

Annexure : A10



**Scheme of Amalgamation  
of**

**BRITACEL EXPORTS PRIVATE LIMITED  
(the "Transferor Company")**

**AND**

**EURODYE CTC (INDIA) PRIVATE LIMITED  
(the "Transferor Company")**

**with**

**CROSS FIELD TEXTILE CHEMICALS (I) PRIVATE  
LIMITED**

**(the "Transferee Company")**

**and**

**Their Respective Shareholders And Creditors**

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



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INDIA

## GENERAL

A. Description of Companies and Background:

**I. M/s Britacel Exports Private Limited is a Company**

was incorporated on 23<sup>rd</sup> June, 1992 under the name and style " Britacel Exports Private Limited" in the State of Maharashtra with the Corporation Identification Number U51900MH1992PTC067356.. The Registered office of the Company situate at Plot No. C-27, C Wing, Raj Industrial Complex, Marol , Andheri (East), Mumbai 400059. IN. (herein after referred to as Transferor Company) The Transferor Company is engaged in th the business of exporters, dealers ,whole sellers, retailers in chemicals, Silicones, Textile Intermediates Dyes and polymers.

**2. M/S. Eurodye CTC (INDIA ) Private Limited** was incorporated on 25<sup>th</sup> of November, 2008 under the name and style " Eurodye CTC (India) Private Limited" in the State of Maharashtra with the Corporation Identification Number U74900MH2008PTC188469. The Registered office of the Applicant/Transferor Company situate at Plot No. F-18, F Block Road, MIDC, Marol , Andheri (East), Mumbai 400059. IN. (Herein after referred to as Transferor Company). The Transferor Company is engaged in the business of manufacturers, traders, importers, exporters, indenters, buyers, sellers, dealers, stockist, distributors in all types of textile auxiliaries and chemicals and their by-products, physical and other analysis, examination of chemicals, auxiliaries, ores, minerals, oils, drugs, chemicals, soils and the products required for the business of the company and the business of purification's distillations, standardization of natural products and essential oils, chemicals, drugs, and industrial laboratory and agro-chemicals required by trade, industry and agriculture.

**3. M/S. Crossfield Textile Chemicals (India) Private Limited** was incorporated on 04<sup>th</sup> November, 2008 under the name and style " Crossfield Textile Chemicals (India) Private Limited" in the State of Maharashtra with the Corporate Identification Number U24200MH2008PTC0187962. The Registered office of the Transferee Company situated at F-18 Street No 23 MIDC, Marol Andheri E, Mumbai MH 400093. (herein after referred to as Transferee Company). The





Transferee Company is engaged in business of manufacturers, traders, importers, exporters, indenters, buyers, sellers, stockiest, distributors in all types of textile auxiliaries , chemicals and their by-products, physical and other analysis , examination of chemicals, auxiliaries ores, minerals, oils, drugs, chemicals, soils and the products required for the business of the Company and business of purification's distillations, standardization etc of natural products and essential oils, chemicals, drugs, and industrial laboratory and agro chemicals required by Trade , industry and Agriculture.

- II.** This Scheme of Amalgamation (hereinafter referred to as "the Scheme" or "this Scheme") provides for the Amalgamation of M/s Britacel Exports Private Limited, (hereinafter referred to as "the Transferor Company") and Eurodye CTC (India ) Private Limited (herein after referred as Transferor Company with M/s Crosfield Textile Chemicals (I) Private Limited (hereinafter referred to as "the Transferee Company") and their respective shareholders & Creditors, pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.
- III.** Clause **(B) 15** of the Objective incidental or Ancillary to the Attainment of the Main objects of the Transferor Company Britacel Exports Private Limited enables amalgamation. And Clause **(B) 16** of the Objective incidental or Ancillary to the Attainment of the Main objects of the Transferor Company Eurodye CTC (I) Private Limited enables amalgamation.
- IV.** Clause **(B) 16** of the Objective incidental or Ancillary to the attainment of the Main objects of the Transferee Company enables amalgamation

#### **B. Rationale for the Scheme:**

The business activities of the Transferor Companies and the Transferee Company complement each other. Therefore, in order to achieve inter-alia economies of scale and efficiency, the merger of the companies is being undertaken.



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

1. Greater integration, greater financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value and will improve the competitive position of the combined entity.
2. Improved organizational capability and leadership, arising from the pooling of resources to complete successfully in an increasingly competitive industry.
3. Greater leverage in operations planning and process optimization and enhanced Flexibility.
4. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, administration, finance, accounts, legal, audit, compliances and other related functions, leading to elimination of duplication and rationalization of administrative expenses.
5. To enable the group to attract and retain talent in a cost-effective manner by consolidating its operations across geographical locations.
6. Simplification of group structure by eliminating duplication of work, multiple entities in similar business thus enabling focus on core competencies and unlocking of value through operating independence of each vertical.

In view of the aforesaid, the Board of Directors of the Transferor Companies as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the stakeholders of the Transferor Companies and the Transferee Company. Accordingly, the Board of Directors of the



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Transferor Companies and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire undertaking and business of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

### **C. Parts of the Scheme:**

The Scheme is divided into following parts:

- (i) **Part A** - dealing with definitions of the terms used in this Scheme and sets out the share capital of the Transferor Companies and the Transferee Company;
- (ii) **Part B** - dealing with amalgamation of the Transferor Companies with the Transferee Company;
- (iii) **Part C**- dealing with the accounting treatment for the amalgamation in the books of the Transferee Company; and
- (iv) **Part D** - dealing with the dissolution of the Transferor Companies and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

## **PART A**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1 DEFINITIONS**

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

1.1 **"Act"** means the Companies Act, 2013 along with ordinances, rules and regulations made there under and shall include any statutory modifications, re-enactment or amendment thereof.




1.2 **"Appointed Date"** means 1st April 2018 or such other date as the National Company Law Tribunal (NCLT) having jurisdiction or such other authorities may direct/ fix.

1.3 **"Board of Directors"** or "Board" means the board of directors of the Transferor Companies or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.

1.4 **"Effective Date"** means the last of the dates on which the certified copies of the order(s) of NCLT at Mumbai sanctioning the Scheme are filed with the Registrar of Companies, Mumbai by the Transferor Companies and the Transferee Company.


1.5 **"Government Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.


1.6 **"NCLT"** means the National Company Law Tribunal at Mumbai, having jurisdiction in relation to the Transferor Company and the Transferee Company.

1.7 **"Registrar of Companies"** means the Registrar of Companies, Mumbai, Maharashtra, India.

1.8 **"Share Exchange Ratio"** means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Companies under Clause 5 of Part-B of the Scheme.

1.9 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 16 of Part-D of this Scheme, as approved or directed by the NCLT or any other appropriate authority.



1.10 **"Transferee Company"** means M/s CROSFIELD TEXTILE CHEMICALS (INDIA) Private LIMITED, a company incorporated under the Companies Act, 1956, and having its registered office at F-18 STREET NO 23 MIDC, MAROL ANDHERI E MUMBAI MH 400093.

1.11 **"Transferor Company"** means M/s Britacel Exports Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at C-27/Raj Industrial Complex , military Road Marol Andheri East Mumbai MH 400059 IN. And Further

**"Transferor Company"** means M/s Eurodye CTC (India) Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at F/18, F Block Road, MIDC , Marol Andheri East Mumbai MH 400059 IN

1.12 **"Undertaking"** means the whole of the undertaking and entire business of the Transferor Companies as a going concern, including (without limitation):

- i. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Companies , including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including lease rights), hire purchase contracts and

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assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Companies and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad;

- ii. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Companies, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
- iii. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights,





engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Companies;

- iv. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Companies;
- v. All permanent employees engaged by the Transferor Companies as on the Effective Date.

1.12 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2 SHARE CAPITAL:

2.1 The share capital of the Transferor Company M/s Britacel Exports Private Limited as on March 31, 2018, was as under:

<b>Authorised Capital</b>	<b>Amount (Rs.)</b>
50,000 Equity Shares of Rs.100/- each	50,00,000/-
Total	50,00,000/-
<b>Issued, Subscribed and Paid-Up Capital</b>	<b>Amount (Rs.)</b>
25,000 Equity Shares of Rs. 100/- each fully paid-up	25,00,000/-
Total	25,00,000/-

Subsequent to March 31, 2018 there has been no change in the share capital of the Transferor Company And further ;

The share capital of the Transferor Company M/s Eurodye CTC (india) Private Limited as on March 31, 2018, was as under:



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<b>Authorised Capital</b>	<b>Amount (Rs.)</b>
50,000 Equity Shares of Rs.10/- each	5,00,000/-
Total	5,00,000/-
<b>Issued, Subscribed and Paid-Up Capital</b>	<b>Amount (Rs.)</b>
20,000 Equity Shares of Rs. 10/- each fully paid-up	2,00,000/-
Total	2,00,000/-

Subsequent to March 31, 2018 there has been no change in the share capital of the Transferor Company.

2.2 The share capital of the Transferee Company as on March 31, 2018, was as under:

<b>Authorised Capital</b>	<b>Amount (Rs.)</b>
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000/-
<b>Issued, Subscribed and Paid-Up Capital</b>	<b>Amount (Rs.)</b>
25,20,000 Equity Shares of Rs. 10/- each fully paid-up	2,52,00,000/-

Subsequent to March 31, 2018 there has been no change in the share capital of the Transferee Company.

### **3. 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, Mumbai or any other appropriate authority shall be effective from the Appointed Date but shall be operative from the Effective Date.

## **PART B**

### **AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY**

#### **4. TRANSFER AND VESTING OF TRANSFEROR COMPANY:**

4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s)



of the Transferor Companies including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Companies of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Companies comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, testing equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the orders of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the debts, liabilities, duties, obligations, properties, assets, rights, business and undertaking(s) of the Transferee Company.

4.2 With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date whether provided for or not in the books of account of the Transferor Companies and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Companies or on any income earned from those assets.



4.3 With effect from the Appointed Date, undertaking(s) of the Transferee Company shall continue to have their separate unit identity and shall not be integrated with any undertaking(s)/ unit(s) of the Transferor Companies pursuant to the sanction/ approval of this Scheme.


4.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall stand cancelled.

4.5 With effect from the Appointed Date, all the 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 Companies 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 with effect from the Appointed Date.

4.6 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Companies after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the



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Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Companies over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

4.7 All the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.

4.8 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

4.9 With effect from the Appointed Date, all statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Companies, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by any of the Transferor Companies and all rights and benefits that have accrued or which may accrue to any of the Transferor Companies, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee

Company upon the vesting and transfer of the undertakings of the Transferor Companies pursuant to this Scheme. The benefit of all statutory and regulatory permissions and approvals, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

4.10 The amalgamation of the Transferor Companies with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(13) of the Income tax Act, 1961.


#### **5. CONSIDERATION AND CANCELLATION OF SHARES:**

5.1 Upon the sanction of the Scheme of Amalgamation, Transferee Company shall, without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of Transferor Companies holding fully paid-up equity shares in Transferor Companies and whose names appear in the Register of members of Transferor Companies, on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Companies in the following proportion viz.:

"71,520 " fully paid up equity shares of Rs.10/- each of Transferee Company shall be issued and allotted to 25,000 equity shares of Rs.100/- each held in Transferor Company M/ S Britacel Exports Private Limited and further;

" 70 " fully paid up equity shares of Rs.10/- each of Transferee Company shall be issued and allotted to 20,000 equity shares of Rs.10/- each held in Transferor Company M/s Erudye CTC (india) Private Limited (hereinafter referred to as "New Equity Shares")"





5.2 The New Equity Shares to be issued to the members of the Transferor Companies under Clause 5.1 shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank paripassu with the existing equity shares of the Transferee Company in all respects, save and except that the said equity shares shall be eligible for dividend for the period commencing from the Appointed Date.

5.3 The New Equity Shares to be issued to the members of the Transferor Companies shall be in multiples of 1. Any issue of fractional shares, shall be rounded-off to the next whole number.

5.4 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the equity shareholders of the Transferor Companies are herein referred to as the "**Share Exchange Ratio**".

In the event that the Transferee Company restructures its equity share capital by way of share split/ consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of such corporate actions.

5.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors or any committee thereof shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date to effectuate such a transfer in the Transferor Companies as if such changes in the registered holder were operative as on the date of issue of shares by the Transferee Company, in order to remove any difficulties arising to the transferor or transferee of equity shares.

5.6 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 New Equity Shares to the members of the Transferor Companies under the Scheme.





**6. LEGAL PROCEEDINGS:**

6.1 Any suit, appeal or other proceedings of whatever nature by or against the Transferor Companies is pending as on the Appointed Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, 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 as if this Scheme had not been made.

6.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Companies after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.


**7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS:**

7.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Companies and to which the Transferor Companies is a party and subsisting or having effect on the Effective Date, including all rights, duties, interests and obligations thereunder, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

7.2 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 Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

**8. STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANY:**

8.1 On the Scheme becoming effective, all staff and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or date of joining of respective workmen and employees, whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Companies on the Effective Date.

8.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such fund or funds





shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Companies.

**9. TAXATION MATTERS:**

Upon the Scheme coming into effect, the Transferee Company through its Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the returns and other documents filed by the Transferor Companies for periods falling prior to the Appointed Date if required, in relation to taxation and other allied laws, as are considered appropriate by them (i.e., the Board of Directors or the person(s) / committee).


**PART C**

**ACCOUNTING TREATMENT FOR THE AMALGAMATION IN THE BOOKS OF THE TRANSFEEE COMPANY**

**10. ACCOUNTING TREATMENT:**

- 10.1 The Transferee Company shall follow the requirements of Indian Accounting Standards (IndAS) 103 and other applicable Indian Accounting standards, in terms of Section 133 of the Companies Act, 2013 for the purpose of accounting for the merger.
- 10.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferor Companies, the fair value of the assets and liabilities shall be determined as of the Appointed Date.
- 10.3 The identity of statutory reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Companies, prior to this Scheme becoming effective.



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- 10.4 The balance in the profit & loss account and the free reserves account of the Transferor Companies shall be carried as the balances in the accounts of the Transferee Company.
- 10.5 The difference between the value of respective investments carried in the books of the Transferee Company and the "net book value" of the assets of the respective Transferor Companies shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 10.6 On this Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Companies pursuant to the Scheme on the basis of 'pooling of interest' method as stated in the Accounting Standard 14-"Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, unless otherwise provided for in the Scheme.
- 10.7 The amalgamation of Transferor Companies with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- 10.8 The Transferor Company or the Transferee Company (by the respective Board of Directors) may alter or modify the accounting treatment specified in the Scheme, in consultation with the auditors, as they may deem fit and consider necessary, to settle any question/difficulty arising out of the Scheme, to comply with the relevant laws (including but not limited to the Income Tax Act, 1961) and applicable accounting standards.



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**11. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:**

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

11.1 The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire businesses and undertakings for and on account of and in trust for the Transferee Company;

11.2 The Transferor companies. shall not do or cause to do any act or deed whatsoever which may be detrimental or adversely affect the business interests of transferee company pre and post amalgamation.

11.3 The Transferor Companies shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence;

11.4 All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and

11.5 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

**12. SAVING OF CONCLUDED TRANSACTIONS:**



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The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Companies under Clause 6 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.


**13. REORGANISATION & RECLASSIFICATION OF THE SHARE CAPITAL OF THE TRANSFEEE COMPANY:**

13.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Companies shall stand combined with and be deemed to be added to the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by Transferor Companies on its authorized share capital, as applicable, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorized share capital. Consequently, existing clause 5 of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 61 to 64 and other applicable provisions of the Companies Act, 2013 by substituting the existing Clause with the following:

"The authorised share capital of the Company is Rs. 5,55,00,000/- (Rupees Five Crore and Fifty Five Lakh only) divided into 55,50,000 (Fifty Five Lakh Fifty Thousand equity shares of Rs.10 /- (Rupees Ten each.)"



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13.2 The approval of the Scheme by the shareholders of the Transferee Company under Sections 230 to 232 of the Act, shall be deemed to have the approval under Section 13, 61 and other applicable provisions of the Act and any other consents and approvals also required in this regard.

13.3 The filing fee, particularly stamp duty and fees payable to Registrar of Companies already paid by the Transferor Companies on its authorised share capital, shall be deemed to have been so paid by the Transferee Company and the Transferee Company shall not be required to pay any additional fees already paid by the Transferor Companies on such increased authorised share capital.

#### **PART D**

#### **DISSOLUTION OF THE TRANSFEROR COMPANIES AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME:**

##### **14 WINDING UP:**

On the Scheme becoming effective, the Transferor Companies shall be dissolved without being wound up.

##### **15 APPLICATIONS TO NCLT:**

The Transferee Company and the Transferor Companies shall, with all reasonable dispatch, make applications to the NCLT, within whose jurisdiction the registered offices of the Transferor Companies and the Transferee Company are situated, for sanctioning the Scheme under Sections 230 to 232 and other provisions of the Act, and for dissolution of the Transferor Companies without being wound up.

##### **16 MODIFICATION OR AMENDMENTS TO THE SCHEME:**





The Transferee Company and the Transferor Companies by their respective Board of Directors, or any person(s) or committee authorised / appointed by them, may carry out or assent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT / or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s) / committee). The Transferee Company and the Transferor Companies by their respective Board of Directors, or any person(s) or committee authorised shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying on the Scheme into effect, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

**17 CONDITIONALITY OF THE SCHEME:**

This Scheme is and shall be conditional upon and subject to:

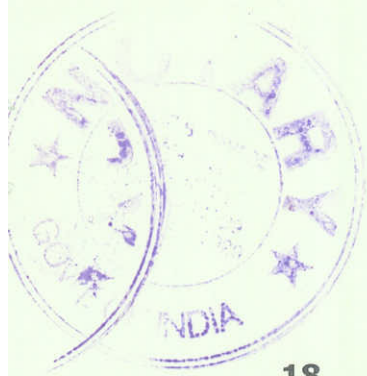
17.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/ or creditors of the Transferor Companies and the Transferee Company as may be directed by the NCLT.

17.2 The sanction of the NCLT under Sections 230 to 232 of the said Act in favour of the Transferor Companies and the Transferee Company under the said provisions and the necessary Order under Section 232 of the said Act being obtained.

17.3. Certified copies of the Order of NCLT, Mumbai sanctioning the Scheme being filed with the Registrar of Companies at Mumbai by the Transferor Companies and the Transferee Company.



*Handwritten signature*



**18 EFFECTS OF NON-RECEIPT OF APPROVALS:**


18.1 In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the NCLT, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

18.2 Further, in case of the non- receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se by the Transferor Companies or the Transferee Company or their shareholders or creditors or employees or any other person.

**19 COSTS, CHARGES AND EXPENSES:**

All costs, charges, taxes including duties, levies and all other expenses, if any (Save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

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31/1/2019  
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