

SCHEME OF ARRANGEMENT

BETWEEN

REX POLYEXTRUSION PRIVATE LIMITED

AND

ASTRAL POLY TECHNIK LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme (as defined hereinafter) is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961 for amalgamation of Rex Polyextrusion Private Limited with Astral Poly Technik Limited; and for matters consequential, supplemental and/ or otherwise integrally connected therewith.

A. Description of the Companies

- (a) **Rex Polyextrusion Private Limited (hereinafter referred to as 'RPPL' or 'Transferor Company')**, having CIN as U25209PN2006PTC144849, is a private limited company incorporated on 31st July 2006 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Pune in the state of Maharashtra, in the name and style of Zenplas Pipes Private Limited. The Transferor Company was converted to be a public limited company and the name was changed to Zenplas Pipes Limited vide certificate



dated 15th June 2012 issued by the Registrar of Companies, Mumbai in the state of Maharashtra. The Transferor Company was again converted to be a private limited company pursuant to amalgamation vide certificate issued by the Registrar of Companies, Pune dated 6th January 2015 and the name was changed to Rex Polyextrusion Private Limited vide certificate issued by the Registrar of Companies, Pune dated 12th January 2015. The registered office of the Transferor Company was shifted from Sangli to Mumbai and again to Sangli. The current registered office is situated at Extension C. S. No. 1077, Kumar's Plaza, 1st Floor, North Shivaji Nagar, Sangli – 416 416 in the state of Maharashtra. The Transferor Company is engaged in manufacturing and supplying plastic pipes and providing piping solutions to multiple sectors on a pan-India basis. The Company has two manufacturing units to cater to the needs of the clients in India as well as overseas. The primary manufacturing unit is situated at Kanadwadi, Sangli, Maharashtra while the second manufacturing unit is located at Sitarganj, Uttarakhand.

***Note:** The Company is in the process of shifting its registered office from the State of Maharashtra to the State of Gujarat and obtaining the requisite approvals (including approval of the Central Government) in this regard under Sections 13 and other applicable provisions of the Act. It may be noted that the filing of application and petition pursuant to this scheme by RPPL will be made in the jurisdiction of the NCLT of the new registered office.*

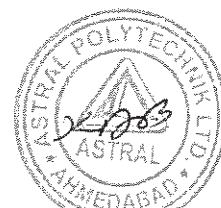
- (b) **Astral Poly Technik Limited (hereinafter referred to as 'APTL' or 'Transferee Company')** having CIN as L25200GJ1996PLC029134 was originally incorporated on 25th March 1996 as a private limited company under the provisions of the Companies Act, 1956 in the name and style of Astral Poly Technik Private Limited with the Registrar of Companies, Gujarat. The Transferee Company was converted to a public limited company and name was changed to Astral Poly Technik Limited vide certificate issued by the Registrar of Companies, Gujarat dated 29th September 2006. The registered office of the Transferee Company is situated at 'Astral House', 207/1,



Behind Rajpath Club, Off. S. G. Highway, Ahmedabad 380 059 in the state of Gujarat. The shares of the Transferee Company is currently listed at BSE Limited as well as National Stock Exchange of India Limited ("**Stock Exchanges**"). The Transferee Company is engaged in manufacturing and supply of CPVC/ PVC pipes and fittings, which are widely used for piping requirements in different segments like plumbing, drainage, industrial, agriculture, etc. The Transferee Company is equipped with production facilities at Santej and Dholka (Gujarat), Hosur (Tamil Nadu) and Ghiloth (Rajasthan).

B. Rationale and Purpose of the Scheme

- (a) With an objective to expand business operations and carry on business activities in the larger interest of APTL, the management has agreed to acquire RPPL. In this regard, APTL acquired 51% shares of RPPL on 10th July 2018 and intends to amalgamate RPPL into APTL with effect from the date of the said share acquisition. This is in line with its strategy of capital expansion and inorganic growth.
- (b) Both the companies are engaged in manufacturing and marketing of products which are broadly, the same product line. viz. plastic pipes used for infrastructure. The amalgamation of the existing operations of RPPL in to APTL shall provide several advantages to both the companies and their stakeholders. Some of them *inter alia* are:
 - (i) Expansion of existing product lines of APTL by introduction of new products for different applications.
 - (ii) Enhanced scale of operations by utilizations of resources/distribution network of combined entity.



- (iii) Improved shareholder value by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- (iv) Enhanced leveraging capability of the combined entity which in turn will allow the combined entity to undertake future expansion strategies and tap bigger opportunities in the piping industry.
- (v) Additional strength and greater focus to the operations and utilization of resources pursuant to consolidation of technical and managerial expertise of the two companies.
- (vi) Locational and logistics advantage of RPPL's manufacturing facilities for distribution of existing line of products to APTL.
- (vii) Benefit to APTL from various product approvals and licenses that the RPPL has in Government and private sector for infrastructure projects.

In view of the aforesaid, the Board of Directors of APTL and RPPL have considered and proposed the Scheme, in the nature of amalgamation for consolidation of operations carried by RPPL in to APTL, under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

C. Treatment of the Scheme for the purpose of the Income Tax Act, 1961

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other applicable provisions of the Income-tax Act 1961. If any of the terms or provisions of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-tax Act, 1961.



1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meaning respectively assigned against them below:

- 1.1. **“Act”** means the Companies Act, 2013 any re-enactment thereof, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force.
- 1.2. **“Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India.
- 1.3. **“Applicable Laws”** means any statute, law, regulation, ordinance, rule, regulation, judgment, order, decree, clearance, approval, terms of any approval, permit or no-objection of any Governmental Authority, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time.
- 1.4. **“Appointed Date”** means 10th July, 2018 or such other date as may be mutually agreed by the Board of Directors of the Transferor Company and the Transferee Company.
- 1.5. **“Board of Directors”** with respect to a company means the board of directors of such company, as constituted from time to time in accordance with the provisions of its Articles of Association and Applicable Laws and, unless repugnant to the subject, context or meaning thereof, includes every committee of the Board.



- 1.6. **“Effective Date”** means the date on which the certified copy of the Order of NCLT, Ahmedabad under Sections 230 and 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Transferee Company and the Transferor Company.

Any references in this Scheme to the date of “coming into effect of this Scheme” or “Scheme becoming effective” shall mean the Effective Date.

- 1.7. **“Governmental Authority”** means any (a) nation, region, state, city, town, village, district or other jurisdiction; (b) central, state, local, municipal, or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, board, commission, department or any court or tribunal), exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority and functions or power of any nature, having the force of law and includes SEBI and Stock Exchanges.
- 1.8. **“NCLT”** means the National Company Law Tribunal, Bench at Ahmedabad and shall include, if applicable, such other forum or authority as may be vested with the powers of NCLT under the Act.
- 1.9. **“Promoter Group”** has the meaning assigned to such term in Regulation 2(1)(zb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time;
- 1.10. **“Promoter”** has the meaning assigned to such term in Regulation 2(1)(za) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time;



- 1.11. **"Record Date(s)"** means the date or dates to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the shareholders of the Transferor Company to whom New Equity Shares (as defined under) of the Transferee Company will be allotted pursuant to the Scheme.
- 1.12. **"SAST Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- 1.13. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) as approved or directed by the NCLT.
- 1.14. **"SEBI"** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.15. **"Transferor Company"** shall have the meaning assigned to it in paragraph A(a) of the Preamble of the Scheme.
- 1.16. **"Transferee Company"** shall have the meaning assigned to it in paragraph A(b) of the Preamble of the Scheme.
- 1.17. **"Undertaking"** shall mean whole of the undertaking and business of the Transferor Company on going concern basis and shall include (without limitation) following:
- (a) All the assets and properties of the Transferor Company including, without limitation, offices, plant and machineries, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, buildings and structures, offices, furniture, fixtures, office equipment, computers, recorded or unrecorded goodwill and other intangibles assets and all stocks on the Appointed Date;



- (b) All the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or not asserted, matured or not matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to the Transferor Company;
- (c) Without prejudice to the generality of sub-clause (a) and (b) above, the Undertaking of the Transferor Company shall include:
- (i) All movable and immovable properties, assets, including leasehold rights, tenancy rights, industrial and other licenses, registrations, permits, authorizations, trademarks, copyrights, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of the Transferor Company;
 - (ii) All current assets including inventories; sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;



- (iii) All agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- (iv) All application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- (v) It is clarified that all debts, loans and liabilities, duties and obligations of the Transferor Company as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- (vi) All intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licenses (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company;



(vii) All intellectual property rights (including application for registrations of the same and the right to use such intellectual property rights) including brand name / trademarks such as "D-Rex", "TeleRex", "MultiRex", "Plus-StiRex", "Pre-StiRex", "Powerflex", "GeoRex", "AquaRex", "RexCon", "PowerDrain", "ClubRex", "Varadan", "Narmada" etc., whether registered or not, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licenses (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company; and

(viii) All employees of the Transferor Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or reenactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. INTERPRETATION

(a) The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.



(b) In this Scheme, unless the context otherwise requires:

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



4. **SHARE CAPITAL**

- 4.1. The share capital of RPPL, the Transferor Company as on 30th June, 2018 was as under:

Share Capital	Amount (in INR)
<u>Authorized Share Capital</u> 60,500 equity shares of INR 1000/- each	6,05,00,000
Total	6,05,00,000
<u>Issued, subscribed and paid-up Share Capital</u> 955 equity shares of INR 1000/- each as fully paid-up	9,55,000
Total	9,55,000

- 4.2. The share capital of APTL, the Transferee Company as on 30th June, 2018 was as under:

Share Capital	Amount (in INR)
<u>Authorized Share Capital</u> 15,00,00,000 Equity Shares of INR 1/- each	15,00,00,000
Total	15,00,00,000
<u>Issued, subscribed and paid-up Share Capital</u> 11,97,86,965 Equity Shares of INR 1/- each as fully paid up.	11,97,86,965
Total	11,97,86,965

There is no change in the capital structure of these companies since the aforesaid date.

5. **TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY**

- 5.1. Upon the coming into effect of this Scheme, and with effect from the Appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and



vested in and/ or be deemed to have been transferred to and vested in Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of Transferee Company, pursuant to the provisions of Sections 230 to 232 of the Act.

5.2. Without prejudice to the generality of the aforesaid:

- (a) All assets (including intangible assets) and properties of Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery of possession or by endorsement and/ or delivery, the same shall stand so transferred by Transferor Company upon the coming into effect of this Scheme, to the end and intent that the rights, titles, interest and property therein passes to Transferee Company and shall, become the assets and property of Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same. However, the said transfer shall be subject to the necessary payment of applicable stamp duties, if required;
- (b) In respect of other assets pertaining to Transferor Company including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits/bonds with the government, semi-government, local and other authorities and bodies, customers or any other person, the Transferee Company, may issue notices stating that, pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Transferee Company as the person entitled thereto, to the end and intent that the right of Transferor Company to receive, recover or realize the same, stands transferred to Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;



- (c) any and all immovable properties (including land together with the buildings and structures standing thereon) of Transferor Company, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any act or deed done by the Transferor Company or the Transferee Company. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and this Scheme being effective in accordance with the terms hereof without any further act or deed on part of the Transferee Company.
- (d) In respect of such of the assets belonging to Transferor Company other than those referred to in sub-Clauses (i) to (iii) above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date pursuant to the provisions of Section 232 of the Act.
- (e) all debts, loans and liabilities, duties and obligations of the Transferor Company as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- (f) It is clarified that if any Assets (freehold or leasehold, fixed or current, tangible or intangible) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in which the Transferor Company owns or the Transferor Company is a



party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such Assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company in so far as it is permissible so to do, till such time as the transfer is effected.

- 5.3. All permits, approvals, consents, quotas, rights, authorizations, entitlements, registrations, no-objection certificates, and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations of the Transferor Company, and which is subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant statutory authorities in favour of the Transferee Company in accordance with law.
- 5.4. The entitlement to various benefits under exemption scheme, incentive schemes, subsidies/grant, tax holiday, any privileges enjoyed/conferred upon/held/availed of by the Transferor Company and policies in relation to the Undertaking of Transferor Company shall stand transferred to and be vested in and/ or be deemed to have been transferred to and vested in Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include incentives available under applicable laws in relation to the Undertaking of Transferor Company to be claimed by Transferee Company with effect from the Appointed Date as if Transferee Company was originally entitled to all such benefits under such incentive scheme and/ or policies, subject to continued compliance by Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to Transferor Company.



- 5.5. Transferee Company, 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, execute deeds, writings, confirmations or notices with, or in favor of, any other party to any contract or arrangement to which Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to implement or carry out all such formalities or compliance referred to above for and on behalf of Transferor Company.
- 5.6. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities, including, without limitation, all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and Undertakings of Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for their business activities and operations, shall, pursuant to the sanction of this Scheme by the NCLT and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, Transferee Company, and such liabilities shall be assumed by Transferee Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the liabilities, debts, duties and obligations of Transferee Company on the same terms and conditions as were applicable to Transferor Company, and Transferee Company shall meet, discharge and satisfy the liabilities and 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.



- 5.7. All debts, liabilities along with any charge, encumbrance, lien or security created by the Transferor Company, duties and obligations of Transferor Company shall, as on the Appointed Date, whether or not provided in the books of Transferor Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by Transferee Company by virtue of this Scheme.
- 5.8. Where any such debts, liabilities, duties and obligations of Transferor Company as on the Appointed Date have been discharged by Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of Transferee Company upon the coming into effect of this Scheme.
- 5.9. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by Transferor Company on or 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 Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 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 Transferee Company and shall become the loans and liabilities, duties and obligations of Transferee Company which shall meet, discharge and satisfy the same.
- 5.10. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name in the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company



in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of the Scheme. With effect from the Effective Date and till the time any regulatory registrations of the Transferor Companies are expired or suspended and if any regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.

6. **CONSIDERATION**

- 6.1. Upon this Scheme becoming effective, the Transferee Company shall without any further application or deed, issue and allot equity shares ("**New Equity Shares**"), credited as fully paid-up, to the extent indicated below to the shareholders of the Transferor Company (other than the Transferee Company itself) holding shares in the Transferor Company and whose names appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:



15,453 (Fifteen Thousand Four Hundred Fifty Three) New Equity Shares of Re.1/- (Rupee One only) each credited as fully paid-up of the Transferee Company to be issued for every 10 (Ten) equity shares of the face value of Rs.1,000/- (Rupees One Thousand only) each held by the shareholders (other than the Transferee Company itself) in the Transferor Company;

Upon the New Equity Shares in Transferee Company being issued and allotted to the equity shareholders of Transferor Company in terms of Clause 6.1 above, the equity shares of Transferee Company in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect.

- 6.2. M/s K.D. Dave & Co., Chartered Accountants, Ahmedabad have issued the valuation report on the share exchange ratio adopted under the Scheme as set out in Clause 6.1 above. Vivro Financial Services Private Limited, a Category-I Merchant Banker, has provided its fairness opinion on the share exchange ratio to the Board of Directors of the Transferee Company.
- 6.3. The New Equity Shares shall be issued and allotted by Transferee Company in demat form to all the shareholders of Transferor Company other than the Transferee Company since the equity shares of the Transferee Company in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect.
- 6.4. The Transferee Company in respect of fractional entitlement shall issue no fractional shares, if any, to the shareholders of the Transferor Company and the fractions shall be rounded upto the nearest whole number. Further, each shareholder of the Transferor Company (other than the Transferee Company itself) shall get at least one share of the Transferee Company.
- 6.5. The New Equity Shares to be issued by Transferee Company to the shareholders of Transferor Company (other than the Transferee Company itself) shall be subject to the Scheme and the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* in all respects including dividends with the then existing equity shares of Transferee Company.



- 6.6. Transferee Company shall, if necessary and to the extent required, increase its authorized share capital to facilitate issue of New Equity Shares under this Scheme.

Transferee Company shall comply with the applicable provisions of the Act and any other provisions of law, for the purpose of issue and allotment of New Equity Shares.

- 6.7. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 13, Section 42 and Section 62 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company, as provided in this Scheme and no further resolution or actions shall be required to be undertaken by the Transferee Company under Section 13, Section 42 and Section 62 of the Act.

7. **ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY**

- 7.1. Upon the Scheme being effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of accounts in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other generally accepted accounting principles in the following manner:

- (a) All the assets (including intangible assets, whether recorded in the books of accounts of the Transferor Company or not) and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded in the books of accounts of the Transferee Company at fair values as determined by the independent valuer.



- (b) The investments made by the Transferee Company in the Transferor Company and inter-company balances, if any, will stand cancelled.
- (c) The Transferee Company shall issue the New Equity Shares of face value of Re. 1 (Rupee One Only) each, fully paid, at a premium of Rs. 999.03 (Nine Hundred Ninety Nine rupees and three paise only) per share. The Transferee Company shall credit the aggregate face value of the equity shares issued and allotted under Clause 6 to the equity share capital account and the aggregate amount of premium shall be credited by Transferee Company to the Securities Premium account in its books of accounts.
- (d) Any excess of the amount of the consideration as per Clause (c) over the value of net assets of the Transferor Company acquired by the Transferee Company as per Clause (a) and after giving effect to Clause (b) above shall be treated as goodwill as valued by the independent valuer and in accordance with applicable Indian Accounting Standards. If the amount of the consideration as per Clause (c), after giving effect to Clause (b) above, is lower than the value of net assets acquired as per Clause (a), the difference shall be treated as Capital Reserve.

8. CONSOLIDATION OF AUTHORISED CAPITAL AND AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFeree COMPANY

- 8.1. Upon coming into effect of the Scheme, the authorized share capital of the Transferor Company amounting to Rs. 6,05,00,000 (Rupees Six Crore Five Lacs only) divided into 60,500 (Sixty Thousand Five Hundred) equity shares of Rs. 1000/- (Rupees One Thousand Only) each, or such amount as may be on the Effective Date, shall be deemed to have been reclassified into 6,05,00,000 (Six Crore Five Lacs) equity shares of Re. 1 (Rupee One Only) each and shall be consolidated with the authorized share capital of the Transferee Company, without any further act or deed and without any liability for payment of any additional fees or stamp duty in respect of such increase



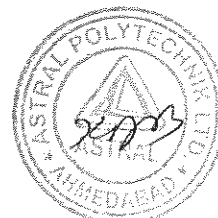
as the stamp duty and fees have already been paid by the Transferor Company on such authorized capital. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall be amended as below:

V. The Authorised Share Capital of the Company is Rs. 21,05,00,000/- (Rupees Twenty One Crores Five Lacs Only) divided into 21,05,00,000 (Twenty One Crores Five Lacs) Equity Shares of Re. 1/- (Rupee One Only) each.

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

9. **EXEMPTION UNDER SAST REGULATIONS**

For the avoidance of doubt, it is clarified that pursuant to amalgamation of the Transferor Company into and with the Transferee Company, the issuance of equity shares of the Transferee Company to the shareholders of the Transferor Company (other than Transferee Company itself) as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in terms of this Scheme, is exempt under the provisions of the SAST Regulations, and therefore, the requirement to make an "open offer" shall not be triggered in terms of the provisions of the SAST Regulations.



10. **DISSOLUTION OF TRANSFEROR COMPANY**

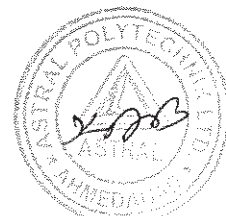
Upon the Scheme being effective, Transferor Company, shall, without any further act or deed, stand dissolved without being wound up.

11. **CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

11.1. With effect from the Appointed Date and up to and including the Effective Date, Transferor Company shall carry on its business with reasonable diligence and except in the ordinary course of business, Transferor Company shall not, without the prior written consent of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose of, any of the assets of the Undertaking of Transferor Company or any part thereof.

11.2. With effect from the Appointed Date and up to and including the Effective Date:

- (a) Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, Transferee Company;
- (b) all profits and income accruing or arising to Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of Transferee Company;



- (c) Any of the rights, powers, authorities or privileges exercised by Transferor Company shall be deemed to have been exercised by Transferor Company for and on behalf of, and in trust for and as an agent of Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for Transferee Company;
- (d) all taxes (including, without limitation, income tax, customs duty, GST etc.) paid or payable by Transferor Company in respect of the operations and or the profits of the Undertaking of Transferor Company before the Appointed Date, shall be on account of Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, customs duty, GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by Transferor Company in respect of the profits or activities or operation of the Undertaking of Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by Transferee Company, and, shall, in all proceedings, be dealt with accordingly; and
- (e) Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which Transferee Company may require to carry on the business of Transferor Company, upon the Scheme becoming effective.

12. **LEGAL PROCEEDINGS**

- 12.1. All suits, actions, and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatsoever nature by or against the Transferor Company pending and/ or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against



Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

- 12.2. Transferee Company shall have all legal or other proceedings initiated by or against Transferor Company transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company.

13. **CONTRACTS, DEEDS, ETC.**

- 13.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date, shall continue in full force and effect against or in favour of Transferee Company and may be enforced effectively by or against Transferee Company as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party thereto.

- 13.2. Transferee Company, 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Transferor Company.

14. **SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer and vesting of the Undertaking of Transferor Company shall not affect any transaction or proceedings already concluded in/ by the Transferor Company on or before



the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on its behalf.

15. **STAFF, WORKMEN & EMPLOYEES**

15.1. Upon the coming into effect of this Scheme, all employees of Transferor Company and who are in such employment as on the Effective Date shall become the employees of Transferee Company, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by Transferor Company and without any interruption of or break in service as a result of amalgamation of Transferor Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with Transferor Company and such benefits to which the employees are entitled in Transferor Company shall also be taken into account, and paid (as and when payable) by Transferee Company.

15.2. In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Transferor Company for the employees, if any, (collectively referred to as the "**Funds**"), the Funds and such of the investments made by the Funds being transferred to Transferee Company, in terms of the Scheme shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the employees of Transferor Company or be transferred to and amalgamated with other similar funds of Transferee Company. In the event that Transferee Company does not have its own funds in respect of any of the above, Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant Funds, until such time that Transferee Company creates its own



fund, at which time the Funds and the investments and contributions pertaining to the employees of Transferor Company shall be transferred to the funds created by Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Transferor Company and Transferee Company may decide to continue to make the said contributions to the Funds. It is clarified that the services of the employees of Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said Funds.

- 15.3. In relation to those employees for whom Transferor Company is making contributions to the government provident fund, if any, Transferee Company shall stand substituted for Transferor Company, as the case may be, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

16. **TAX CREDITS**

- 16.1. Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, credits, pertaining to any income tax, advance tax, GST including refunds or claims pending with the revenue authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses and unabsorbed depreciation, if any, including in respect of income-tax subject to the provisions of Section 72A of the Income -tax Act, 1961, shall, for all purposes, be treated as the tax / cess/ duty, liabilities or refunds, claims and accumulated losses and unabsorbed depreciation of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Goods and Service Tax returns, and other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Also, the loss brought forward and unabsorbed depreciation as per books of accounts of Transferor Company as on the Appointed Date, if any, would be deemed to



be loss brought forward and unabsorbed depreciation as per books of accounts of the Transferee Company. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company.

- 16.2. Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between the Transferor Company and the Transferee Company and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses, tax holiday, etc., pursuant to the provisions of this Scheme.
- 16.3. In accordance with the Central Goods and Service Tax Act, 2017 ('CGST Act, 2017') and applicable State Goods and Service Tax Act, 2017 ('SGST Act, 2017') read with rules made thereunder as are prevalent on the Effective Date, any credit available under GST for Excise duty, MODVAT balance, service tax credit receivable balance and VAT receivable balance under erstwhile provision of the relevant Act and the unutilized credits relating to GST paid on inputs /capital goods / input services lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the GST payable by it.
- 16.4. Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Goods and Service tax Act etc. arising out of the transactions entered into between the Transferor Company and the Transferee Company post the Appointed Date shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company / Transferee Company has availed GST credit of the taxes charged, the Transferee Company at its option may



not seek for refund and can choose to retain the same as GST credit, subject to the rules and regulations under the indirect tax law.

- 16.5. Upon the Scheme coming into effect, the Transferee Company shall make and file all necessary applications, documents and adhere to all statutory compliances as may be applicable and necessary laid down under the relevant Central or State laws, regulations, rules in order to facilitate the implementation of the Scheme.
- 16.6. Transferee Company will be the successor of Transferor Company. Hence it will be deemed that the benefit of any tax credits whether central, state or local, availed by Transferor Company and the obligations if any for payment of tax on any assets of Transferor Company on their erection and / or installation, etc. shall be deemed to have been availed by Transferee Company or as the case may be deemed to be the obligations of Transferee Company. Consequently, and as the Scheme does not contemplate removal of any asset by Transferee Company from the premises in which it is installed, no reversal of any tax credit needs to be made.

17. **RESOLUTIONS**

Upon the coming into effect of this Scheme, the resolutions, if any, of Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, like resolutions are passed by Transferee Company and shall constitute the aggregate of the said limits in Transferee Company.

18. **MISCELLANEOUS**

- 18.1. Post effectiveness of this Scheme, the equity shares to be issued and allotted by the Transferee Company in terms of Clause 6 of this Scheme shall be



listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, as amended from time to time. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.

- 18.2. None of the shareholders of the Transferor Company shall be considered to be the Promoters or form a part of the Promoter Group of the Transferee Company upon effectiveness of the Scheme on the Effective Date.

19. **APPLICATIONS TO THE NCLT**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions, under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for seeking sanction of this Scheme.

20. **CONDITIONALITY OF THE SCHEME**

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

- (a) SEBI and the Stock Exchanges approving this Scheme;
- (b) The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of Transferor Company and Transferee Company as may be directed by the NCLT;



- (c) The sanction of the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act, if so required, in favour of Transferor Company and Transferee Company being obtained;
- (d) Certified or authenticated copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Gujarat;
- (e) The requisite consent, approval or permission of the Governmental Authority which by law may be necessary for the implementation of this Scheme; and
- (f) The satisfaction (or waiver in writing) of such other conditions as may be mutually agreed between the Transferor Company and the Transferee Company in writing.

21. SEQUENCING OF EVENTS

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

- (a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with this Scheme;
- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company in accordance with Clause 8 of this Scheme, and consequential increase in the authorised share capital of the Transferee Company;
- (c) dissolution of the Transferor Company without winding-up, in accordance with Clause 10 of this Scheme; and
- (d) issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Company as on the Record Date, in accordance with Clause 6 of this Scheme.



22. **MODIFICATION OR AMENDMENTS TO THE SCHEME**

22.1. Transferor Company and Transferee Company by their respective Board of Directors or any duly authorised committee of the Board may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the NCLT or any Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those and do all acts, deeds and things necessary for putting the Scheme into effect.

22.2. Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any Governmental Authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

23. **EFFECT OF NON-RECEIPT OF APPROVALS OR OTHER REASON**

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

24. **COSTS, CHARGES AND EXPENSES**

Transferee Company shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

