



March 01, 2024

To

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Scrip Code: 540203

The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra(E), Mumbai-400051
NSE Symbol: SFL

Dear Sir / Madam,

Ref: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Receipt of certified copy of order passed by the Hon'ble National Company Law Tribunal, New Delhi Bench approving the Scheme of Amalgamation of International Comfort Technologies Private Limited ("Transferor Company") with Sheela Foam Limited ("Transferee Company" or "Company") and their respective Shareholders and Creditors, under sections 230 to 232 of the Companies Act, 2013 ("Scheme").

In continuation to our letter dated 9th February 2024, we wish to inform you that the Company has received the certified copy of order passed by the National Company Law Tribunal, New Delhi Bench ("NCLT") approving the Scheme of Amalgamation of International Comfort Technologies Private Limited ("Transferor Company") with Sheela Foam Limited ("Transferee Company" or "Company") and their respective Shareholders and Creditors ("Order") on February 19, 2024. The Order has been filed with the Registrar of Companies, Delhi & Haryana in e-Form INC – 28 on March 01, 2024, along with the Scheme. The certified copy of the said Order and the Scheme is enclosed as **Annexure 1**.

According to the statutory provisions and the terms stated under the Scheme, the Scheme becomes effective from the Appointed Date and becomes operative from the Effective Date which will be March 01, 2024, i.e., the date of filing of certified copy of the Order with the Registrar of Companies, Delhi & Haryana.

Upon the Scheme becoming effective, the entire business and whole of the undertaking of International Comfort Technologies Private Limited stand transferred to and is vested and/or deemed to have been vested in the Company, as a going concern without any further deed or act. The Company shall take the necessary actions for completing the requirements in this regard and to do all acts and deeds as may be deemed necessary.

Further as the Transferor Company is a wholly owned subsidiary of Sheela Foam Limited, no shares are proposed to be issued and no consideration is payable by the Company pursuant to amalgamation of the Transferor Company.

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



You are requested to kindly take the above on record and disseminate appropriately.

Thanking you.

Yours truly,
For Sheela Foam Limited

Md. Iquebal Ahmad
Company Secretary & Compliance Officer

Encl : As above

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CIN-L74899DL1971PLC005679



NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH, COURT-II

COMPANY PETITION NO. (CAA)-30(ND)/2023
CONNECTED WITH
COMPANY APPLICATION NO. CA (CAA)-115(ND)/2022

IN THE MATTER OF SCHEME OF AMALGAMATION:

AMONGST

**International Comfort
Technologies Private Limited**

AND

Sheela Foam Limited

AND

Their Respective Shareholders And Creditors

Order Delivered on: 09.02.2024

Section: 230 to 232 of the Companies Act, 2013

CORAM:

SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)

SH. SUBRATA KUMAR DASH, HON'BLE MEMBER (T)

PRESENT:

For the Petitioner : Adv. Rajiv Kumar
For the RD : Adv. Shankari Mishra
For the OL : Ms. Hemlata Rawat



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Date of Presentation
Application for Copy 9/2/24
No. of Pages 14
Filing Fee 5/-
Registration & Postage Fee
Total 200
... Petitioner No. 1/
Transferor Company
Date of Delivery of Copy 16.02.2024
... Petitioner No. 2/
Transferee Company 19.02.2024
Court Officer
Company Law Tribunal



ORDER

The captioned petition has been preferred under Section 230 to 232 of Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for approval of the Scheme of Arrangement (hereinafter referred to as '**Scheme**' for brevity). The copy of the Scheme has been placed on record. The details of the Companies proposed to be amalgamated, as placed on record by the Petitioners, are mentioned in the ensuing paragraphs.

2. The International Comfort Technologies Private Limited (hereinafter referred as the "Petitioner No. 1/Transferor Company") having CIN U36999DL2021PTC387558, is a private limited company, incorporated on 01.10.2021 under the Companies Act, 2013. The registered office of the Transferor Company is situated at 604, Ashadeep, 9 Hailey Road, New Delhi- 110001.

3. Sheela Foam Limited (hereinafter referred as the "Petitioner No. 2/Transferee Company") having CIN L74899DL1971PLC005679 is a private limited company incorporated on 18.06.1971 under the Companies Act, 1956. The registered office of the Transferee Company is situated at 604, Ashadeep, 9 Hailey Road, New Delhi- 110001.

4. The present Petition has been filed by the Transferor and Transferee Companies also referred to as 'Petitioner Companies', jointly. The Registered offices of both the Companies being in Delhi, the petition is amenable to the territorial jurisdiction of this Bench.





5. As can be seen from the record, the First Motion Application was filed by the Petitioner Companies for seeking directions for dispensing with the meeting of Equity Shareholders, Preference Shareholders, Secured Creditors and convening the meeting of the Unsecured Creditors qua the Transferor Company and dispensing with the meeting of Equity Shareholders and Unsecured Creditors qua the Transferee Company. In the First Motion Application bearing no. C.A.(CAA) 115/ND/2022, this Tribunal dispensed with the requirement of convening the meetings of the Equity Shareholders and Unsecured Creditors qua the Transferee Company and Equity Shareholders, Preference Shareholders and Secured Creditors qua the Transferor Company, vide Order dated 08.02.2023, and directed meeting of the Unsecured Creditors of the Transferor Company to be convened. The Chairman appointed to conduct the meeting was directed to submit his report regarding the result/outcome of the details of voting on proposed Scheme of the Petitioner Company.

6. The Appointed date as per clause 1.3 of the proposed Scheme of Arrangement is 01.01.2022.

7. Second Motion Petition was moved by the Petitioner Companies in connection with the Scheme of Arrangement with interim prayer: (a) to pass an order that notice shall be issued to Regional Director (Northern Region), Registrar of Companies (Delhi), Official Liquidator and Jurisdictional Income Tax Authorities; (b) to pass an order directing notice of hearing of the Petition to be published in "Financial Express" (English, Delhi Edition) and "Jansatta"





(Hindi, Delhi Edition) newspapers under Rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

8. As could be seen from the record, the report of Chairperson appointed by this Tribunal is available at Annexure P-11 of the petition. On perusal of the report, we could find that the meeting of Unsecured Creditors of the Transferor Company was attended by 38 Creditors having value of Rs. 86,76,97,643.61 representing 99.74% of the total dues outstanding towards the Unsecured Creditors and none of those who attended the meeting abstained from voting. The resolution put to the Unsecured Creditors of Transferor Company was approved by all of them who also constituted valid quorum during meeting. The result of vote casted in favour of the resolution reads thus:

No. of Unsecured Creditors/ Authorized Representatives	Total Debt Balance outstanding as on 08 th February 2023 (in INR):	% of Valid Votes	
		In terms of number of Unsecured Creditors	In terms of outstanding amount as on 08 th February 2023 (in INR)
46	86,82,42,202.61	82%	99.74%

9. In terms of the Order dated 04.05.2023 passed by this Tribunal, the Petitioner Companies were required to serve notice upon the Central Government through Regional Director (Northern Region), Registrar of Companies (Delhi), Official Liquidator attached to Delhi High Court, Jurisdictional Income-Tax Authorities, respective stock exchanges and other





sectoral regulators or authorities and also to carry out necessary publication with regard to the said Scheme as also the copy of documents referred to in Sec. 230(5) of the Companies Act, 2013, in two national newspapers namely “Financial Express” (English-Delhi Edition) and Jansatta (Hindi-Delhi Edition). In the wake, the Petitioner Companies filed Affidavit dated 30.05.2023 regarding service of notice upon all the noticees including that by way of publication in “Financial Express” (English, Delhi Edition) and “Jansatta” (Hindi, Delhi Edition) made on 29.05.2023. The Petitioner Company No. 2 also filed an additional affidavit dated 12.06.2023 regarding service of notice upon BSE Limited and NSE of India Limited.

10. Resultantly, the Registrar of Companies (RoC) filed its report dated 31.05.2023 with RD making the following observations therein:

- “1. It is mentioned in the scheme that the transferor company is the wholly owned subsidiary of the transferee company. However, on perusal of the MGT-7 filed by the transferor company for the year ended 31.03.2022, transferor company has not mentioned the details of Nominee Shareholder of Sheela Foam Limited and no MGT-6 has been filed by company in respect of Nominee Share holder.*
- 2. With respect to Transferor Company auditor has stated in his report for the F.Y.31.03.2022, that the company has incurred cash losses of Rs. 449 lacs in the FY 2021-22.*
- 3. As per the Auditors Report of Transferee Company for the F.Y.2021-22, following are the outstanding dues of income tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute:*





(Amount in lacs)					
Name of the Statute	Nature of dues	Amount Rs.	Amount paid in protest	Period to which the amount relates (FY)	Forum where dispute is pending
Central Excise Tax Act, 1944	Excise Duty	123.85	-	2011-2012 & 2012-2013	The Customs Excise and Service Tax Appellate Tribunal Kolkata
		241.06	9.04	February 2017 to June 2017	Commissioner (Appeal) Kolkata
		45.65	1.69	2016-17 & 2017-18	Commissioner (Appeal), Siliguri
Income Tax Act, 1961	Income Tax	439.12	40.00	2013-14	Delhi High Court
The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983	Sales Tax	46.00	46.00	2003-2004 & 2004-2005	Supreme Court
The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983	Sales Tax	393.99	393.99	2005-06 to 2011-12	Additional Commissioner Commercial Tax
The West Bengal Value Added Tax Act, 2003	Sales Tax	40.98	0.30	2012-13	Sales Tax Appellate Tribunal, West Bengal
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	28.87	-	2012-13 & 2013-14	Supreme Court
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	107.51	-	2014-15 to 2017-18	Supreme Court
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	57.72	28.86	2001-2012	Allahabad High Court

4. The companies may be asked to provide the significance of Appointed date i.e. 01.01.2022

5. In the Petition and annexure thereto, nothing is specifically mentioned w.r.t to dispensation/convening of Meeting of Secured Creditors of the Transferee company. Same may be clarified by the company.

6. The Transferee company may kindly be directed to comply with the provisions of Section 232 (3) (i) of the Companies Act, 2013 regarding fee payable of its revised Authorized Share Capital.”

11. The Regional Director (RD) has also filed its report dated 20.06.2023 and sought clarification from the company with regards the observations made by RoC in its report.





12. The Petitioner Companies filed their reply dated 14.07.2023 to the report of the RD dated 20.06.2023 and submitted the clarification with respect to observations made by the RoC in the report as had been referred to in the report of RD.

12.1 Regarding the observation made in Para 10(1) of RD Report, the Petitioner Companies submitted that the Transferor Company was incorporated as wholly owned subsidiary of Transferee Company i.e. Sheela Foam Limited and at time of its incorporation, the company issued 1,00,000 shares out of which 99,999 shares were subscribed by Sheela Foam Limited and 1 share was subscribed by Mr. Rahul Gautam, in the capacity of nominee shareholder on behalf of Sheela Foam Limited which could be deduced from the SPICe+ MOA and SPICe+ AOA filed by the company at time of incorporation, with RoC. It further clarified that MGT-7 form does not have any specific option to disclose nominee shareholdings and the Transferor Company disclosed nominee shareholding under the "Individual" category and the shareholding was disclosed including nominee shareholding. It also submitted that Transferor Company inadvertently missed out filing of MGT-6 with respect to beneficial interest held by Sheela Foam Limited in share subscribed by Mr Rahul Gautam in capacity of nominee shareholder and in compliance of applicable law, it filed Form MGT-6 with applicable fee with the RoC on 12.07.2023 which was duly approved.





12.2 As regards the observation made in Para 10(2) of RD Report, the Petitioner Companies submitted that it is a matter of record and requires no reply.

12.3 As regards the observation made in Para 10(3) of RD Report, the Petitioner Companies confirmed the outstanding dues of income tax, goods and service tax, customs duty, cess and other statutory dues but took a stand that the same are under dispute. It further submitted that as per Clause 7.3, 7.4 and 9 of the proposed Scheme, interest of the tax authorities are fully protected.

12.4 With reference to the observation made in Para 10(4) of RD Report, the Petitioner Companies submitted that the Transferor Company was incorporated on 01.10.2021 and its business activities commenced from 01.01.2022. Both the Transferor and Transferee Company are engaged in similar business and therefore the management of the Petitioner Companies believes that fixing Appointed date as 01.01.2022 would result in reflection of fair and transparent position of the business at standalone level and ease in analysing the business performance and past trends at segment level. It further relies upon provision of Sec. 230(6) of the Companies Act, 2013 which provides flexibility to the companies to determine and fix the Appointed Date at their discretion without any restriction.

12.5 Regarding the observation made in Para 10(5) of RD Report, the Petitioner Companies clarified that the Transferee Company did not have any Secured Creditors at time of filing of application before





NCLT as well as at time of hearing of application and thereby the requirement of dispensing or convening the meeting of secured creditors was not relevant/required.

12.6 With respect to the observation made in Para 10(6) of RD Report, the Petitioner Companies undertook to comply with the provisions of Sec. 232(3)(i) of the Companies Act, 2013.

13. The Official Liquidator has filed its report dated 12.06.2023. relevant excerpt of the report reads thus:

"12. That the Official Liquidator has not received any complaint against the proposed scheme of amalgamation from any person/party interested in the Scheme in any manner till the date of filing of this Report.

13. That the report of Official Liquidator is based upon the documents/reply submitted by the petitioner companies. Balance Sheet, Memorandum and Article of Association and other documents furnished by the petitioner companies have not been enclosed with the report as the same are already on records of the Hon'ble Tribunal.

14. That the Official Liquidator on the basis of information submitted by the petitioner companies is of the view that the affairs of the aforesaid Transferor Company do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest in terms of the provisions of the Companies Act, 2013."

14. As can be seen from record, the Income Tax Department filed its report dated 26.09.2023 under Section 230-232 of the Companies Act, 2016 read with Rule 15(1) of the Companies (Compromises, Arrangements and





Amalgamations) Rules, 2016 observing therein that in FY 2021-22, the transferor company had losses of Rs. 723.76 lakh and that although key terms of scheme of amalgamation contained in Para 7 provides for compliance to Tax Laws including Income Tax Act, 1961 to protect the interest of revenue, the tax benefits arising from the proposed scheme of merger including carrying forward of Business Losses and unabsorbed depreciation needs to be adjudicated separately in appropriate proceedings as per the provisions of Income Tax Act, 1961. It further espoused that the Income Tax Department must be admitted to retain the recourse for recovery in respect of any existing or future tax liabilities of the transferor companies from the transferee company in respect of assets sought to be transferred under the proposed scheme and that such protection must be made explicitly by the RD/RoC in its final order that should be binding upon both the parties. The Income Tax Department submitted its no-objection subject to observation/comments/remarks attached in its proforma report dated 26.09.2023.

15. As can be seen from record, in terms of order of this Tribunal dated 11.08.2023, Ld. RD was directed to file its final report qua the observations/objections made in its report dated 20.06.2023. In its final report, the RD raised no-objection qua the Scheme. Subsequently, the Petitioner Companies filed additional affidavit dated 05.10.2023 wherein it clarified that the outstanding dues of income tax, goods and service tax, custom duty, cess and other statutory dues of the Transferee Company under dispute are not yet crystallised and that it will remain in existence after the amalgamation order is passed and it





will pay all the amounts, if any, due and payable after finalization of disputes by different forums. It further submitted that the net worth of Transferee Company before amalgamation is Rs. 1,44,246.93 lakhs and post amalgamation it would be Rs. 1,40,823.87 Lakhs which will be sufficient to meet the disputed liabilities.

16. Subsequently, the Jurisdictional Assessment Officer (ITO) also submitted his no-objection.

17. As can be viewed from record, DCIT (Judicial), High Court Cell, Delhi submitted his no-objection dated 26.06.2023 subject to treatment of carry forward of accumulated losses of transferor entities under Section 72A and 79 of the Income Tax Act, 1961.

18. Despite notice, there was no representation on behalf of NSE, BSE. Therefore, it is presumed that they have nothing to say in the matter.

19. In view of the foregoing facts and discussion and upon considering the approval accorded by the Members of the Petitioner Companies to the proposed Scheme **the sanction is hereby granted to the Scheme of Arrangement proposed by the Petitioner Company under Section 230 to 232 of the Companies Act, 2013.**

20. The sanctioned Scheme of Arrangement shall be binding on the Transferor Company and Transferee Company and their Shareholders and Creditors. The Petitioner Companies shall remain bound to comply with the statutory requirements in accordance with law.





21. Notwithstanding the above, if there is any deficiency found or violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Authority to the Scheme will not come in the way of action to be taken, albeit, in accordance with law, against the concerned persons, Directors and Officials of the Petitioner Company.

22. While approving the Scheme as above, it is clarified that this Order should not be construed as an order in any way granting exemption from payment of Stamp Duty, Taxes or other statutory dues, if any, and payment in accordance with law or in respect to any permission/compliance with any other requirement, which may be specifically required under any law. Further the approval of the Scheme would in no manner affect the tax treatment of the transactions under the Income Tax Act, 1961 or serve as any exemption or defence for the Petitioner Companies against tax treatment in accordance with the provisions of Income Tax Act, 1961.

23. **THIS TRIBUNAL FURTHER DIRECTS** with respect to Petitioner Companies that:

- (i) Upon the sanction becoming effective from the appointed date of amalgamation i.e., 01.01.2022, the Transferor Company shall stand dissolved without undergoing the process of winding up.
- (ii) All contracts of the Transferor Company, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favor of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto;





- (iii) All the employees of the Transferor Company shall be deemed to have become the employees and the staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;
- (iv) All liabilities of the Transferor Company, shall, pursuant to the provisions of section 232(4) and other applicable provisions of the Company Act, 2013, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations etc. as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such liabilities;
- (v) All proceedings, if any, now pending by or against the Transferor Company be continued by or against the Transferee Company;
- (vi) That as per the Section 232(3)(i), the fee, if any, paid by the Transferor Companies on their authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme';
- (vii) That the carry forward and set off of accumulated losses in the Petitioner Company, if any, shall be subject to applicable provisions of Income Tax including Section 72A and Section 79 of the Income Tax Act, 1961;
- (viii) That the assessment under the Income Tax Act, if any will be in accordance with the provisions of Section 170 (2A) of the Income Tax Act, 1961;





(ix) The Income Tax department is permitted to retain its recourse for recovery in respect of demand and any other future liabilities of the transferor Company and the transferee company, in respect of the assets sought to be transferred under the proposed scheme.

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 of Presentation
 application for Copy 9/2/24
 of Pages 14
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 Total ₹ 280
 Date of Receipt &
 of Copy
 Date of Presentation of Copy 16.02.2024
 Date of Delivery of Copy 19.02.2024

(x) That the Transferee Company shall file the revised memorandum and articles of association with the concerned Registrar of Companies and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company; after setting off the fees paid by the Transferor Companies;

(xi) That any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

PC

24. The Petitioner Companies shall within thirty days of the date of the

DD/DIV/AR/Comp. Office
 National Company Law Tribunal

receipt of this Order cause a Certified Copy of this Order to be delivered to the Registrar of Company for registration and on such Certified Copy being so delivered, the Transferor Company shall be dissolved and the Registrar of Company shall place all documents relating to the Transferor Company on the file kept by him in relation to the Transferee Company and the files relating to all the Petitioner Companies shall be consolidated accordingly.

25. **The Company Petition stands disposed of in the aforesaid terms.**

Let the copy of the order be served to the parties.

Sd/-
(SUBRATA KUMAR DASH)
MEMBER (T)

Sd/-
(ASHOK KUMAR BHARDWAJ)
MEMBER (J)



16.2.24
 Deputy Registrar
 National Company Law Tribunal
 CGO Complex, New Delhi-110003

ANNEX P-1

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Date of Presentation of application for Copy 9/2/24

No. of Pages 20

Copying Fee 5/-

Registration & Postage Fee

Cond ₹ 200

Date of Receipt &

Word of Copy

Date of Preparation of Copy 16.2.24

Date of Delivery of Copy 19.2.24

10/2/24

DD/DR/AR/Court Officer
Company Law T.C.

SCHEME OF AMALGAMATION

OF

INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
("TRANSFEROR COMPANY")

WITH

SHEELA FOAM LIMITED
("TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013



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**SCHEME OF AMALGAMATION
OF
INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
WITH
SHEELA FOAM LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013**

PREAMBLE

A. PREAMBLE

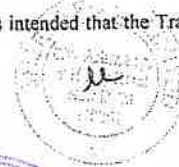
This Scheme of Amalgamation (hereinafter referred to as "the Scheme") is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") for amalgamation of International Comfort Technologies Private Limited with Sheela Foam Limited. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. DESCRIPTION OF COMPANIES

- a) **International Comfort Technologies Private Limited** (hereinafter referred to as "ICTPL" or "Transferor Company") was incorporated on 01st October 2021 under the provisions of Companies Act, 2013 under the Corporate Identification Number: U36999DL2021PTC387558. and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi 110001. The Transferor Company is a wholly owned subsidiary of the Transferee Company as the entire paid-up equity share capital of the Transferor Company is held by the Transferee Company and its nominees. The Transferor Company is engaged in the business of manufacturing of polyurethane foams.
- b) **Sheela Foam Limited** (hereinafter referred to as "SFL" or the "Transferee Company") was incorporated on 18th June 1971 under the provisions of Companies Act, 1956 under the Corporate Identification Number: L74899DL1971PLC005679 and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi 110001. The Transferee Company is engaged in the business of manufacturing of polyurethane foams.

C. RATIONALE

The Transferor Company is a direct wholly owned subsidiary of the Transferee Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including optimal utilization of resources, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor



Company be merged with the Transferee Company. The rationale for the Scheme of Amalgamation of the Transferor Company by the Transferee Company would, inter alia, have the following benefits:

- i. Simplification of the group structure and consolidation of legal entities;
- ii. Reducing the number of legal entities, resulting into lesser administrative and regulatory compliances;
- iii. Improved allocation of capital and optimization of cash flows contributing to the overall growth prospectus of the combined entity;
- iv. Creation of a larger asset base by consolidation of the assets and facilitation of access to better financial resources;
- v. Enable greater / enhanced focus of the management on the business; and
- vi. Creating enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of all its shareholders, creditors and all other stakeholders.

In view of the aforesaid, the Board of Directors of the Transferee Company and the Transferor Company has considered and proposed the Amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company. Accordingly, the Board of Directors of the Transferee Company and the Transferor Company has formulated this Scheme for the transfer and vesting of the entire undertaking and business of the Transferor Company into the Transferee Company pursuant to the provisions of Sections 230 to 232 read with other applicable provisions of the Act.

D. PARTS OF THE SCHEME

This Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation (as defined below) of International Comfort Technologies Private Limited with Sheela Foam Limited. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

This Scheme is divided into following parts:

- Part A – Deals with the Definitions, Share Capital and date of operation of the Scheme;
- Part B – Deals with Amalgamation of the Transferor Company by the Transferee Company; and
- Part C – Deals with general terms and conditions applicable to the Scheme and other matters consequential and integrally connected thereto.

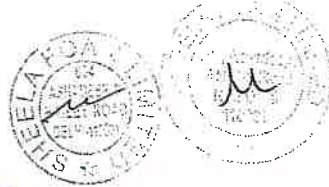


PART A
DEFINITIONS AND SHARE CAPITAL

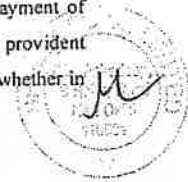
1. DEFINITIONS

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

- 1.1 "Act" or "the Act" means the Companies Act, 2013 and rules and regulations made thereunder, and includes any statutory re-enactment or amendments(s) thereto, from time to time.
- 1.2 "Amalgamation" means the merger of the Transferor Company with the Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, and the restructuring as contemplated by the Scheme in terms of Part B of the Scheme.
- 1.3 "Appointed Date" means 01st January 2022 or such other date as may be fixed or approved by the National Company Law Tribunal or any other competent authority;
- 1.4 "Board of Directors" or "Board" means the board of directors of the Transferor Company, and/or of the Transferee Company, as the context may require, and shall, unless it be repugnant to the context thereof, include a committee of each such Board, or any person authorized by the relevant Board.
- 1.5 "Effective Date" means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Companies by the Transferor Company and the Transferee Company. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.6 "Law" means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, notice, order, decree, bye-law, governmental approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, any governmental authority having jurisdiction over the matter in question.
- 1.7 "Registrar of Companies" means Registrar of Companies, New Delhi having jurisdiction over the Transferor Company and the Transferee Company.
- 1.8 "Scheme" means this Scheme of Amalgamation, inter alia, for the merger of the Transferor Company with the Transferee Company in its present form, submitted to the Tribunal for sanction with such modification(s), if any, made as per Clause 23.
- 1.9 "SEBI" means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.10 "Stock Exchange" means BSE Limited and National Stock Exchange of India Limited.
- 1.11 "The Tribunal" means the National Company Law Tribunal, Delhi Bench as applicable or such other forum or authority as may be vested with any of the powers to sanction the present Scheme under the Act.



- 1.12 "Transferee Company" or "SFL" means Sheela Foam Limited, a company incorporated under the Companies Act, 1956 and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi 110001.
- 1.13 "Transferor Company" or "ICTPL" means International Comfort Technologies Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi 110001.
- 1.14 "Undertaking" means the whole of the undertaking of the Transferor Company, as a going concern, including:
- all its current and non-current assets (including investments, bank balances), properties (whether movable or immovable, tangible or intangible, personal, corporeal or incorporeal, present, future or contingent) including rights, if any, in licenses, permits whether recorded in the books or not (hereinafter referred to as "the said Assets");
 - all secured (if any) and unsecured debts, outstanding, liabilities, contingent liabilities, duties and obligations (if any) of the Transferor Company and all other obligations of whatsoever kind whether recorded in the books or not (hereinafter referred to as "the said Liabilities");
 - Without prejudice to the generality of sub-clauses (a) and (b) above, the Undertaking of the Transferor Company shall include all its secured and unsecured debts, borrowings, liabilities including deferred tax liabilities (if any), duties and obligations and all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible (including, but not limited to, trademarks, copyrights, trade names, brand names, corporate names, logos, goodwill, business methodologies, etc.), present or contingent, all fixed assets, current assets, deferred tax assets (if any), investments, reserves, provisions, funds, Demat accounts with the Depositories (if any), Banks, etc., all the licenses / permits, registrations including registrations obtained under local or central statutes and / or regulations made under such statutes, benefits of agreements, contracts and arrangements, including insurance contracts, deposits, reserves, provisions, advances, funds, cash, bank balances and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company;
 - All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits and credits, subsidies, concessions (including but not limited to direct and indirect tax concessions/ credits of any nature whatsoever), grants, rights, claims, leases, tenancy rights, liberties, and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;
 - All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and contribution made towards any provident fund, employees state insurance or any other compensation or benefits, if any whether in



the event of resignation, death, retirement, retrenchment or otherwise

- f) Entitlements held by the Transferor Company, or which may accrue or become due to them as on the Appointed Date or to which they may become so due or entitled to thereafter.
- g) Amounts claimed by the Transferor Company whether or not so recorded in its books of accounts as refund of any tax, duty, cess or of any excess payment from any governmental authority, under any Law, Act or Rule in force.
- h) Right to any claim made or not preferred by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Law, Act or Rule or Scheme made by the governmental authority, and in respect of deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, or any other or like benefits under the said Acts or under and in accordance with any Law or Act and tax credits (including but not limited to credits in respect of income-tax, tax on book profits, MAT credit, value added tax, sales tax, service tax, excise duty, goods and service tax, etc.).

It is intended that the definition of Undertaking as set out above would enable the transfer of all properties, assets, liabilities, employees etc. of the Transferor Company to the Transferee Company pursuant to the Scheme.

2. In this Scheme, unless the context otherwise requires:

- a) words denoting the singular shall include the plural and vice versa;
- b) headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c) references to the word "include" or "including" shall be construed without limitation;
- d) a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- e) unless otherwise defined, the reference to the word "days" shall mean calendar days;
- f) reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) all terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

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

The Scheme set out here in its present form or with any modification(s) approved or imposed or directed by the Tribunal or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.



4. **SHARE CAPITAL**

- 4.1 The share capital structure of the Transferor Company as on 31st March 2022, being the latest audited balance sheet, is as follows:

PARTICULARS	AMOUNT
Authorised Capital	
1,00,000 equity shares of Rs. 10/- each	10,00,000
2,99,00,000 convertible preference shares of Rs. 10/- each	29,90,00,000
TOTAL	30,00,00,000
Issued, Subscribed and Paid-up Capital	
1,00,000 equity shares of Rs. 10/- each	10,00,000
2,99,00,000 convertible preference shares of Rs. 10/- each	29,90,00,000
TOTAL	30,00,00,000

Subsequent to 31st March 2022 and until the date of approving the Scheme by the Board of Directors, there has been no change in the issued, subscribed and paid-up share capital of the Transferor Company. The Transferee Company holds 100% share capital of the Transferor Company.

- 4.2 The share capital structure of the Transferee Company as on 31st March 2022, being the latest audited balance sheet, is as follows:

PARTICULARS	AMOUNT
Authorised Capital	
8,80,21,000 equity shares of Rs. 5/- each	44,01,05,000
TOTAL	44,01,05,000
Issued, Subscribed and Paid-up Capital	
4,87,82,808 equity shares of Rs. 5/- each	24,39,14,040
TOTAL	24,39,14,040

Subsequent to 31st March 2022 and until the date of approving the Scheme by the Board of Directors, there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company.

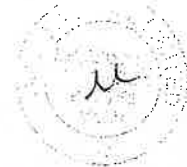


PART B**AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY****5. AMALGAMATION OF THE TRANSFEROR COMPANY**

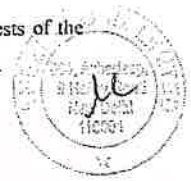
- 5.1 Upon coming into effect of the Scheme and with effect from the Appointed Date, the whole of the Undertaking of the Transferor Company shall, pursuant to the sanction of this Scheme and pursuant to the applicable provisions of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, on and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

Without prejudice to the generality of Clause 5.1 above, on the coming into effect of this Scheme and with effect from the Appointed Date:

- 5.2 In respect of such of the Assets of the Undertaking of Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, wherever located, the same may be so transferred by the Transferor Company and shall become the property of the Transferee Company.
- 5.3 In respect of such of the Assets of the Undertaking belonging to the Transferor Company other than those referred to in sub-clause 5.2 above, the same shall (as more particularly provided in sub-clause 5.1 above) without any further act, instrument or deed, stand transferred to and vested in the Transferee Company and / or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 232 of the Act.
- 5.4 All assets (including investments), estates, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and immediately prior to the Effective Date for operation of the Transferor Company shall also stand transferred to and vested in the Transferee Company upon the Scheme coming into effect.
- 5.5 Upon the Scheme coming into effect and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company, to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.



- 5.6 Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of Part B of this Scheme itself, 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, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is party or any writings as may be necessary to be executed. The Transferee Company shall, under the provisions of Part B of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 5.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all insurance claims and policies, consents, permissions, licenses, approvals, certificates, clearances, authorities given by, issued to or executed in favour of the Transferor Company and all approvals, intellectual property and all other interests relating to the Transferor Company, be transferred to and vested in the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
- 5.8 With effect from the Appointed Date, the said Liabilities, if any, and any accretions or deletion thereto after the Appointed Date and upto the Effective Date shall also stand transferred to or deemed to be transferred to without any further act or instrument or deed to the Transferee Company and further it shall not be necessary to obtain the consent of any third party or other person who is party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- 5.9 Upon this Scheme coming into effect, any loan or other obligation due between the Transferor Company and the Transferee Company, if any (arising out of any arrangement), shall stand discharged, the said loan, obligation or convertible securities shall be correspondingly extinguished, and there shall be no liability in that behalf with effect from the Appointed Date.
- 5.10 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company 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, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 5.11 It is clarified that the Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests.



6. ENCUMBRANCES

- 6.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clause 5 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 6.2 All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company.
- 6.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 6.4 Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 6.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the said Liabilities, which have been transferred to it in terms of the Scheme.
- 6.6 It is expressly provided that, no other term or condition of the said Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 6.7 The provisions of this Clause 6 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

7. COMPLIANCE WITH TAX LAWS



- 7.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961 (the "IT Act") and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act.
- 7.2 On or after the Effective Date, the Transferor Company, if required, and the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), service tax law, VAT law, goods and service tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.
- 7.3 All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company.
- 7.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Amalgamation of the Transferor Company by the Transferee Company or anything contained in the Scheme.
- 7.5 Any tax liabilities including but not limited to liabilities under the IT Act, foreign tax credit, tax treaties, custom laws, service tax laws, VAT laws, goods and service tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 7.6 Any refund including but not limited to refund under the IT Act, foreign taxes, custom laws, service tax laws, VAT laws, goods and service tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.



- 7.7 All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company in respect of its operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of its profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.8 Any tax deducted at source by the Transferor Company on payables to the Transferee Company and by the Transferee Company on payable to the Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.9 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company including but not limited to obligation under the IT Act, service tax laws, customs law, goods and service tax law or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 7.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Transferor Company is entitled, shall be available to and vest in the Transferee Company, if eligible as per the provisions of the IT Act on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company will be entitled to avail cenvat credit / goods and service tax credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company. Further, licenses issued to the Transferor Company by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company upon the Scheme becoming effective.

8. COMPLIANCE WITH SEBI REGULATIONS

- 8.1 As the present Scheme solely provides for Amalgamation of wholly owned subsidiary with its holding company, no formal approval, no objection certificate or vetting is required from Stock Exchange or SEBI for the Scheme, in terms of provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 and other applicable provisions, if any.



- 8.2 In terms of the SEBI Regulations, the present Scheme of Amalgamation is only required to be filed with Stock Exchange for the purpose of disclosure and dissemination on their website.

9. LEGAL PROCEEDINGS

On and from the Appointed Date, all suits, actions and legal proceedings, if any, instituted and / or pending and / or arising by or against the Transferor Company shall be continued and / or enforced until the Effective Date as directed by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company.

10. VALIDITY OF EXISTING RESOLUTIONS

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

11. CONTRACTS, DEEDS, ETC.

- 11.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 11.2 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, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the 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.
- 11.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company without any further act or instrument or deed and further it shall not be necessary to obtain the



consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.

12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- a) Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Transferee Company;
- b) Transferor Company hereby undertakes to hold its assets with utmost prudence until the Effective Date;
- c) Transferor Company shall carry on its business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not, without the prior consent of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any additional liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, or otherwise deal in any of its properties/ assets, except: (a) when the same is expressly provided for in this Scheme; or (b) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme in the Tribunal; or (c) when a prior written consent of the Transferee Company has been obtained in this regard;
- d) Transferor Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligations, undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Company, the terms and conditions of employment of any of its employees except with the written concurrence of the Transferee Company;
- e) Transferor Company shall not alter or expand its business except with the written concurrence of the Transferee Company;
- f) Transferor Company shall not amend its memorandum of association and / or its articles of association, except with the written concurrence of the Transferee Company;
- g) all the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by it with effect from Appointed Date shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure, as the case may be, of the Transferee Company respectively, unless otherwise provided in this Scheme; and

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



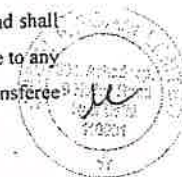
- 12.3 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee 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 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. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and 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.

13. TRANSITION PERIOD

- 13.1 Upon coming into effect of this Scheme, the Transferee Company shall, with reasonable dispatch immediately apply for transition/ transfer of all licenses, product registrations, market authorizations, customer orders, customer contracts, permits, quotas so as to ensure business continuity. The period between the Effective Date and the date on which the transitions of all the licenses, product registrations, market authorizations, customer contracts, customer orders, permits, quotas or such other approvals as may deem fit by the Board of Directors of the Transferee Company is effective is hereinafter referred to as "Transition Period". With a view to avoid any disruption of business and to ensure continuity of operations during the Transition Period, the business of the Transferor Company may, if required, be carried on or deemed to have been carrying on by the Transferee Company under the name and style of 'International Comfort Technologies Private Limited'.
- 13.2 During the Transition Period, the Transferee Company may procure or use or manufacture all material and product including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company.

14. STAFF, WORKMEN AND EMPLOYEES

- 14.1 On the coming into effect of this Scheme, all employees, if any, of the Transferor Company who are in employment of the Transferor Company, as on the Effective Date, shall become the employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on the same terms and conditions as to employment and remuneration on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Transferee



Company. The Transferee Company undertakes to continue to abide by any agreement / settlement, if any, entered into by any of the Transferor Company with any union / employee. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the said employees or any of them on the same basis as it may do for the employees of the Transferee Company.

- 14.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the employees of the Transferor Company shall become funds / trusts of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds / trusts shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said funds / trusts and for computing any other employee benefits.

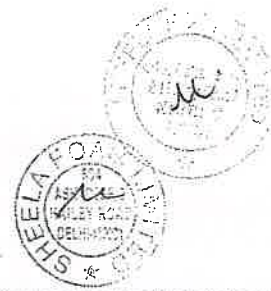
15. SAVING OF CONCLUDED TRANSACTIONS

The Amalgamation of the Transferor Company pursuant to this Scheme shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

16. INTER-SE TRANSACTIONS

- 16.1 Without prejudice to Clauses 5 and 12, with effect from the Appointed date, all inter-party transactions between of the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date or from the transaction date whichever is later and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed.
- 16.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

17. CONSIDERATION



- 17.1 The Transferor Company is a direct wholly owned subsidiary of the Transferee Company and the entire paid-up share capital of the Transferor Company is held by the Transferee Company directly and through its nominee.
- 17.2 On the Scheme coming into effect, the entire issued, subscribed and paid-up share capital of the Transferor Company shall, ipso facto, without any further application, act, deed or instrument stand extinguished and cancelled and no new shares of the Transferee Company will be issued or allotted with respect to the shares held in the Transferor Company.
- 17.3 The share certificates issued by the Transferor Company in relation to its shares shall, without any further application, act, instrument or deed, be deemed to be and stand automatically cancelled as on the Effective Date. In relation to shares of the Transferor Company which are held in dematerialized form, the Transferee Company shall execute and take all necessary steps, actions, matters or things and make all necessary filings, as required to give effect to the cancellation.

18. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

- 18.1 Upon the coming into effect of this Scheme, the Transferee Company shall account for the amalgamation in its financial statement in accordance with "Pooling of Interest Method" laid down by Appendix C of Ind AS 103 (Business Combinations of entities under common control) notified under Section 133 of the Act read with relevant rules issued thereunder and applicable accounting standards prescribed under the Act.
- 18.2 The Transferee Company, upon the Scheme coming into effect, record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the respective book values thereof and in the same form as appearing in the books of the Transferor Company.
- 18.3 The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form, manner and at the same values as they appear in the financial statements of the Transferor Company.
- 18.4 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- 18.5 The value of investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation.
- 18.6 The difference between the Net Assets ("Net Assets" means difference of book value of assets transferred over the book value of liabilities and reserves) and the book value of investments cancelled shall be accounted based on accounting principles prescribed by Appendix C of Ind AS 103 in the books of the Transferee Company.
- 18.7 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference shall be quantified and adjusted in the Reserve in the books of accounts of the Transferee Company.



- 18.8 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.
19. **ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY**
Upon the Scheme coming into effect and pursuant to the provisions of the Act and receipt of relevant approvals, the Transferor Company will dissolve without winding up and no specific accounting is prescribed in the Indian Accounting Standards specified under Section 133 of the Act for such transfer.
20. **COMBINATION AND RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY**
- 20.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall stand transferred, re-classified, re-organised, credited and merged with that of the Transferee Company without payment of additional fees and stamp duty as the said fees and stamp duty have already been paid by the Transferor Company and the authorised share capital of the Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.
- 20.2 In view of Clause 20.1 above, the authorised share capital of the Transferor Company of Rs. 30,00,00,000 divided into 1,00,000 Equity Shares of Rs. 10/- and 2,99,00,000 Convertible Preference Shares of Rs. 10/- each will be reclassified, re-organised and accordingly, the authorised equity share capital of the Transferee Company shall be increased by an amount of Rs. 30,00,00,000 divided into 6,00,00,000 Equity Shares of Rs. 5/- each.
- 20.3 The approval of this Scheme under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Act, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Transferee Company as may be required under the Act.
21. **WINDING-UP OF THE TRANSFEROR COMPANY**
On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further acts by any party.



PART C
GENERAL TERMS AND CONDITIONS

22. APPLICATIONS TO THE TRIBUNAL

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

23. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Transferee Company and the Transferor Company through their respective Board of Directors may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme or part thereof. The Board of Directors of the Transferee Company shall take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith. The power of the Board to modify / amend the Scheme shall be subject to the approval of the Tribunal.

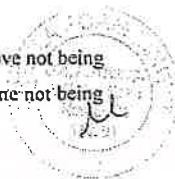
24. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional upon and subject to:

- a) The approval by the requisite majority of the shareholders and / or creditors (as may be required and / or to the extent not dispensed with by the appropriate authorities) of the Transferor Company and the Transferee Company, as required under applicable Laws;
- b) The requisite sanction or approval of the appropriate authorities being obtained and / or granted in relation to any of the matters in respect of which such sanction or approval is required;
- c) Sanctions and Orders under the applicable provisions of the Act / Laws being obtained by the Transferee Company and the Transferor Company from the appropriate authorities; and
- d) Certified copies of the orders of the appropriate authorities, sanctioning the Scheme being filed with the Registrar of Companies, New Delhi by the Transferee Company and the Transferor Company.

25. EFFECT OF NON-RECEIPT OF APPROVALS

- 25.1 In the event of any of the said sanctions and approvals referred to in Clause 24 above not being obtained (unless otherwise released by the Board of Directors) and / or the Scheme not being



sanctioned by the Tribunal or such other competent authority as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

25.2 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

25.3 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post Amalgamation.

25.4 If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and / or the Transferee Company, then in such case the Transferor Company and / or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

26. COSTS

All costs, charges, levies and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company, unless otherwise determined by the Boards of Directors of the Transferor Company and the Transferee Company.

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Application for Copy
Pages 20
Filing Fee 5/-
Registration & Postage Fee 200
Stamp Duty
Preparation of Copy 16.02.2024
Delivery of Copy 19.02.2024

DINING/AR/Court Officer
Company Law Tribunal

Handwritten signature and circular stamp of the National Company Law Tribunal.



Handwritten signature and date 16.2.24.

Deputy Registrar
National Company Law Tribunal
CGO Complex, New Delhi-110063