



NESCO LIMITED
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Goregaon (East)
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11 September 2019

BSE Limited
Department of Corporate Services
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

The National Stock Exchange of India Limited
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400051.

Scrip Code : 505355

Symbol : NESCO

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for submission of Draft Scheme of Amalgamation

Dear Sir,

Pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15 February 2017 and in continuation to our letter dated 25 May 2019, enclosed herewith is the Draft Scheme of Amalgamation of Nesco Hospitality Private Limited (Wholly Owned Subsidiary of Nesco Limited) with the Company pursuant to Section 233 of the Companies, Act, 2013 for the purpose of disclosure.

This is for your information and record.

Thanking you

Yours faithfully,

For Nesco Limited

Jinal J. Shah
Company Secretary and
Compliance Officer



Encl : As above

SCHEME OF ARRANGEMENT

BETWEEN

**NESCO HOSPITALITY PRIVATE LIMITED
(TRANSFEROR COMPANY)**

AND

**NESCO LIMITED
(TRANSFeree COMPANY)**

AND

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
FOR AMALGAMATION OF**

**NESCO HOSPITALITY PRIVATE LIMITED
(TRANSFEROR COMPANY)**

WITH

**NESCO LIMITED
(TRANSFeree COMPANY)**

**UNDER SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULE 25 OF
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES,
2016**

Parts of the Scheme:

1. Part I - This part of Scheme contains Definitions, Capital Structure of the Transferor Company and Transferee Company.
2. Part II - This part of Scheme deals with Amalgamation of the Transferor Company with the Transferee Company in accordance with Section 233 of the Companies Act, 2013.
3. Part III - This part of Scheme deals with the Accounting Methodology adopted for the Amalgamation.
4. Part IV - This part of Scheme contains other terms and conditions applicable to the Scheme.

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For NESCO Hospitality Private Limited


Director / Authorised Signatory

SCHEME OF ARRANGEMENT

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**UNDER SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULE 25 OF
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

PREAMBLE

1. An overview of Scheme of Arrangement
 - 1.1. This Scheme of Arrangement is presented under the provisions of Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 under fast track route for amalgamation of Nesco Hospitality Private Limited ('Transferor Company' or 'Wholly Owned Subsidiary') with Nesco Limited (Transferee Company').
 - 1.2. The Transferor Company is wholly owned subsidiary of Transferee Company hence, in consideration Transferee Company will not issue any shares under the scheme of Arrangement. The existing holding of Transferee Company in Transferor Company get cancel pursuant to the scheme of Arrangement.
 - 1.3. In addition, this Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected herewith.
2. Background and Description of Companies
 - 2.1. Nesco Hospitality Private Limited or NHPL or Transferor Company bearing CIN No. U55204MH2014PTC260414 was incorporated on 26 December 2014 in accordance with the provisions of the Companies Act, 2013. The registered office of the Transferor Company is situated at Hall No. 1, Nesco Complex, Western Express Highway, Goregaon (East), Mumbai –

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400063. The Transferor Company is engaged in the business of Kitchens, Food Courts, Food Kiosks, Mass Catering, etc.

The main objects of the Transferor Company are set out in its Memorandum of Association.

Transferor Company is a wholly owned subsidiary of Transferee Company.

- 2.2. Nesco Limited or NESCO or Transferee Company bearing CIN L17100MH1946PLC004886 was incorporated on 15 April 1946 in accordance with the provisions of the Companies Act, 1956. The Registered Office of Transferee Company is situated at Nesco Center, Western Express Highway, Goregaon (East), Mumbai – 400063. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

The Transferee Company is engaged in diversified business of Constructing an IT Park and providing space on license basis, providing space for trade fairs, exhibitions, conventions and conferences.

Apart from the aforesaid business, the Company is also engaged in the business of Kitchens, Food Courts, Food Kiosks, Mass Catering, etc.

The Company has also obtained all the necessary Licenses, Approval and Registrations required for running the business.

3. Objects and Rationale for the Scheme

- 3.1. The Transferor Company is wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company be amalgamated with Transferee Company.
- 3.2. The independent operations of the Transferor Company and Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
- 3.3. The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Company and Transferee Company.

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- 3.4. The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
- 3.5. The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
- 3.6. The other benefits the proposed amalgamation include:
- Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
 - Enhancement of competitive strengths including financial resources;
 - Obtaining synergy benefits;
 - Better management and focus on growing the businesses;
 - Reduction of overheads, administrative, managerial and other expenditure.
 - Simplify shareholding structure and reduce shareholding tiers.
4. In view of the above, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in accordance with this Scheme, pursuant to Section 233 of the Companies Act, 2013.
5. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Sections 233 and other relevant provisions of the Companies Act, 2013, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(18) of the Income Tax Act, 1961. If any terms or provisions of the scheme are found or interpreted to be inconsistent with the provisions of the said section/s /Act at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section / act shall prevail and the scheme shall stand modified to the extent determined necessary to comply with the said section / act. Such modification will however not affect the other parts of the scheme.

PART - I

GENERAL PROVISIONS

1. Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below:

- 1.1. "Act": means the Companies Act, 2013 or the Companies Act, 1956 (to the extent applicable) and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. "Appointed Date": means 01 April 2019, the date with effect from which this scheme shall come into effect or such other date(s) as may be fixed or approved by the Central Government or Tribunal or any other competent authority.
- 1.3. "Board" or "Board of Directors": in relation to the Transferor Company, Transferee Company, as the case may be, means the Board of Directors of such Company, and shall include a Committee of Directors, if any constituted or appointed and authorized to take any decision for the implementation of this scheme on behalf of such Board of Directors.

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- 1.4. "BSE" shall mean BSE Limited.
- 1.5. "NSE" shall mean National Stock Exchange of India Limited.
- 1.6. "Central Government": means the Government of India and vide Notification No. 5.0. 4090(E) dated 19 December 2016, Central Government has delegated powers vested in it under Section 233 of the Companies Act, 2013 to the Regional Director, Ministry of Corporate Affairs having jurisdiction.
- 1.7. "Effective Date": means the date on which the certified copy of the order(s) of the Regional Director under Sections 233 of the Act sanctioning the Scheme, is filed with the Registrar of Companies having jurisdiction.

Any references in this Scheme to the words "upon the Scheme becoming effective" or "effectiveness of this Scheme" or "date of coming into effect of the Scheme" or "Scheme coming into effect" shall mean the Effective Date.

- 1.8. "Equity Shares" means the equity shares of the Transferor Company or Transferee Company, as the case may be.
- 1.9. "IT Act" means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.
- 1.10. "Law" or "Applicable Law" includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, Statutory Authority, Tribunal, Board, Court of India or any other Country or jurisdiction as applicable.
- 1.11. "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof.
- 1.12. "Official Liquidator" or "OL": means Official Liquidator having jurisdiction over the Transferor Company and Transferee Company.
- 1.13. "Record Date": means date fixed by the Board of Directors or a Committee thereof of the Transferee Company for the purpose of determining the members of Transferor Company and the Transferee Company approving the scheme of Amalgamation.
- 1.14. "Regional Director:" means the Regional Director (Western Region), Ministry of Corporate Affairs at Mumbai, Maharashtra having jurisdiction over the Transferee Company.
- 1.15. "Registrar of Companies" or "ROC": means the Registrar of Companies at Mumbai, Maharashtra.
- 1.16. "Rules": means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 as amended from time to time.
- 1.17. "Scheme" or "Scheme of Arrangement": means this Scheme of Arrangement for Amalgamation of Nesco Hospitality Private Limited ('Transferor Company') with Nescos Limited ('Transferee Company') under Sections 233 of the Companies Act, 2013 as approved by the Board of

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Directors of all the Companies in its present form and with any modifications as may be approved by the Regional Director, Western Region.

1.18. "Stock Exchanges" shall mean BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2. Date of Effect and Operative Date

The Scheme set out herein in its present form or with any modification(s), if any made as per Clause 3 of Part - IV of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

3. Capital Structure

The Capital Structure of Transferee Company and Transferor Company as on appointed date i.e. 01 April 2019 and immediately before implementation of the scheme are as under:

3.1. Transferee Company

As on the Appointed Date i.e. 01 April 2019, the Share Capital of the Transferee Company was as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
7,37,50,000 Equity Shares of Rs. 2/- each	14,75,00,000.00
2,50,000 11% Cumulative Redeemable Preference Shares of Rs. 10/- each	25,00,000.00
Issued, Subscribed and Paid-Up Share Capital	
7,04,59,960 Equity Shares of Rs. 2/- each fully paid up	14,09,19,920.00
TOTAL	14,09,19,920.00

There is no change in the capital structure of the Transferee Company after the Appointed Date.

3.2. Transferor Company

As on the Appointed Date i.e. 01 April 2019, the Share Capital of the Transferor Company was as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000.00
Issued, Subscribed and Paid-Up Share Capital	
2,50,000 Equity Shares of Rs. 10/- each fully paid up	25,00,000.00
TOTAL	25,00,000.00

There is no change in the capital structure of the Transferor Company after the Appointed Date.

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PART – II

AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of the Transferor Company shall, in terms of Section 233 and applicable provisions, if any, of the Companies Act, 2013 and pursuant to the orders of the Regional Director, Western Region or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.
2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:
 3. Transfer of Assets
 - 3.1. With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, entitlements, allotments, approvals, consents, concessions, trademark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on the appointed date or subsequently taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed, act or payment of any further fee, charge or securities.
 - 3.2 With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Company as on Appointed Date or subsequently obtained by Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 3.3. With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Company as are movable in nature including, but not limited to, stock of goods, raw materials available in the market / depots / Godown / factories, sundry debtors, investments, plants and equipments, machineries, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits /GST credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
 - 3.4. With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Company as on Appointed Date or subsequently acquired after the

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Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

- 3.5. With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties 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 further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.
- 3.6. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfil obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Regional Director (Central Government) and the Scheme becoming effective in accordance with the terms hereof.
- 3.7. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Company is the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or oblige thereto.
- 3.8. With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which Transferor Company is the party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or oblige thereto.
- 3.9. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no objection certificates, eligibility certificates, fiscal incentives, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favour of Transferee Company upon the vesting of Transferor Companies business and Undertaking pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, eligibility certificates, fiscal incentives, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.
- 3.10. With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company shall stand transferred to and be vested in the Transferee Company, and the appropriate Government and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company, without any further instrument, deed or act or any further payment of fee, charge or securities.

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4. Transfer of Liabilities

- 4.1. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.
- 4.2. Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Company after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- 4.3. Transferee Company will, 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 of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company is party, in order to give formal effect to the above provisions. 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 carry out or perform all such formalities or compliances referred to above on part of Transferor Company.
- 4.4. Loans or other obligations, if any, due either between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf in so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

5. Legal Proceedings

- 5.1. With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company. Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, 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.
- 5.2. If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies business and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

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6. Employee matters

On occurrence of the Effective Date, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Company for their employees shall be continued for the benefit of such employees on the same terms and conditions with effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company in relation to such schemes or funds shall become those of Transferee Company.

7. Taxation and other matters

- 7.1. With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company, and all expenditure or losses arising or incurred by Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- 7.2. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant laws relating to Income Tax, Wealth Tax, Value Added Tax, Service Tax, Central Sales Tax, Central Excise, Goods and Service Tax or any other tax, as may be required consequent to the implementation of the Scheme.
- 7.3. Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.

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- 7.4. It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Company including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.
- 7.5. From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Company in their existing names.
- 7.6. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the Regional Director to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Regional Director (Central Government).

8. Conduct of Business

8.1. With effect from the Appointed Date and till the Scheme come into effect:

- 8.1.1. Transferor Company shall be deemed to carry on all their businesses and activities and stand possessed of and deemed to have held and stood possessed of all its properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses as the case may be, of Transferee Company.
- 8.1.2. Transferor Company shall carry on their businesses with due diligence and business prudence in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.
- 8.1.3. Transferor Company shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.
- 8.1.4. Transferor Company shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.
- 8.1.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

8.2. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Company.

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- 8.3. For the purpose of giving effect to the vesting order passed under Sections 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromise, Arrangement and Amalgamation), Rules, 2016 in respect of this Scheme by the Regional Director (Central Government), Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Company businesses and undertakings in accordance with the provisions of Section 233 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

PART – III

CONSIDERATION & ACCOUNTING TREATMENT

1. Consideration

- 1.1. Upon the Scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company.
- 1.2. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

2. Increase in Authorized Share Capital and Amendment to Memorandum of Association of the Transferee Company

- 2.1. Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Company shall be deemed to be added to the Authorized Share Capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration or filing fees. The face value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.
- 2.2. Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The Equity Share Capital of the Company is Rs. 15,75,00,000/- (Rupees Fifteen Crores Seventy Five Lakhs only) divided into 7,87,50,000 (Seven Crores Eighty Seven Lakhs and Fifty thousand) Equity shares of Rs. 2/- (Rupees Two) each. The Preference Share Capital of the Company is Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) divided into 2,50,000 (Two Lakhs Fifty Thousand) Preference shares of Rs. 10/- (Rupees Ten) each.

- 2.3. Upon coming into effect of this scheme, the resolutions and other actions undertaken by the Transferor Company, including approvals that may have been obtained by Transferor Company from its shareholders, if required, under the provisions of the Companies Act, 1956 or Companies Act, 2013 and which are valid subsisting on the effective date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolution have any monetary limits approved under the provisions of the said Acts or other applicable statutory provisions, than the said limit shall be added to the limits, if any, under like

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resolutions passed by the Transferee Company and shall constitute a part of the aggregate of the said limits in the Transferee Company.

- 2.4 Even after the scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this scheme is formally accepted by the parties concerned.
- 2.5 On approval of the Scheme by the members of Transferee Company pursuant to Section 233 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above it is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company.

3. Reclassification of Authorised Share Capital of Transferee Company

With effect from the Appointed Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferee Company and notwithstanding anything contained in Section 13 and 61 of Companies Act, 2013, the post-amalgamation Authorized Share Capital of the Transferee Company as added equity share capital of Transferor Company i.e., Rs. 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lakhs) equity shares of face value of Rs. 10/- (Rupees Ten) each will be reclassified as 50,00,000 (Fifty Lakhs) equity shares of Rs. 2/- (Rupees Two) each.

The Clause V of the Memorandum of Association of the Transferor Company shall stand altered to give effect to the same with effect from the Effective Dates upon coming into effect of the Scheme and reclassification of shares of Transferee Company, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The Authorized Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores only) divided into 7,87,50,000 (Seven Crores Eighty Seven Lakhs Fifty Thousand) Equity Shares of Rs. 2/- (Rupees Two only) each and 2,50,000 (Two Lakhs Fifty Thousand) eleven percent Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each with power to increase and/or reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respective preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the Act or provided by the Articles of Association of the Company.

4. Accounting Treatment for Amalgamation

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Indian Accounting Standard (Ind AS)103 for Business Combination and its appendix C" prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, (if applicable), as may be amended from time to time such that:

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- 4.1. The Transferee Company shall, record all the assets and liabilities, including reserves of the Transferor Company — vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the Appointed Date.
- 4.2. If at the time of amalgamation, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors and disclosed in line with Ind AS 1, Presentation of Financial Statements.
- 4.3. Investment, if any, in the equity share capital of the Transferor Company or vice versa, as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation /outstanding in that behalf.
- 4.4. The loans and advance or payables or receivables of any kind, held inter se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to Effective Date.
- 4.5. The balance of retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the financial statement of the Transferee Company. Alternately those are transferred to General Reserve if any.
- 4.6. The identity of the reserves shall be preserved and shall appear in the financial statement of the transferee in the same form in which they appeared in the financial statements of transferor.

5. Saving of Concluded Transactions

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

6. Dissolution of Transferor Company

On occurrence of the Effective Date, Transferor Company shall, without any further act or deed, shall stand dissolved without being wound up.

PART - IV

OTHER PROVISIONS

1. Application to Registrar:

- 1.1. Transferor Company and Transferee Company shall, with all reasonable dispatch, make application to the Registrar and Official Liquidator of relevant jurisdiction, under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the Scheme with such modifications as may be approved by the Regional Director.

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1.2. On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Company and Transferee Company shall, with all reasonable dispatch, apply to the Regional Director (Central Government), for sanctioning the Scheme under Section 233 and other applicable provisions of the Act read with Rule 25 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, and for such other orders, as the said Regional Director (Central Government) may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding up.

2. Listing Agreement and SEBI Compliances

2.1. Since the Transferee Company is a Listed Company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') in so far as they relate to sanction and implementation of the Scheme.

2.2. SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15 February 2017 has inserted Regulation 37(6) in the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection / observation letter of the Stock Exchanges and SEBI in case of amalgamation of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.

3. Conditionality of Scheme:

The Scheme is conditional upon and subject to:

3.1. The observations/objections of Registrar of Companies and Official Liquidator in terms of Section 233;

3.2. The Scheme being agreed to by the requisite majority of members and creditors of the Transferor Company and Transferee Company;

3.3. The Scheme being approved by the Regional Director (Central Government) at Mumbai, Maharashtra / Regional Director (Central Government) of Relevant Jurisdiction;

3.4. The Confirmation Order of the Regional Director (Central Government) sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company;

3.5. All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

4. Modification or Amendment of the Scheme and Revocation of the Scheme

4.1. The Transferee Company, Transferor Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Regional Director/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Company, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee

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thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

- 4.2. Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Regional Director or any other authority is not on terms acceptable to them.
- 4.3. In the event of any of the said sanctions / approvals / conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Regional Director and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the Company.

5. Costs

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.

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