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বাংলাদেশ  
কোর্ট ফি

Sl. No- 1163  
25-6-12

In the Supreme Court of Bangladesh  
High Court Division  
(Statutory Original Jurisdiction)

**Company Matter No. 100 of 2012.**

**In the matter of:**

Cosmopolitan Industries (Pvt.) Limited  
and others

.... Petitioners.

**Versus**

The Registrar, Joint Stock Companies and  
Firms TCB Bhaban No.1 Kawran Bazar,  
Dhaka and others.

..... Respondents.

Mr. Chowdhury Tanzim Karim, Advocate  
with

Mr. Moloy Kumar Roy, Advocate

.... For the petitioners.

**The 18<sup>th</sup> June, 2012.**

**Present:**

**Sheikh Hassan Arif, J**

The petitioners, three private limited companies, have filed this application under section 228 and 229 of the Companies Act, 1994 to obtain sanction of this Court so that the petitioner No.1 Company ("Transferee Company") may takeover petitioner No.2 and 3 companies ("Transferor Companies") through a Scheme of Amalgamation and/or Reconstruction.

It is stated in the application that the petitioner companies are wholly owned subsidiaries of Epic Designers Limited, a company incorporated in Hong Kong, which is holding more than 99.99% shares in all the three petitioner companies. Now the petitioners want the petitioner No.2 and 3 companies to be merged into

petitioner No.1 company so that three of the companies can run their business as one company, being petitioner No.1 company.

Upon admitting the application on 24.05.2012, this Court issued usual notices upon the respondents and directed the petitioners to publish notices of the presentation of the application in two national news papers, one being "The Daily Star" and the other the "Daily Ittefaq". It appears from the petitioners' affidavit of compliance that the petitioners published the said notices (Annexures-I and I-1 to the affidavit of compliance).

It further appears from the application that the petitioner No.1 was incorporated in 2005, being Incorporation No. C-57774(4457)/05, with the objects, amongst others, to set up a sophisticated factory as a backward linkage to hundred present export oriented garment manufacturers to carry on business of embroidery, scalloping etc. Petitioner No. 2 and 3 are also private limited companies incorporated in 2006 and 2000 respectively, being Incorporation Nos. C-61283(3292)/06 and C-39403(1371)/2000 respectively, with the similar object clauses as that of the petitioner No.1 company. Certified copies of Certificates of Incorporation, Memorandum of Association and Articles of Association, Schedule X and up-to-date Particulars of Directors of the petitioners are annexed to the petition as Annexure-A, B and C series.

Mr. Chowdhury Tanzim Karim, the learned advocate for the petitioners, submits that since the petitioners are fully owned subsidiary companies of a Hong Kong based company, namely Epic Designers Limited, which holds more than 99.99% shares in



all the petitioner companies, and they have similar objects and presently controlled by the same Board of Directors and management, they are required to be one company as running the affairs of three companies separately involves excess unnecessary expenses and complications. Accordingly, he continues, the holding company of the petitioners, namely Epic Designers Limited, in its board meeting dated 15.03.2012 approved a Scheme for Amalgamation of the petitioner companies into one in that petitioner No. 2 and 3 will merge into petitioner No.1 company. He submits that other statutory resolutions and requirements have also been complied with for obtaining sanction of this Court.

None appears to oppose the application.

Heard the submissions of the learned advocate and perused the materials on record. It appears that pursuant to the Board resolution dated 15.03.2012 (Annexure-D) of the holding company of the petitioners, a Scheme of Amalgamation (Annexure-F) formulated by the petitioner companies was approved. The Scheme consists of five parts dealing separately with the transfer of undertakings, issue of equity shares by the transferee company, terms relating to the transfer of assets and liabilities, the employees and other matters consequential and integrally connected thereto. The said Scheme has already been approved by the Boards of Directors of the petitioner companies in their meetings held on 20.03.2012 (Annexures-E series) as based on the audited financial statements of the petitioner companies as of 30<sup>th</sup> June, 2011 prepared by the appointed chartered accountants. It further appears that the said Scheme of Amalgamation has also been approved by the share

holders of the petitioner companies in their respective Extra-ordinary General Meetings held on 21.04.2012 (Annexures --F1 to F-6 series). The share holders in the said Extra-ordinary General Meetings unanimously passed the following resolution.

*"Resolved that the Scheme of Amalgamation of Cosmopolitan Industries (Pvt.) Limited ("Transferee Company") with Design Art Works (Pvt.) Limited ("Transferor Company No.1") and Cosmopolitan Fashions (Pvt.) Limited ("Transferor Company No.2") whereby Cosmopolitan Industries (Pvt.) Limited shall stand as newly amalgamated company subject to sanction of the Scheme by the High Court Division, Supreme Court of Bangladesh in accordance with the provisions of Section 228 and Section 229 of the Companies Act, 1994 and approval of the concerned regulatory authorities."*

I have perused the said the Scheme of Amalgamation as annexed to the application as Annexure-F. It is stated in the application that the petitioner No. 2 and 3 do not have any creditor and the petitioner no.1 has obtained no objection certificates from its major creditors to the said Scheme of Amalgamation.

Perused the said no objections as annexed to the application as Annexure-G series, which appear to be satisfactory.

This being so, this Court does not find any legal or other impediment in implementing the said Scheme.

Accordingly, the application is allowed.

The Scheme of Amalgamation through taking over of the petitioner no.2 and petitioner No. 3 by the petitioner No. 1 company pursuant to the said Scheme of Amalgamation is hereby approved. The

petitioners are directed to take steps in accordance with the provisions of the company rules, if so required.

Since the petitioner companies have resolved in the said Scheme various aspects, the Scheme itself is required to be a part of this judgment and therefore an attested copy of the Scheme, Annexure-F, is annexed to it as a Schedule to this judgment which will form part of the judgment. Accordingly, let a copy of the Scheme, Annexure-F, be attested by the Chairmen and the Managing Directors of the petitioner companies affixed with their common seals.

As, on the instruction of the petitioner companies, learned advocate Mr. Chowdhury Tanzim Karim, appearing for the petitioner companies, offers for paying donation to the charitable/welfare organizations, the petitioner companies (or any of them) are directed to pay a donation of Tk. 40,000/= (forty thousand) to the "High Court Mazar, Dhaka" and Tk. 40,000/= (forty thousand) to the "Anjuman-e-Mofidul Islam, Bangladesh" through non-negotiable crossed cheques in order to facilitate their development and welfare activities. The donation cheques must be deposited in the office within 04 (four) weeks from the date of drawing up of this order and to report the compliance thereof within 01 (one) week thereafter.

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Sheikh Hassan Arif, J.

Composed by: A. Satter.

Read by: *[Signature]*  
Exd by: *[Signature]* 25.6.12  
28/6/12



১। এই ইঙ্গিত নকশার	২৫/৬/১২
নকশাকার তারিখ	
২। জমীন্দার হিন্দ	২৫/৬/১২
নিবাসের তারিখ	
৩। কোর্ট ফি হোল্ড	২৫/৬/১২
কথা লিখার তারিখ	
৪। নকশা প্রাপ্তি ইত্যাদি	২৫/৬/১২
তারিখ	
৫। নকশা প্রাপ্তি ইত্যাদি	২৫/৬/১২
তারিখ	

প্রত্যয়িত অবিলম্বে প্রতিপাদ্য

*M. J. M.*  
25-6-12

সহকারী রেজিস্ট্রার

লাহোর জেলা কোর্ট, হাইকোর্ট বিল্ডিং

১৫৭২ ইং সন ১২ জুলাই ১৯১২

লাহোর জেলা কোর্ট

*M. J. M.*  
25-6-12

*Am*  
25-6-12



**Scheme of Amalgamation of  
Cosmopolitan Industries (Pvt.) Limited  
(Transferee Company)  
With  
Cosmopolitan Fashions (Pvt.) Limited and Design Art Work (Pvt.) Limited  
(Transferor Companies)**

**General**

This Scheme of Amalgamation (hereinafter referred to as the "Scheme") provides for the amalgamation of **Cosmopolitan Fashions (Pvt.) Limited** and **Design Art Work (Pvt.) Limited** with **Cosmopolitan Industries (Pvt.) Limited** pursuant to Section 228 and 229 of the Companies Act, 1994 and other related provisions of this Act.

**A. Description of Companies**

- (I) Cosmopolitan Industries (Pvt.) Limited ("CIPL" or the "Transferee Company") a private company limited by shares duly incorporated on 26.06.2005 under the Companies Act, 1994, bearing Incorporation No. C-57774(4457)/05 having its registered office at House # 17, Road # 15, Sector 3, Rabindra Swarani, Uttara, Dhaka – 1230.
- (II) Cosmopolitan Fashions (Pvt.) Limited ("CFPL" or the "Transferor Company No. 1") a private company limited by shares duly incorporated on 18.04.2006 under the Companies Act, 1994, bearing Incorporation No. 61283(3292)/06 having its registered office at House # 17, Road # 15, Sector 3, Rabindra Swarani, Uttara, Dhaka – 1230.
- (III) Design Art Work (Pvt.) Limited ("DAWL" or the "Transferor Company No. 2") a private company limited by shares duly incorporated on 03.01.2000 under the Companies Act, 1994, bearing Incorporation No. 39403(1371)/2000 having its registered office at House # 17, Road # 15, Sector 3, Rabindra Swarani, Uttara, Dhaka – 1230.
- (IV) All the 3 (three) companies are subsidiary companies of Epic Designers Limited, a company incorporated and governed by the laws of Hong Kong, having its registered office at EGL Tower (7<sup>th</sup> Floor), 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong. Epic Designers Limited is holding more than 99.999% shares in all 3 (three) companies.

**B. Rationale for the Scheme**


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

- (I) Greater Economies of Scale;

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**Dinesh Gope Viwani**  
Vice Chairman  
Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
Managing Director

  
**Dinesh Gope Viwani**  
Managing Director  
Design Art Work (Pvt.) Limited

- (II) Reduction in administrative expenditure;
- (III) Reduction in procedural work;
- (IV) Better and more productive utilization of various resources;
- (V) Furtherance and fulfillment of the objects of all three Companies.

In view of the aforesaid, the Board of Directors of the Transferee Company as well as the Board of Directors of Transferor Companies have considered and proposed the amalgamation of the entire undertaking and business of Transferor Companies with the Transferee Company in order to benefit the stakeholders of all 3 (three) companies. Accordingly, the Board of Directors of all the 3 (three) companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Section 228 and Section 229 and other relevant provisions of the Act.

**C. Parts of the Scheme:**

This Scheme of Amalgamation is divided into the following parts:

**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;

**Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;

**Part III** deals with the issue of new equity shares by the Transferee Company to the equity shareholders of the Transferor Company;

**Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;

**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.

**Part – I**  
**Definitions and Share Capital**

**1. Definitions**

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

- 1.1. "The Act" means the Companies Act-1994 including any amendments thereto.
- 1.2. "Appointed Date" means 1<sup>st</sup> July, 2011.

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**Dinesh Gopa Viwani**  
Vice Chairman  
Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT) LTD.**  
Managing Director

  
**Dinesh Gopa Viwani**  
Managing Director  
Design Art Work (Pvt.) Limited



- 1.3. **"Assets" or "Undertakings"** means and includes all the undertakings, the entire business, all the properties (whether moveable or immovable; tangible or intangible) lands, buildings, plant and machinery, capital works in progress, furniture, fixtures, office equipment, appliances, vehicles, other fixed assets, all stocks, investments of all kinds (including shares, scripts, debentures or bonds) advances, deposits, prepayments, debtors, receivables, cash, balances with banks on any deposit or other accounts, financial assets, leases, tenancies, contingent rights or benefits, agreements, contracts, powers, approvals, allotments, authorities, permits, consents, quotas, rights, entitlements, licenses (industrial or otherwise) or any other benefits, patents, trademarks, copyrights and other intellectual property rights, rights to use and avail of telephones, telexes, facsimiles, email, internet connections and installations, utilities, electricity and other services, all files, records, papers, manuals, programs, data, catalogues, sales and advertising materials, and other records, whether in Bangladesh or aboard.
- 1.4. **"Effective Date"** means the last of the dates on which the conditions referred to in Clause 12.1 of this Scheme have been fulfilled and the Orders of the High Court Division, Supreme Court of Bangladesh sanctioning the Scheme are filed with the respective Registrar of Companies by the Transferor Company and by the Transferee Company. Any reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme having effect"** shall mean the Effective Date.
- 1.5. **"Transferee Company" or "CIFL"** means Cosmopolitan Industries (Pvt.) Limited (C-57774(4457)/05), a private company limited by shares incorporated under the Act and having its registered office at House # 17, Road # 15, Sector 3, Uttara Model Town, Dhaka – 1230, Bangladesh.
- 1.6. **"Transferor Company No. 1"** means Cosmopolitan Fashions (Pvt.) Limited (C-61283(3292)/06), a private company limited by shares incorporated under the Act and having its registered office at House # 17, Road # 15, Sector 3, Uttara Model Town, Dhaka – 1230, Bangladesh.
- 1.7. **"Transferor Company No. 2"** means Design Art Work (Pvt.) Limited (C-39403(1271)/2000), a private company limited by shares incorporated under the Act and having its registered office at House # 17, Road # 15, Sector 3, Uttara Model Town, Dhaka – 1230, Bangladesh.
- 1.8. **"Transferor Companies"** collectively refers to Transferor Company No. 1 and Transferor Company No. 2.

**2. Share Capital**

- 2.1. The share capital of the Transferee Company as of 30 June 2011 is as under:

<b>Authorised Share Capital:</b>	<b>BDT</b>
70,00,000 Shares of Tk. 100/- each	70,00,00,000.00
<b>Issued, Subscribed and Paid Up Share Capital:</b>	<b>BDT</b>
39,94,855 Shares of Tk.100/- each	39,94,85,500.00

- 2.2. The share capital of the Transferor Company No. 1 as of 30 June 2011 is as under:

<b>Authorised Share Capital:</b>	<b>BDT</b>
9,00,000 Shares of Tk. 100/- each	9,00,00,000.00
<b>Issued, Subscribed and Paid Up Share Capital:</b>	<b>BDT</b>
8,57,586 Shares of Tk.100/- each	8,57,58,600.00

- 2.3. The share capital of the Transferor Company No. 2 as of 30 June 2011 is as under:

<b>Authorised Share Capital:</b>	<b>BDT</b>
10,00,000 Shares of Tk. 100/- each	10,00,00,000.00
<b>Issued, Subscribed and Paid Up Share Capital:</b>	<b>BDT</b>
5,73,813 Shares of Tk.100/- each	5,73,81,300.00

**Part – II****Transfer and Vesting of Undertaking****3. Transfer/Vesting of Undertaking**

- 3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the Undertaking of the Transferor Companies, shall, pursuant to Section 229 (2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as going concern so as to become as and from the Appointed Date, the assets, rights, title, interests and authorities of the Transferee Company.
- 3.2. Without prejudice to Sub-Clause (a) above, in respect of such of the assets of the Undertaking as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be so transferred by the Transferor Companies;



and upon such transfer, become the property, assets, rights, title, interest and authorities of the Transferee Company,

3.3. All the licenses, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancies and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Companies shall, pursuant to the provisions of Section 229 (2) of the Act, without any further act, instrument, or deed, be and stand transferred to and vested in and available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancies and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law. It is hereby clarified that all inter party transactions between any/or all of the Transferor Companies and the Transferee Company shall be considered as intra party transactions for all purposes from the Appointed Date.

3.4. All the assets, rights, interests, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, claims, leases, tenancies and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Companies after the Appointed Date and prior to the Effective Date in connection with or in relation to the Undertaking shall, pursuant to the provisions of Section 229 (2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to have been transferred to and vested in and available to the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.

#### 4. Transfer of Liabilities

4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date:

4.1.1. All secured and unsecured debts (whether in Taka or in foreign currencies) all liabilities, duties and obligations of the Transferor Companies along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall pursuant to the provisions of Section 229 (2) of the Act, without any further act, instrument or deed be and stand transferred to and vested in or deemed to have been transferred to and vested in, so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Companies are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowings of the Transferor Companies, shall, without any further act or deed continue to relate such assets or any part thereof, after the Effective Date and shall relate to or be available as security in relation to any, or any part of the assets of the Transferee Company,

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**Dinesh Gope Viwani**  
Vice Chairman  
Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
Managing Director

  
**Dinesh Gope Viwani**  
Managing Director  
Design Art Work (Pvt.) Limited



save to the extent warranted by the terms of the existing security arrangements to which any of/or the Transferor Companies and the Transferee Company are part and consistent with the joint obligations assumed by them under such arrangement.

- 4.1.2. All debentures, bonds, notes or other debt securities of the Transferor Companies whether convertible into shares or otherwise (hereinafter referred to as "the Transferor Companies' Securities") shall, pursuant to the provisions of Section 229 (2) of the Act, without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be an stand transferred to and vested in or deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Companies in respect of the Transferor Companies' Securities so transferred.
- 4.1.3. Loans, advances and other obligations (including any guarantees, letters of credits or any other instruments or arrangements which may give rise to contingent liabilities in any form), if any, due or which may at any time in future become due to between the Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party.
- 4.1.4. Any debentures or notes or other debt securities, if any, issued by the Transferor Companies and held by the Transferee Company, and vice versa, shall, unless sold or transferred by the Transferor Companies or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall be of no legal effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation in that behalf.
- 4.1.5. Where any of the liabilities and obligations of the Transferor Companies as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 4.1.6. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme, pursuant to the provisions of Section 229 (2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or deemed to have been transferred to or vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

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**Dinesh Gope Viwani**  
Vice Chairman  
Cosmopolitan Industries (Pvt.) Limited



**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
Managing Director



**Dinesh Gope Virwani**  
Managing Director  
Design Art Work (Pvt.) Limited

- 4.1.7. All assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Companies in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon coming into effect of this Scheme, pursuant to the Provisions of Section 229 (2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to the extent and shall become the assets, rights, title, interests and authorities of the Transferee Company.

## 5. Conduct of Business

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

- 5.1. The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have been held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- 5.2. All the profits or incomes accruing or arising to the Transferor Companies, or expenditures or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditures or taxes of the Transferee Company, as the case may be.
- 5.3. Upon the coming into effect of this Scheme, all suits, actions and proceeding by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and be forced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been pending and/or arising by or against the Transferee Company.
- 5.4. The Transferee Company undertakes to have all legal or other proceeding initiated by or against the Transferor Companies referred to in Sub-Clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

## 6. Saving of Concluded Transactions

- 6.1. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments (including all tenancies, lease, licenses and other assurances in favour of the Transferor Companies or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed, be in full force and effective against or in favour of the Transferee Company, as the case may be, and may be enforced fully or effectually as if, instead of the Transferor

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**Dinesh Gope Viwani**  
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Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
Managing Director

  
**Dinesh Gope Virwani**  
Managing Director  
Design Art Work (Pvt.) Limited



Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall, at any time prior to the Effective Date, wherever necessary, enter into, and/or execute deeds, writings, confirmations, any tripartite arrangements or novations to which the Transferor Companies will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

- 6.2. The Transferee Company may, at any time after coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, enter into, issue or execute deeds, writing, confirmations, any tripartite arrangements, novations, declarations or other documents with, or in favour of any party to any contract or arrangement to which the either of the Transferor Companies is a party or any writings as maybe necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to carry out or perform all such formalities or compliances required for the purposes referred to above on part of the Transferor Companies.

## 7. Employees

Upon the coming to effect of this Scheme:

- 7.1. Upon the coming to effect of this Scheme, all employees of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on such terms and conditions that were read between the employees and the Transferor Companies. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Companies with any employees.
- 7.2. The existing provident, gratuity or other employee-related funds created by the Transferor Companies shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately. The Transferee Company undertakes to continue to abide by the Provisions of any Trust Deed or any such funds.

## Part – III

### Issue of Equity Shares by Transferee Company

## 8. Issue of Equity Shares by Transferee Company.

- 8.1. The provisions of this Part III shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 8.2. **Share Exchange Ratio**

Upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the Undertaking and the Liabilities of the Transferor Companies in terms of this

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**Dinesh Gope Virwani**  
Vice Chairman  
Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
Managing Director

  
**Dinesh Gope Virwani**  
Managing Director  
Design Art Work (Pvt.) Limited



Scheme, the Transferee Company shall without any further application, act, instrument or deed issue and allot to the equity shareholders of the Transferor Companies credited as fully paid up of the Transferee Company in the ratio of:

8.2.1. 1 (One) equity share of BDT 100/- (Taka One Hundred Only) each of the Transferee Company with rights attached thereto for every 395 (Three Hundred Ninety Five) equity shares of the face value of BDT 100/- each credited as fully paid-up held by the shareholders of the Transferor Company No. 1 as of 30.06.2011; and

8.2.2. 1 (One) equity share of BDT 100/- (Taka One Hundred Only) each of the Transferee Company with rights attached thereto for every 203 (Two Hundred Three) equity shares of the face value of BDT 100/- each credited as fully paid-up held by the shareholders of the Transferor Company No. 2 as of 30.06.2011; and

### 8.3. Issue of new equity shares by Transferee Company

In line with the **Share Exchange Ratio** as outlined hereinabove, upon approval of this Scheme, the Transferee Company shall without any further application, act, instrument or deed issue and allot to the equity shareholders of the Transferor Companies:

8.3.1. 2,171 (Two Thousand One Hundred Seventy One) Ordinary Shares in favour of the shareholders of Transferor Company No. 1 in the following manner:

Name of Shareholder	Total number Shares held in Transferor Company No. 1	Total number Shares to be allotted in Transferee Company as per Scheme
Epic Designers Ltd.	8,57,485	2,171
Mr. Ranjan Tikam Mahtani	50	0
Mr. Dinesh Gope Virwani	50	0
Mr. Kutubuddin Ahmed	1	0
<b>Total Number of Shares to be issued and allotted</b>		<b>2,171</b>

8.3.2. 2,826 (Two Thousand Eight Hundred Twenty Six) Ordinary Shares in favour of the shareholders of Transferor Company No. 2 in the following manner:

Name of Shareholder	Total number Shares held in Transferor Company No. 2	Total number Shares to be allotted in Transferee Company as per Scheme
Epic Designers Ltd.	5,73,810	2,826
Mr. Ranjan Tikam Mahtani	2	0
Mr. Dinesh Gope Virwani	1	0
<b>Total Number of Shares to be issued and allotted</b>		<b>2,826</b>

**8.4. Fractional Entitlement**

No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Companies are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Companies may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the "Trustee"), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the Trustee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Companies in proportion to their respective fractional entitlements.

**8.5. New equity shares subject to same terms:**

Ordinary shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu in all respects with the then existing ordinary shares of the Transferee Company, including in respect of dividends, if any, that may be declared by the Transferee Company, on or after the Effective Date.

**Part – IV****Accounting treatment and Dividends****9. Accounting Treatment**

- 9.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purposes of the accounting for and dealing with the value of the assets and liabilities of the Transferor Companies in the books of the Transferee Company, the assets and liabilities of the Transferor Companies as appearing in their respective audited financial statements as of the Appointed Date shall be accounted.
- 9.2. Any excess of the net assets of the Transferor Companies over the paid up value of the shares to be issued and allotted by the Transferee Company pursuant to this Scheme, shall be transferred and credited to the "Capital Reserve" in the books of the Transferee Company.

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**Dinesh Gope Viwani**  
 Vice Chairman  
 Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
 Managing Director

  
**Dinesh Gope Viwani**  
 Managing Director  
 Design Art Work (Pvt.) Limited



## 10. Dividend

With effect from the date of the filing of this Scheme with the High Court Division of the Supreme Court of Bangladesh (hereinafter called the "High Court") and up to and including the Effective Date, the Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their ordinary shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

## Part – V

### Dissolution of Transferor Company and General Terms and Conditions

## 11. Modification of Scheme

The Board of Directors of the Transferor Companies and the Transferee Company may assent on behalf of all concerned from time to time to any modifications or amendments or additions to this Scheme or to any conditions, which is High Court may under law think fit to approve or impose; and may do or execute all acts, deeds, matters and things necessary for brining this Scheme into effect; or to review a position relating to the satisfaction of the conditions to this Scheme; and if necessary, to waive any of those (to the extent permissible under the law) for bring this Scheme into effect.

## 12. Scheme Conditional upon sanctions, etc.

- 12.1. This Scheme is conditional upon and subject to the sanction of this Scheme by the High Court under Section 228 read with Section 229 of the Act; and to requisite orders made by the High Court pursuant to Section 228 of the Act read with Section 229 of the Act for amalgamation of the Transferor Companies with the Transferee Company; and or implementation of this Scheme. The aforementioned amalgamation shall be, and deemed to have been effective on the date the certified copy of the Order made by the High Court is filed with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh. Upon the coming into effect of this Scheme, the Transferor Companies shall dissolve and cease to exist and their Undertaking shall be amalgamated with that of the Transferee Company which will continue to operate as going concern.
- 12.2. In the event of this Scheme failing to take effect finally by 31<sup>st</sup> December, 2012 or by such other date as may be agreed by the respective Board of Directors of the Transferor Companies and the Transferee Company, this Scheme shall become null and void and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se by Parties or their shareholder or creditors or employees or any other person(s).

## 13. Costs, Charges, Expenses and Stamp Duty

All costs, charges and expenses, including any taxes and duties of the Transferor Companies and the Transferee Company respectively in relation to or in connection with the Scheme and incidental to

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**Dinesh Gope Virwani**  
Vice Chairman  
Cosmopolitan Industries (Pvt.) Limited

  
**COSMOPOLITAN FASHIONS (PVT.) LTD.**  
Managing Director

  
**Dinesh Gope Virwani**  
Managing Director  
Design Art Work (Pvt.) Limited



the completion of the amalgamation of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company.

In witness whereof the parties have affixed their respective signature unto this present on the 21<sup>st</sup> Day of March, 2012 of the Christian Era.

Authorized Seal and Signature of "Transferee Company"



Dinesh Gope Virwani

Cosmopolitan Industries (Pvt.) Limited  
Represented by its Vice Chairman  
Mr. Dinesh Gope Virwani, upon approval by Board of Directors on 20.03.2012

Witness:



(P. S. S. S.)

Authorized Seal and Signature of "Transferor Company No. 1"



Managing Director

Cosmopolitan Fashions (Pvt.) Limited  
Represented by its Managing Director  
Mr. Dinesh Gope Virwani, upon approval by Board of Directors on 20.03.2012

Witness:

Authorized Seal and Signature of "Transferor Company No. 2"



Managing Director

Design Art Work (Pvt.) Limited  
Represented by its Managing Director  
Mr. Dinesh Gope Virwani, upon approval by Board of Directors on 20.03.2012

Witness