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**SCHEME OF AMALGAMATION UNDER SECTIONS 230 to 232 OF  
THE COMPANIES ACT, 2013  
OF  
ZANDU REALTY LIMITED  
WITH  
EMAMI INFRASTRUCTURE LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**GENERAL**

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

- i. Zandu Realty Limited, (CIN: L24239WB1919PLC136397) is a listed public limited company incorporated under the Companies Act, 1919 having its registered office at Emami Tower, 2<sup>nd</sup> Floor, 687, Anandapur, E M Bypass, Kolkata-700107 (hereinafter referred to as the "Transferor Company "). The Transferor Company is primarily engaged in the business of development and construction of Real Estate.
- ii. Emami Infrastructure Limited, (CIN: L45400WB2008PLC121426) is a listed public limited company incorporated under the Companies Act, 1956 having its registered office at Emami Tower, 2<sup>nd</sup> Floor, 687, Anandapur, E M Bypass, Kolkata-700107 (hereinafter referred to as the "Transferee Company"). The Transferee Company is primarily engaged in the business of development and construction of Real Estate.
- iii. The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited and the equity shares of the Transferee Company are listed on BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.
- iv. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.
- v. This Amalgamation is a "Common Control Business Combination" involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

**B. RATIONALE FOR THE SCHEME**

- i. The growth of Indian Real Estate Industry in the last few years has been sluggish with decrease in demand across all sectors due to overall economic slowdown. However, initiatives such as "Clean India" and "Smart Cities" projects clearly indicate that the Government recognises urbanization as a feature of modernity. The mammoth and ambitious goal of Indian Government of providing afforda-



ble Housing to all its citizen by 2022 coupled with overall growth in economy, increased FDI inflows in construction industry, lower interest rates and path-breaking regulatory developments such as RERA and GST, will provide much needed impetus to the Real Estate Industry in India. Large sized efficiently managed companies with wider territorial presence will spearhead the Real Estate growth in the country.

- ii. The complications of construction industry coupled with volatility and uncertainty in market, emphasises the need for highly efficient and competent managers to steer them. With many emerging players, procurement of skilled and efficient managers is one of major concerns for the real estate industry.
- iii. The Transferee Company is a pioneer in the real estate sector and is testimony to attract the best talents available in the industry. The Transferee Company is having its footprints spanning across Chennai, Kolkata, Mumbai, Jhansi, Bhubaneswar, Hyderabad, Coimbatore and Indore. The Company's operations span to all real estate sectors such as residential, commercial and retail and to all aspects of real estate development, including the identification and acquisition of land, the planning, execution and marketing of the projects including management of projects owned by other Landlords.
- iv. The Transferor Company is an associate of the Transferee Company. It has completed successfully development of its project "Zandu Sigma Estate" at Dadar, Mumbai. It is exploring further opportunities and has in the meantime deployed its funds in investment in securities.
- v. The Transferee Company and the Transferor Company are both engaged in real estate business and are listed companies. The Transferor Company is an associate of the Transferee Company and both are companies under the same management. Thus, the amalgamation will ensure focused management in a single combined entity thereby resulting in efficiency of management and maximising overall shareholder value.
- vi. The proposed amalgamation will bring in advantages of synergy in operations and economies of scale. The pooling of resources of companies will create strong financial structure and facilitate resource mobilisation and achieve better cash flows. The combined net worth in a single entity shall facilitate in attracting funds from strategic investors and/or financial institutions at competitive rates. Thus, the synergies created by the horizontal merger will increase the operational efficiency and integrate business functions of the amalgamated entity and help to pursue inorganic and organic growth opportunities of such business. It will also lead to more efficient utilisation of capital and create a consolidated base for future growth of the amalgamated entity.
- vii. The amalgamation will also result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources. It will prevent cost duplication, overlapping of administrative responsibilities and multiplicity of records, legal and regulatory compliances generally involved with running two separate entities and more particularly due to the listed status of both the companies involved. It will enable a dedicated management to focus and accelerate growth of the amalgamated entity.
- viii. The amalgamation will result in not only, pooling of efficient human resources and putting them to optimum utilisation for the growth of the merged entity but also attracting efficient manpower by the merged entity.
- ix. The rationale for continuing with two separate entities in the same business no longer exists. It is considered prudent and more appropriate to consolidate similar businesses in one entity. Such restructuring will lead to simplification of group structure by eliminating multiple companies in similar business, thus enabling focus on core competencies.



- x. The amalgamation will enable greater realization of the potential of the businesses of the Transferor and Transferee Companies in the amalgamated entity and have beneficial results for all concerned.
- xi. The assets of the amalgamated entity will far exceed its liability and rights of the creditors of the Transferor Company and the Transferee Company are not in any way prejudiced.
- xii. The Scheme shall also be in the larger interest of the public shareholders of the Transferor Company and Transferee Company as amalgamation of the two companies will lead to cancellation of 2,86,329 equity shares of the Transferor Company held by the Transferee Company, which constitutes 35.51% of the paid up share capital of the Transferor Company. These will result into reduced combined paid-up capital leading to higher earnings per share.
- xiii. The Scheme envisages transfer of entire undertaking of the Transferor Company as a going concern to the Transferee Company and is in the interest of its shareholders, creditors, employees and all concerned.
- xiv. In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013.

**C. PARTS OF THE SCHEME:**

This Scheme of Amalgamation is divided into the following parts:

- i. Part I deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- ii. Part II deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- iii. Part III deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Company;
- iv. Part IV deals with the accounting treatment for the amalgamation in the books of the Transferee Company and applicability of Income Tax Act, 1961;
- v. Part V deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

- D. The amalgamation of the Transferor Company 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 the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B).



**PART - I**  
**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

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

- 1.1 "**Act**" means the Company Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2 "**Appointed Date**" means the open of business hours on 1<sup>st</sup> April 2017;
- 1.3 "**Board of Directors**" or "**Board**" means the board of directors of the Transferor Company 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 or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.5 "**Governmental 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 over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, Competition Commission of India, and the NCLT;
- 1.6 "**NCLT**" means the National Company Law Tribunal, Kolkata Bench having jurisdiction in relation to the Transferee and Transferor Company;
- 1.7 "**Proceedings**" include any suit, appeal or any legal proceeding of whatsoever nature in any Court of law, or tribunal or any judicial or quasi-judicial body or any assessment proceeding before any authority under any law and also arbitration proceeding;
- 1.8 "**Record Date**" means the date as may be fixed by the Board of Directors of the Transferee Company for ascertaining the equity shareholders of the Transferor Company who shall be eligible to obtain allotment of shares in the Transferee Company;
- 1.9 "**Registrar of Companies**" means the Registrar of Companies, West Bengal;
- 1.10 "**Scheme**" means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders as submitted to the NCLT together with any modification(s) approved or directed by the NCLT;
- 1.11 "**Stock Exchanges**" means BSE Limited ('BSE'), National Stock Exchange of India Limited ('NSE') and The Calcutta Stock Exchange Limited ('CSE') where the shares of Transferee and Transferor Company are listed;
- 1.12 "**Transferee Company**" means Emami Infrastructure Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Emami Tower, 2<sup>nd</sup> Floor, 687 Anandapur, E M Bypass, Kolkata-700107;



- 1.13 **"Transferor Company"** means Zandu Realty Limited, a company incorporated under the Companies Act, 1919 and having its registered office at Emami Tower, 2<sup>nd</sup> Floor, 687 Anandapur, E M Bypass, Kolkata-700107;
- 1.14 **"Undertaking of Transferor Company" or "Undertaking"** means the entire business and the whole of the undertaking of the Transferor Company as a going concern together with all its assets, rights including tenancy rights, FSI rights, licenses and powers and all its debts, outstanding, liabilities, duties and obligations as on the Appointed Date and without prejudice to the generality of the foregoing clause the said undertaking includes :
- a) all assets, properties, moveable or immoveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature, wheresoever situated including land, buildings, vehicles, equipments, furniture, fixtures, investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances of the Transferor Company;
  - b) all rights and benefits of the Transferor Company under the development agreement, buildings plans, and No Objection Certificates;
  - c) Trademarks, brands, goodwill, and all other intellectual rights and properties of the Transferor Company;
  - d) all permissions, approvals, consents, sanctions from Bombay Municipal Corporation, Municipal Corporation of Greater Mumbai or any other municipal or statutory authorities;
  - e) all permits, quotas, rights, licenses, approvals, consents, tenancies/tenancy rights, privileges, all other rights, benefits and entitlements, lease rights powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with the Transferor Company;
  - f) all agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims to any patents, trademarks, design, quota rights, engagements, arrangements, authorities, allotments, security arrangements, 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 Company;
  - g) all records, files, papers, designs, and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form of the Transferor Company;
  - h) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;



- i) all debts (secured and unsecured), present and future liabilities including contingent liabilities, obligations and duties of the Transferor Company of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;
- j) all employees of the Transferor Company and all other obligations of whatsoever kind, including liabilities in respect of employees of the Transferor Company with regard to payment of gratuity, provident fund or compensation, if any, etc.

Terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

**2. CAPITAL STRUCTURE**

**2.1 Transferor Company:**

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2017 was as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
Authorised Share Capital	
20,00,000 equity shares of Rs. 100/- each all fully paid up	20,00,00,000/-
Issued, Subscribed and Paid-up Capital	
8,06,400 equity shares of Rs. 100/- each all fully paid up.	8,06,40,000/-

**2.2 Transferee Company:**

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on March 31, 2017 was as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
Authorised Share Capital	
3,52,50,000 equity shares of Rs. 2/- each all fully paid up	7,05,00,000/-
Issued, Subscribed and Paid-up Capital	
2,42,98,392 equity shares of Rs. 2/- each all fully paid up.	4,85,96,784/-

2.3 Subsequent to above, there is no change in the Capital Structure of Transferee or Transferor Company. The Transferee Company holds 2,86,329 equity shares of Transferor Company.

**3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.



**PART II**  
**TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY TO AND IN THE**  
**TRANSFeree COMPANY**

**4 TRANSFER AND VESTING OF UNDERTAKING**

- 4.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, without any further act or deed be transferred to and be vested or deemed to be vested in the Transferee Company as a going concern, pursuant to Sections 230 to 232 of the Act but subject to all charges, liens, mortgages, lispendens, if any, then affecting the same or any part thereof and all the creditors of the Transferor Company shall become the creditors of the Transferee Company on the same terms and conditions.
- 4.2 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date.
- 4.3 All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- 4.4 In respect of such of the assets and properties of the Undertaking of Transferor Company as are immovable in nature, whether held as fixed assets and/or inventory, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become as and from the Appointed Date, the immovable assets of Transferee Company, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this clause. The Transferee Company shall under the provisions of this Scheme be deemed to be authorized to execute any such instruments, deeds and writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances on the part of Transferor Company to be carried out or performed in order to give effect to the provisions of this clause.
- 4.5 In respect of such of the assets and properties of the Undertaking of Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- 4.6 In respect of movables other than those dealt with in Clause 4.5 above including sundry debts, receivables, actionable claims, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.7 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of



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

4.8 The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, Kolkata Bench under and in accordance with Sections 230 to 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.

4.9 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

4.10 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

4.11 All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

4.12 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.





- 4.13 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- 4.14 All taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, on account of the Transferor Company and, in so far as it relates to the tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company and shall in proceedings, be dealt with accordingly.
- 4.15 All the profits, income, taxes (including advance tax, tax deducted at source and MAT Credit) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including tax, losses, MAT Credit) costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 4.16 For avoidance of doubts and without prejudice to the generality of the foregoing, it is clarified that upon coming effect of the Scheme and with effect of the Appointed Date, in accordance with the relevant laws, consents, permissions, licenses registration, certificates, authorities (including operation of bank accounts), power of attorneys given by, issued to or executed in favour of the Transferor Company, and rights and privileges under the same, in so far as they relate to the Transferor Company and all domain names, brands, trade secrets, product registration and other intellectual property, if any, and all other interests relating to the goods or services being dealt by the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company on the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme.

**5 ENCUMBRANCES:**

- 5.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 5.2 All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, 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 Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 5.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any



of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.

- 5.4 Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 5.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- 5.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 5.7 The provisions of this Clause 5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

**6 INTER - SE TRANSACTIONS**

Without prejudice to the provisions contained in this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

**7 CONTRACTS, DEEDS, ETC.**

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



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

**8 LEGAL PROCEEDINGS**

On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferor Company. On and from the Effective Date, the Transferor Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

**9 CONDUCT OF BUSINESS**

- 9.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- 9.2 All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- 9.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 9.4 With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date:



- 9.4.1 the Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:
  - a. If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
  - b. If the same is permitted by this Scheme; or
  - c. If consent of the Board of Directors of the Transferee Company has been obtained.
  
- 9.4.2 The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective Board of Directors (ii) any new business, or discontinue any existing business or change the capacity of facilities; and (iii) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:
  - a. If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
  - b. If the same is permitted by this Scheme; or
  - c. If consent of the Board of Directors of the Transferee Company has been obtained.

**10 TREATMENT OF TAXES**

- 10.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Sales Tax /Value Added Tax laws, service tax, GST, luxury tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor 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 to Transferee Company.
  
- 10.2 All taxes (including income tax, wealth tax, sales tax, service tax, luxury tax, VAT, GST etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, service tax, luxury tax, VAT, GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
  
- 10.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on 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.
  
- 10.4 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid/ (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of this Scheme.



- 10.5 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.
- 10.6 Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, GST, applicable state value added tax, CENVAT, registrations etc.) to which the Transferor Company is entitled to in terms of applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

**11 STAFF, WORKMEN AND EMPLOYEES**

Upon the coming into effect of this Scheme:

- 11.1 All the permanent employees of the Transferor Company including KMPs, who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Transferor Company, except that the KMPs of the Transferor Company shall not be entitled to continue with the same designation as that in the Transferor Company unless otherwise determined by the Board of Directors of the Transferee Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Transferee Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company
- 11.2 The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits, if any, created by the Transferor Company or any other special funds, if any, created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds, if any, shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.



**12 SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**13 CREDITORS**

- 13.1 The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.
- 13.2 The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme.

**PART - III**  
**ISSUE OF SHARES BY THE TRANSFEEE COMPANY**

- 14.1 On the Effective Date, 2,86,329 equity shares of Rs.100/- each all fully paid up held by the Transferee Company in the Transferor Company shall stand cancelled without any further act or deed.
- 14.2 Upon the Scheme becoming effective and the Undertaking of the Transferor Company being transferred to the Transferee Company, the Transferee Company shall without further application, issue and allot equity shares in the Transferee Company to the equity shareholders of the Transferor Company whose names appear in the Register of Members of the Transferor Company on the Record Date, 7 (seven) equity shares of the nominal value of Rs. 2/- each fully paid up in the Transferee Company for every 1 (one) equity share of Rs. 100/- fully paid up held by such member in the Transferor Company.
- 14.3 The shares to be issued by the Transferee Company to the shareholders of the Transferor Company in pursuance of this Scheme are hereinafter referred to as "the New Shares".
- 14.4 No fractional shares shall arise out of the above allotment of the New Shares.
- 14.5 The New Shares to be issued to the shareholders of the Transferor Company, as above, shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company, in all respects.
- 14.6 The Transferee Company shall get the New Shares listed on the BSE, NSE as well as CSE where the existing equity shares of the Transferee Company are listed.
- 14.7 The Transferee Company shall issue the New Shares in dematerialised form unless otherwise notified in writing by the shareholders of the Transferor Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. If such notice has not been received by the Transferee Company, the equity shares shall be issued to such members in dematerialised form provided that the members of the Transferor Company have an account with a depository participant and provide details thereof and such other confirmations as may be re-



quired. If the Transferee Company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his account with a depository participant or other confirmation as may be required or if the details furnished by any member do not permit electronic credit of the New Shares, then the Transferee Company shall issue equity shares in physical form to such member or members.

## **15 MERGER OF AUTHORIZED SHARE CAPITAL OF TRANSFEREE COMPANY**

- 15.1** Upon the Scheme coming into effect and pursuant to Section 232(3) of the Act, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.
- 15.2** Clause V of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

## **PART - IV** **ACCOUNTING TREATMENT**

### **16. ACCOUNTING TREATMENT**

- 16.1** The Amalgamation being in the nature of Common Control Business Combination, the accounting treatment shall be in the manner provided in Appendix C of Indian Accounting Standard 103. Upon the Scheme becoming effective, the Transferee Company shall account for amalgamation in its Books of Accounts as under :-
- 16.2** The accounting shall be on the basis of "Pooling of Interests" method.
- 16.3** On and from the Appointed Date, all assets and liabilities of the Transferor Company shall be recorded in the Books of Accounts of the Transferee Company at their existing carrying amount and in the same form as they appear in the Books of Accounts of the Transferor Company as on the Effective Date;
- 16.4** The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the financial statements of the Transferee Company. In the absence of any retained earnings in the books of the Transferee Company, the retained earnings of the Transferor Company be transferred to General Reserve, if any.
- 16.5** 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.
- 16.6** The excess, if any, between the amounts recorded as share capital issued as consideration and the amount of share capital of the Transferor Company is recognised as goodwill in the financial statements of the Transferee Company and in case of any deficiency, the same shall be treated as Capital Reserve.



16.7 Inter Company balances, if any, shall stand cancelled.

**17. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961**

17.1 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

**PART - V**

**DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS**

**18. DISSOLUTION OF TRANSFEROR COMPANY**

On the Effective Date, the Transferor Company shall stand dissolved without winding up and without any further act or deed under Section 232 of the Act.

**19. EFFECTIVE DATE**

The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date upon the certified copies of the order of the NCLT sanctioning this Scheme is filed by the Transferor and the Transferee Company with the Registrar of Companies, West Bengal.

**20. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

20.1 The Transferee Company and the Transferor Company being listed companies, this Scheme is subject to the compliance by the said companies of all requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all statutory directives of the Securities and Exchange Board of India (SEBI) in so far as they relate to sanction and implementation of this Scheme.

20.2 The Transferee Company and the Transferor Company in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall obtain Observation Letter or No-Objection Letter from the Stock Exchanges, in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 before approaching the NCLT for sanction of the Scheme.

20.3 The Transferor and Transferee Companies shall also comply with the directives of the SEBI contained in its Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 and all other circulars, as may be applicable.

20.4 In pursuance of the said Circular of SEBI dated 10<sup>th</sup> March, 2017, the Scheme shall also be required to be approved by the public shareholders of the Transferor Company and Transferee Company through postal ballot and e-voting and 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.





**21. APPLICATIONS TO THE NCLT**

- 21.1** The Transferor Company and the Transferee Company shall file joint applications before the NCLT for convening meetings of their respective members and creditors, if any, for considering, and if thought fit, approving this Scheme with or without modification.
- 21.2** Upon this Scheme being agreed to by requisite majority of the members /creditors, if any, of the Transferor Company and the Transferee Company at such meetings, the Transferor Company and the Transferee Company shall file a joint application before the Tribunal for sanctioning the Scheme and for passing appropriate orders of transfer and vesting under Section 232 of the Act.

**22. MODIFICATION OF THE SCHEME**

The Board of Directors of the Transferor Company and the Transferee Company may assent to any modification or amendment to the Scheme or agree to any condition which the NCLT or any other authority may deem fit to approve or impose and the said Board may do all such acts, things, and deeds as they may, in their sole discretion, think fit for the purpose of effectively carrying out and implementing this Scheme. It is however, clarified that any amendment or modification to this Scheme after sanction thereof shall be made in accordance with the provisions contained in the Section 231 of the Act or any statutory modification thereof.

**23. CONDITIONALITY OF SCHEME**

The Scheme is conditional upon and subject to –

- 23.1** The Transferor Company and the Transferee Company filing this Scheme with the Stock Exchanges where its existing shares are listed in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and obtaining approvals of such Stock Exchanges;
- 23.2** The Scheme being approved by the respective requisite majorities of the members and creditors, if any, of the Transferor Company and Transferee Company, as may be directed by the NCLT;
- 23.3** The Scheme being approved by the public shareholders of the Transferor Company and the Transferee Company through postal ballot and e-voting and 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;
- 23.4** The NCLT sanctioning this Scheme and passing transfer and vesting orders under Section 232 of the Act;
- 23.5** Filing of certified copy of the order of the NCLT under clause 23.3 above with the Registrar of Companies, West Bengal, by the Transferor Company and the Transferee Company for registration;
- 23.6** Requisite sanction and/or approval of any Government or Regulatory authority as may be required under any law for the amalgamation;

**24. MISCELLANEOUS**

- 24.1** Immediately after the Effective Date, the banking accounts of the Transferor Company shall be operated by the Transferee Company in such manner as may be decided by the Board of Directors of the Transferee Company. The name of all such banking accounts of the Transferor Company shall also stand changed to the name of Transferee Company and notwithstanding such change in the name, the Transferee Company shall be entitled to deposit and encash all account payee cheques



and negotiable instruments issued in the name of the Transferor Company by operating such banking accounts.

- 24.2 Upon coming into of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolution has any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limit shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- 24.3 All costs and expenses arising out of, or incurred in, carrying out and implementation of this Scheme shall be as agreed between the Transferor Company and Transferee Company.
- 24.4 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.



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