, policy, code, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time;
- “Appointed Date”** means 1<sup>st</sup> October 2020 or such other date as may be approved by the Hon’ble National Company Law Tribunal (‘NCLT’).
- “Board of Directors” or “Board”**, with respect to a company, means the board of directors of Transferor Company and/or Transferee Company as the case may be, as constituted from time to time and, unless repugnant to the subject, context or meaning thereof, includes every committee of the Board or such committee of Directors for the purpose of various matters pertaining to the scheme or any other related, connected or incidental matters;
- “Effective Date”** means the last of the dates on which the certified copies of the Order of NCLT, Mumbai bench under Sections 230 & 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Pune, at Maharashtra by the Transferor Company and Transferee Company;
- “Encumbrance”** means any: (a) charge, lien (statutory or other), or mortgage, any easement, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (b) pre-emption right, option, right to acquire, right to set off or other



- third party right or claim of any kind, including any restriction on use, voting, Transfer, receipt of income or exercise; or (c) any equity, assignments, hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above, and the term “Encumbered” shall be constructed accordingly;
- (h) “**Governmental Authority**” means any competent governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other entity having, under any law, rule, regulation or order, jurisdiction over, or the power to regulate or pass orders binding upon, any person or matter and shall include any stock exchanges on which securities of any of such person are currently listed or may be listed in future, or arbitral tribunal or dispute resolution body empowered to pass orders binding on any person;
- (i) “**Intangible Assets**” means and includes all intellectual property rights and licenses of every kind and description throughout the world, in each case whether registered or unregistered, and including any applications for registration of any of the following, including without limitation inventions (whether patentable or not), patents, rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; copyrights and copyrightable subject matter; trademarks, service marks, trade names, domain names, logos, slogans, trade dress, design rights together with the goodwill symbolized by any of the foregoing; know-how, confidential and proprietary information, trade secrets, moral rights; any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world; and goodwill, whether or not covered in the foregoing, in connection with the businesses of the Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company including business information and records; and product registrations and approvals;
- (j) “**IT Act**” means the Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- (k) “**Record Date**” means such date as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for determining the names of the shareholders of the Transferor Company to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme;
- (l) “**RoC**” means the Registrar of Companies, Pune, Maharashtra;
- (m) “**SAST Regulations**” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (n) “**Scheme**” or “**Scheme of Amalgamation**” or “**Scheme of Merger by Absorption**” or “**Scheme**



- of Arrangement” or “this Scheme”** means this Scheme of Amalgamation in its present form as submitted to the Hon’ble Tribunal or this Scheme with such modification(s), if any;
- (o) **“SEBI”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- (p) **“SEBI Scheme Circular” or “SEBI Circular”** means the SEBI Circular no CFD/DIL3/CIR/2017/21 dated March 10, 2017 as modified by SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23<sup>rd</sup> March, 2017, read with SEBI Circular CFD/DIL3/CIR/2018/2 dated January 03, 2018 issued by SEBI and all other applicable circulars and regulations issued by SEBI as amended or replaced from time to time;
- (q) **“Stock Exchanges”** means the stock exchanges where the Equity Shares are listed and admitted to trading, viz, BSE Limited and the National Stock Exchange of India Limited as applicable to the respective Transferor Company and the Transferee Company;
- (r) **“Taxation” or “Tax” or “Taxes”** means all forms of taxes (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to PSML and ICIL and all penalties, charges, costs and interest relating thereto;
- (s) **“Transferor Company”** shall have the meaning assigned to it in Point 1 of Clause I of the Preamble of this Scheme and shall include but not be limited to:
- (i) all assets, whether moveable or immovable, plant and machinery, equipment, stocks and inventory including all rights, title, interest, claims, covenants in such assets of the Transferor Company;
- (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;
- (iii) all debts, borrowings and liabilities, whether present or future, secured or unsecured, availed by the Transferor Company;
- (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or any excess payment (including all amounts claimed as refund, whether or not so recorded in the books of accounts), tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, CENVAT, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax, goods and service tax etc.) of every kind and description whatsoever of the Transferor Company;
- (v) rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof



made by the Transferor Company and any interest thereon, under Applicable Law, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the IT Act, the rules and regulations thereunder, or any other Applicable Law, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or anywhere outside India;

- (vi) all Intangible Assets of every kind and description whatsoever of the Transferor Company;
  - (vii) all privileges and benefits of, or under, all contracts, agreements or arrangements of any kind, and all other rights including lease rights, licenses and facilities of every kind and description whatsoever of the Transferor Company;
  - (viii) all employees of the Transferor Company existing as on the Effective Date;
  - (ix) all advance payments, earnest monies and/or security deposits or other entitlements of the Transferor Company;
  - (x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company; and
  - (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company;
- (t) “**Transferee Company**” shall have the meaning assigned to it in Point 2 of Clause I of the Preamble of this Scheme;
- (u) “**Tribunal**” or “**NCLT**” means the National Company Law Tribunal, Mumbai Bench;

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per the Scheme, shall be effective from the Appointed Date but shall come into legal effect from the Effective Date.

## 3. INTERPRETATION

- (a) The expressions, terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning assigned to them under the Companies Act, the IT Act, and other Applicable Laws.
- (b) In this Scheme, unless the context otherwise requires:



- (i) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
- (ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- (iii) the words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (v) the term “Clause” refers to the specified clause in of this Scheme, as the case may be;
- (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute; and
- (vii) words in the singular shall include the plural and *vice versa*.

#### 4. SHARE CAPITAL

4.1 The share capital structure of the Transferor Company as on September 30, 2020 is as follows:

Particulars	Amount in INR
<b>Authorised</b>	
1,92,70,000 equity shares of INR 10 each	INR 19,27,00,000
<b>Issued and Subscribed and Fully paid-up Capital</b>	
1,92,41,280 equity shares of INR 10 each	INR 19,24,12,800

The equity shares of the Transferor Company are listed on BSE Limited.

4.2 The share capital structure of the Transferee Company as on September 30, 2020 is as follows:





Particulars	Amount in INR
<b><u>Authorised</u></b>	
<b><u>Equity Shares</u></b>	
27,50,00,000 shares of INR 2 each	INR 55,00,00,000
<b><u>Preference Shares</u></b>	
50,00,000 shares of INR 10 each	INR 5,00,00,000
<b>Total</b>	<b>INR 60,00,00,000</b>
<b><u>Issued and Subscribed and Fully paid-up</u></b>	
<b><u>Capital</u></b>	
<b><u>Equity Shares</u></b>	
19,73,99,670 shares of INR 2 each	<b>INR 39,47,99,340</b>

The equity shares of the Transferee Company are listed on Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited.

#### PART B

#### 5. AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY

##### 5.1. Transfer and vesting of assets, liabilities and entire business of the Transferor Company into and with the Transferee Company

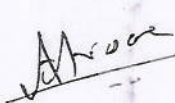

5.1.1. With effect from the Appointed Date and upon the Scheme being effective, the Transferor Company, together with all its present and future properties, assets, investments, rights, obligations, liabilities, benefits and interests therein, whether known or unknown, shall amalgamate into and with the Transferee Company and shall become the property of, and an integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by the Transferor Company on its properties and assets in favour of lenders, as a going concern, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company shall stand amalgamated into and with the Transferee Company, in the manner described in subparagraphs (a) – (m) below:

- (a) With effect from the Appointed Date and upon the Scheme being effective, all immovable properties (including land, buildings, structures and any other immovable properties) of the Transferor Company, whether freehold or leasehold, and any



documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company. Upon this Scheme coming into effect on the Effective Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfil all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company, by the relevant Governmental Authorities pursuant to the sanction of this Scheme by the NCLT and upon this Scheme coming into effect;

- (b) With effect from the Appointed Date and upon the Scheme being effective, all the assets of the Transferor Company which are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;
- (c) With effect from the Appointed Date and upon the Scheme being effective, any and all other movable property (except those specified elsewhere in this Scheme) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances relating to the Transferor Company which are recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons, cheques on hand shall, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the

  
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Transferee Company shall be entitled to deposit at any time after Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts thereunder. From the Effective Date and till such time that the names of the bank accounts of the Transferor Companies including but not limited to balances with scheduled banks in current accounts and in deposit accounts are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary. Further, all other negotiable instruments, payment orders, electronic fund transfers like NEFT, RTGS etc. received or presented for encashment which are in the name of Transferor Company after the Effective Date by virtue of the NCLT order sanctioning this scheme shall be accepted by the banker(s) of the Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company or received through electronic transfer. Similarly, the banker(s) of Transferee Company shall honour all cheques, electronic fund transfers, instructions issued by the Transferor Company for payment after the Effective Date.

- (d) With effect from the Appointed Date and upon the Scheme being effective, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recording of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed *inter alia* by the Transferee Company;
- (e) With effect from the Appointed Date and upon the Scheme being effective, all



incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;

- (f) With effect from the Appointed Date and upon the Scheme being effective, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements, and other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company is a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, etc. as the case may be, of Transferee Company;
- (g) With effect from the Appointed Date and upon the Scheme being effective, all permits, grants, no-objection certificates, licenses (including the licenses granted to the Transferor Company by any Governmental Authority for the purpose of carrying on its business or in connection therewith), permissions (including statutory and regulatory permissions), approvals, clearances, registrations (including relating to sales tax, service tax, excise, value added tax, goods and service tax), (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, goods and service tax, tax credits, tax refunds, tax holidays, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates), tenancies, quotas, recommendations, privileges, powers, offices, facilities of every kind and description of

  
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whatsoever nature, easements, goodwill, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, and shall be appropriately transferred or assigned by the concerned Governmental Authority in favour of Transferee Company;

- (h) With effect from the Appointed Date and upon the Scheme being effective, all Intangible Assets of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company; provided that the Transferee Company may take such actions as may be necessary and permissible to get the Intangible Assets, intellectual property rights and licenses transferred to and / or registered in the name of the Transferee Company;
- (i) With effect from the Appointed Date and upon the Scheme being effective, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company. Upon this Scheme coming into effect on the Effective Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company including those before any Governmental Authority, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Company or of anything contained in this Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;
- (j) Upon the Scheme becoming effective, all employees of the Transferor Company in service on the Effective Date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, on the terms and conditions no less favourable than those that were applicable to such employees as on the Effective Date, with the benefit of

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continuity of service and without any break or interruption in service. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company in service on the Effective Date, upon this Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, and the Transferee Company shall continue to abide by agreement(s)/settlement(s) entered into by the Transferor Company with any of its employees as on the Effective Date. It is the aim and intent of this Scheme that upon this Scheme coming to effect on the Appointed Date and upon the Effective Date, all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. For the avoidance of doubt, it is clarified that with regard to provident fund, gratuity, leave encashment, deferred cash benefits and long term incentive plans and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, Transferee Company shall stand substituted for Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme upon the Effective Date, for all purposes whatsoever, including with regard to the obligation to make contributions if any to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and formalities as may be required to be carried out for transfer of such fund, assets, value, etc. to the Transferee Company in this regard;

- (k) the Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company existing on the Effective Date, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable; and
- (l) With effect from the Appointed Date and upon the Scheme being effective, all estates,



assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

- (m) It is clarified that for the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on their business and activities and shall stand possessed of whole of their businesses, in trust for the Transferee Company and shall account for the same to the Transferee Company. Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses (including brought forward losses, book losses, etc.) or taxes (including but not limited to advance tax, tax deducted at source, minimum alternative tax, credit, taxes withheld, etc.), incurred by the Transferor Company between the Appointed Date and up to and including the Effective Date shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed of in any manner as it thinks fit.

- 5.1.2. With effect from the Appointed Date and upon the Scheme being effective, and the consequent amalgamation of Transferor Company into and with the Transferee Company, the secured creditors of Transferee Company, if any, shall only continue to be entitled to security over such identified properties and assets forming part of Transferee Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company and the secured creditors of Transferor Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in Transferor Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company. For the avoidance of doubt, it is clarified that all the assets of Transferor Company and Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors.



- 5.1.3. The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, if so required under any Applicable Laws or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of Transferee Company, *inter alia*, in its capacity as the successor entity of the Transferor Company.
- 5.1.4. The Transferee Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company. For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

## 6. CONSIDERATION

- 6.1. The share exchange ratio stated in Clause 6.2 of Section I of this Scheme has been determined by the Board of Directors of the Transferor Company and the Transferee Company based on their independent judgment after taking into consideration the valuation report of the registered valuer dated 21.10.2020 provided and the fairness opinion dated 21.10.2020 provided by merchant banker.
- 6.2. Upon this Scheme becoming effective, in consideration of the amalgamation of the Transferor Company, Transferee Company shall without any further application or deed, issue and allot its equity shares at par credited as fully paid up, as per the swap-ratio provided by the valuation report of the registered valuer and valuation report of chartered accountants and the fairness





opinion dated provided by merchant banker, to the members of Transferor Company, holding equity shares in Transferor Company and whose names appear in the Register of Members/Depository Participant on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the respective Board of Directors in the following manner:

*2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company.*

- 6.3. The shares issued pursuant to the provisions of the Scheme as per Clause 6.1 (“New Shares”), shall be issued to the shareholders of the Transferor Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Transferee Company. In the event that such notice has not been received by the Transferee Company in respect of any of the shareholders of the Transferor Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Transferee Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall issue the equity shares in physical form to such shareholder or shareholders.
- 6.4. If, applying the Share Exchange Ratio, a person eligible to receive new shares of the Transferee Company pursuant to the Scheme under this Clause 6, becomes entitled to receive any fractional equity shares of Transferee Company (a “**fractional entitlement**”), such person shall be entitled to receive instead of such fractional entitlement, equity shares of the Transferee Company as follows:
- (a) if the fractional entitlement is less than 0.5 (zero point five) it shall be rounded down so that such person will receive, zero (0) equity shares of the Transferee Company instead of such fractional entitlement; and
  - (b) if the fractional entitlement is 0.5 (zero point five) or more it shall be rounded up so

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that such person will receive, one (1) equity share of the Transferee Company instead of such fractional entitlement.

Pursuant to the rounding up or rounding down as per (a) and (b) above, the total number of shares that will be issued to equity shareholders of the Transferor Company, may vary from the total number of shares of the Transferee Company to be issued as set forth in the first sentence of Clause 6.3. However, each shareholder of the Transferor Company shall get at least one share of the Transferee Company.

- 6.5. On the approval of this Scheme by the members of the Transferee Company pursuant to Sections 230-232 of the Act and/or the relevant provisions of the Companies Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 13, 42, 61, and 62(1)(c) of the Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder as may be applicable for the aforesaid issuance of new shares to the equity shareholders of the Transferor Company, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13, 42 or 62(1)(c) of the Act or any other applicable provisions of the Companies Act and rules and regulations framed thereunder,.
- 6.6. The new shares issued by Transferee Company to the members of Transferor Company shall rank pari-passu with the existing equity shares of Transferee Company subject to other provision of this Scheme. The Transferee Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of shares under this Scheme, by following the requisite procedure under applicable provisions of law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Transferee Company.
- 6.7. Upon the Scheme being effective and on allotment of new shares by the Transferee Company, the shares held in Transferor Company by the Transferee Company shall stand automatically cancelled without any further act or deed. Further, it is clarified that no shares will be issued for the shares that are held by the Transferee Company in Transferor Company.
- 6.8. The new shares to be issued and allotted by the Transferee Company in terms of Clause 6 of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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and the SEBI Circulars. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.

## 7. ACCOUNTING TREATMENT

- 7.1. The Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under Section 133 of the Companies Act, 2013, which is applicable to the Company since this is a common control business combination as follows:
- 7.2. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded by the Transferee Company at their carrying amounts as appearing in the books of Transferor Company, on the Appointed Date.
- 7.3. The Transferee Company shall credit to its share capital account, the aggregate face value of the new shares issued by it pursuant to Clause 6 of this Scheme.
- 7.4. The carrying amount of investments in the equity shares of the Transferor Company to the extent held by Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf.
- 7.5. Upon the scheme coming into effect, the surplus /deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 7.2 over the sum of (a) the face value of the new shares on Amalgamation issued and allotted pursuant to clause 6; and (b) the value of investments cancelled pursuant to Clause 7.4, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- 7.6. Any inter-company balance(s) and inter-company investments, debts, borrowings (secured or unsecured), if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of Transferee Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect


from the Appointed Date.

- 7.7. In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the impact of the same in the merger by absorption will be quantified and adjusted in the Capital Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.
- 7.8. Upon the Scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.
- 7.9. The balance of the retained earnings appearing in the financial statements of the Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 7.10. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

#### **8. CONSOLIDATION OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

- 8.1. As an integral part of this Scheme and upon the effectiveness of this Scheme, the authorised equity share capital of the Transferor Company amounting to INR 19,27,00,000 (Rupees Nineteen Crore Twenty-Seven Lakh) shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company and the Transferee Company shall accordingly increase its authorized share capital and reclassify it as equity shares and/or preference shares as may be required by it as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly Clause V of the memorandum of association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended.
- 8.2. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the ROC for alteration and reclassification of its authorised share capital.
- 8.3. For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the

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Transferee Company and, or, the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then this Clause 8 of this Scheme shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

- 8.4. It is hereby clarified that for the purposes of this Clause 8 of this Scheme, the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Transferee Company and no further resolution under Section 13 of the Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc.

**9. EXEMPTION UNDER SAST REGULATIONS**

For the avoidance of doubt, it is clarified that pursuant to amalgamation of the Transferor Company into and with the Transferee Company, the issuance of new shares of the Transferee Company to the shareholders of the Transferor Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in terms of this Scheme and the consequent grant of certain rights to the shareholders who hold shares beyond a certain threshold as may be prescribed from time to time in the charter documents of the Transferee Company, is exempt under the provisions of Regulation 10(1)(d)(ii) of the SAST Regulations, and therefore, the requirement to make an 'open offer' shall not be triggered in terms of the provisions of the SAST Regulations.

**PART C**

**GENERAL TERMS AND CONDITIONS**

**10. COMPLIANCE WITH TAX LAWS**

- 10.1. This Scheme is in compliance with the conditions relating to 'amalgamation' as specified under section 2(1B) and other relevant sections of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any retrospective amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income-tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act,



1961 and other relevant provisions of the Income Tax Act, 1961.

- 10.2. On or after the Effective Date, financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax, VAT law and other tax laws, and to claim refunds and/ or credits for taxes paid (including minimum alternate tax, tax deducted at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, shall be entitled to be revised for the Transferor Company and the Transferee Company if required to give effect to the provisions of the Scheme.
- 10.3. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 10.4. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger/Amalgamation or anything contained in the Scheme.
- 10.5. Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 10.6. Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes/ duties/

levies allocable or related to the business of the Transferor Company due to any of the Transferor Company consequent to the assessment made on such Transferor Company 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.

- 10.7. All taxes including income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc. paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, sales tax, excise duty, custom duty, 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 after 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. Further, any tax deducted at source by Transferor Company/ Transferee Company on payables to Transferee Company/ Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 10.8. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 10.9. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to, tax losses, tax unabsorbed depreciation), accumulated losses, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 10.10. Upon the Scheme coming into effect, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

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## 11. DIVIDENDS

- 11.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period to the Effective date as approved by their Respective Boards.
- 11.2. The members 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 including the right to receive dividends.
- 11.3. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its members as on the record date for the purpose of dividend and those who are members only of the Transferor Company shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective date.
- 11.4. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any 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 respective Boards of Directors of the Transferor Company and the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Company and the Transferee Company respectively.

## 12. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon this Scheme coming into effect, the Transferor Company shall, without any further act, instrument or deed of the Transferor Company or the Transferee Company, stand dissolved without winding up.

## 13. BOOKS AND RECORDS OF THE TRANSFEE COMPANY

All books, records, files, papers, databases, catalogues, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by the Transferor Company to the Transferee Company.

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#### 14. APPLICATION TO THE NCLT

The Transferee Company and the Transferor Company shall make applications/petitions under Sections 230 to 232 of the Act, as applicable and other applicable provisions of the Companies Act to the NCLT, Mumbai for the sanction of this Scheme and all matters ancillary or incidental thereto.

#### 15. CONDITIONALITY OF THIS SCHEME

This Scheme is conditional upon and subject to:

- a) The requisite consent, approval or permission from the Stock Exchanges under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which by law or otherwise may be necessary for implementation of the Scheme in compliance with the provisions of SEBI Circular;
- b) Securities and Exchange Board of India and the Stock Exchanges approving this Scheme and the other transactions contemplated in this Scheme.
- c) Approval of the requisite majority of the shareholders of the Transferor Company and Transferee Company to the Scheme and the requisite orders of the NCLT sanctioning the Scheme in exercise of the powers vested in it under the Act;
- d) Approval of public shareholders of the Transferor and Transferee Company through e-voting in terms of Para 9 of Annexure I of the SEBI Circular dated 10<sup>th</sup> March 2017, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by them against the Scheme; and
- e) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme and the certified copies of the NCLT order sanctioning the Scheme being filed with ROC

#### 16. SEQUENCING OF EVENTS

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder:

- a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with this Scheme;
- b) consolidation of the authorised share capital of the Transferor Company with the authorised share capital of Transferee Company in accordance with Clause 8 of this Scheme, and consequential increase/reclassification in the authorised share capital of the Transferee Company;
- c) dissolution of the Transferor Company without winding-up in accordance with Clause 12



of this Scheme; and

- d) issue and allotment of new shares of the Transferee Company to the shareholders of the Transferor Company as on the Record Date in accordance with Clause 6 of this Scheme.

**17. MODIFICATIONS/AMENDMENTS TO THIS SCHEME**

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, assent to any modifications/amendments to this Scheme and/ or to any conditions or limitations that the NCLT and / or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

**18. REMOVAL OF DIFFICULTIES**

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Tribunal or any directive or orders of any Governmental Authority or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

**19. WITHDRAWAL OF THIS SCHEME**

The Scheme may be withdrawn from the NCLT anytime by mutual consent of the Transferor Company and the Transferee Company, acting through their respective Board of Directors and with further approval of the NCLT for withdrawal.

**20. REPEAL AND SAVINGS**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Effective Date, to the end and intent that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deeds and things done and executed by the Transferor Company.

**21. COSTS, CHARGES AND EXPENSES**

The Transferee Company, shall bear all their respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in making this Scheme effective and matters incidental thereto.

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**22. EFFECT OF NON – RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

**23. NO CAUSE OF ACTION**

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

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