

SRI. KUNAL RAVI SINGH

- Advocate

High Court Chamber No. 41.

Mob: 9415316794.

Dt. 21-05-2013.

9945  
21-05-13

COMPANY PETITION NO. 11 OF 2013

In the Matter of  
Kailash Auto Finance Ltd.,

Formal Order dated 21-05-2013.

Date of Application.....

Date of hearing.....

Date of order.....

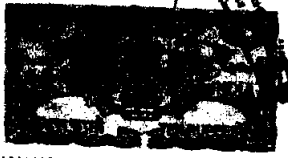
Issuing Clerk.....

21/05/13

21/05/13

21/05/13

CANCELLED



IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

\*\*\*\*\*

ORIGINAL COMPANY JURISDICTION

INDEX

IN

COMPANY PETITION NO. 11 OF 2013

(Under section 391 and 394 of the Companies Act, 1956)

DISTRICT: KANPUR NAGAR

IN THE MATTER OF AMALGAMATION OF:

KAILASH AUTO FINANCE LTD., a Company incorporated under the Companies Act, 1956, having its Registered Office at 19, Rollant Complex, 37/17, The Mall, Kanpur-208001 (Uttar Pradesh)

.....Transferee Company/ Applicant Company No. 1

WITH

CAREFUL PROJECTS ADVISORY LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 1/ Applicant Company No. 2

WITH

M/s PANCHSHUL MARKETING LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 2/ Applicant Company No. 3

CONNECTED WITH COMPANY APPLICATION NO. 17 OF 2012

IN THE MATTER OF

COMPANIES ACT, 1956

And

IN THE MATTER OF AMALGAMATION OF:

KAILASH AUTO FINANCE LTD.

And

CAREFUL PROJECTS ADVISORY LTD.

And

M/s PANCHSHUL MARKETING LTD.

↓  
m

9945



**IN THE MATTER OF AMALGAMATION OF:**

KAILASH AUTO FINANCE LTD., a Company incorporated under the Companies Act, 1956, having its Registered Office at 19, Rollant Complex, 37/17, The Mall, Kanpur-208001 (Uttar Pradesh)

.....Transferee Company/ Applicant Company No. 1

WITH

CAREFUL PROJECTS ADVISORY LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 1/ Applicant Company No. 2

WITH

M/s PANCHSHUL MARKETING LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 2/ Applicant Company No. 3

.....PETITIONERS

**BEFORE THE HON'BLE PANKAJ MITHAL J.**

**Date: 09.05.2013**

**ORDER ON PETITION**

The above petition coming on for hearing on 9<sup>th</sup> day of May 2013, upon reading the said petition, the order dated 20<sup>th</sup> day of December 2012, whereby the said Company was ordered to convene a Meeting of the equity shareholders of the Company for purpose of considering and if through fit approving with or without modification the scheme of Arrangement proposed to be made between the said Company and annexed to the affidavit of Miss Kavita Patel filed on 18.12.2012 and news papers "Pioneer"(English) and Amar Ujala (Hindi) dated 05.01.2013 each containing the advertisement of the said notice convening the said meeting directed to be held by the said order dated 20.12.2012, the affidavit of Sri Diptiman Singh Advocate Chairman filed on 19.01.2013, showing the publication and dispatch of the notices convening said meeting, the report of Sri Diptiman Singh Advocate, Chairman of the said meeting dated 27.01.2013 as to result of the said meeting and upon hearing Sri Kunal Ravi Singh, Advocate for the petitioner and it Appearing from the report that the proposed the scheme of



*m*

Arrangement has been approved unanimously and by majority of shareholders present and voting in person or by proxy.

In view of the aforesaid, there is no impediment in sanction of the scheme of arrangement.

Accordingly, the scheme of arrangement filed as Annexure 7 to the Company Petition is hereby sanctioned.

Let a copy of this order along with scheme of arrangement including reduction in capital be placed before the Registrar of the Companies U.P. Kanpur within 30 days for the purposes of registration.

Petition is allowed.

That the parties to the arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the arrangement and

That the said Company do file with the Registrar of Companies a Certified Copy of this order within 30 days from this date.

Schedule

Scheme of arrangement as sanctioned by the Court ..... Annexed.



A long vertical line with a wavy bottom, likely a signature or a placeholder for a signature.

246

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

\*\*\*\*\*

ORIGINAL COMPANY JURISDICTION

ANNEXURE-7

IN

COMPANY PETITION NO. OF 2013

(Under section 391 and 394 of the Companies Act, 1956)

DISTRICT: KANPUR NAGAR

IN THE MATTER OF AMALGAMATION OF:

KAILASH AUTO FINANCE LTD., a Company incorporated under the Companies Act, 1956, having its Registered Office at 19, Rollant Complex, 37/17, The Mall, Kanpur-208001 (Uttar Pradesh)

.....Transferee Company/ Applicant Company No. 1

WITH

CAREFUL PROJECTS ADVISORY LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 1/ Applicant Company No. 2

WITH

M/s PANCHSHUL MARKETING LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 2/ Applicant Company No. 3

.....PETITIONERS

CONNECTED WITH COMPANY APPLICATION NO. 17 OF 2012

IN THE MATTER OF COMPANIES ACT, 1956

And

IN THE MATTER OF AMALGAMATION OF:

KAILASH AUTO FINANCE LTD.

And

CAREFUL PROJECTS ADVISORY LTD.

And

M/s PANCHSHUL MARKETING LTD.

IN THE MATTER OF AMALGAMATION OF:

KAILASH AUTO FINANCE LTD., a Company incorporated under the Companies Act, 1956, having its Registered Office at 19, Rollant Complex, 37/17, The Mall, Kanpur-208001 (Uttar Pradesh)

.....Transferee Company/ Applicant Company No. 1

WITH

CAREFUL PROJECTS ADVISORY LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building, D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 1/ Applicant Company No. 2

WITH

M/s PANCHSHUL MARKETING LTD., a Company incorporated under the Companies Act, 1956 having its Registered Office at Ground Floor, Ismail Building; D.N. Road, behind Flora Fountain, Fort, Mumbai-400001

.....Transferor Company No. 2/ Applicant Company No. 3

.....APPLICANTS

\*\*\*\*\*

h

247

**SCHEME OF ARRANGEMENT**  
**In the matter of Companies Act of 1956**

**AND**

**In the matter of the Scheme of arrangement between**

**KAILASH AUTO FINANCE LIMITED**

**AND**

**CAREFUL PROJECTS ADVISORY LIMITED**

**AND**

**PANCHSHUL MARKETING LIMITED**

**AND THEIR RESPECTIVE MEMBERS**

**UNDER SECTION 391 TO 394 OF COMPANIES ACT 1956**

This Scheme of arrangement provides for:

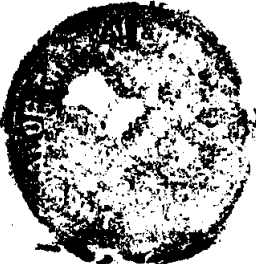
- 1.) Reduction of Equity Share Capital: and
- 2.) Merger of M/s. Careful Projects Advisory Limited (CPAL) and M/s. Panchsul Marketing Limited (PML) with M/s. Kailash Auto Finance Limited (KAFL).


**PART-I**

**Definitions**

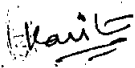
In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- a. 'The Act' means the Companies Act, 1956 as amended from time to time;
- b. 'Appointed Date' means 01/04/2012 or such other date as may be approved by the High Court of Judicature at Allahabad and Mumbai or such other appropriate authority;
- c. 'Amalgamation' means blending together of two or more undertakings into one undertaking, the shareholder of each blending company, becoming, substantially, the shareholders of the blended undertakings. There may be amalgamations either by transfer of two or more undertakings to a new company, or to the transfer of one or more companies to an existing company.
- d. 'CPAL' means M/s Careful Projects Advisory Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Ground Floor, Ismail Building, D.N. Road, Behind Flora Fountain, Fort Mumbai - 400001



For KAILASH AUTO FINANCE LIMITED  
Per:   
Director / Authorised Signatory



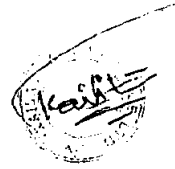


248

- e. 'KAFL' means M/s Kailash Auto Finance Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 19, Rollant Complex, 37/17, The Mall, Kanpur, Uttar Pradesh - 208001
- f. "Losses" means the accumulated losses available to the Company to set against its Capital.
- g. 'PML' means M/s Panchshul Marketing Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Ground Floor, Ismail Building, D.N. Road, Behind Flora Fountain, Fort Mumbai - 400001
- h. 'Record Date' is any date after the Effective Date to be fixed by the Board of Directors of the Transferee Company for determining the members of the Company whose shares in the Company will stand reduced
- i. 'Scheme of Arrangement' or "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modifications made under Clause 5 of the Scheme or modification as required to be made as per the directions of the respective Hon'ble High Court of Allahabad and Mumbai, Mumbai Stock Exchange (BSE) or any other regulatory, statutory and government authorities having jurisdiction over the same;
- j. The words "shareholder" and "member" are used to denote the same meaning and are used interchangeably;
- k. Reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" shall mean the Effective Date
- l. "Swap Ratio" means the ratio of exchange of shares between the transferor and the transferee company. The share capital of the transferor companies shall stand cancelled and the shareholders of the cancelled capital will receive shares of the transferee company based on the mutually accepted swap ratio by the transferee company and the transferor companies;
- m. 'The Court' shall mean the respective court/courts having jurisdiction in respect of the Transferee and Transferor companies.
- n. 'The Effective Date' for the Scheme of Arrangement shall mean the date on which certified copies of the Order of the respective Hon'ble High Court under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, are filed with the Registrar of Companies; and if the certified copies are filed on different dates, the last of such dates;
- o. Transferee Company means "KAFL"
- p. Transferor Company No. 1 means "CPAL".



FOR FILE



h

249

q. Transferor Company No. 2 means 'PML'

r. "Undertaking" shall mean and include:

- (a) all the assets and property of all the undertakings of the Transferor Companies as on the Appointed Date.
- (b) all the secured and unsecured debts, liabilities, duties and obligations of all the undertakings of the Transferor Companies as on the Appointed Date;
- (c) Without prejudice to the generality of sub clause (a) above, the Undertaking of the Transferor Companies shall include all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses (registrations, copyrights, patents, trade names, trade marks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trade marks, leases, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits, sales tax, value added tax and other claims and powers, of whatsoever nature and whosoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Companies, as on the Appointed Date
- (d) Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively prescribed.

2.) EFFECTIVE DATE AND OPERATIVE DATE

The Scheme shall be effective from the Effective Date.



*Kaur*



PART-II

3.) DETAILS OF TRANSFEREE COMPANY

a. Incorporation of Transferee Company

The Transferee Company was incorporated as Shivam Commercial Services Limited on 14<sup>th</sup> November, 1984.

Thereafter, the name of the company changed from Shivam Commercial Services Limited to Kailash Auto Finance Limited on 08<sup>th</sup> April, 1992.

The Transferee Company is a Non Deposit accepting Non Banking Finance Company registered with Reserve Bank of India, Kanpur, having registration number B-12.00129 dated 12<sup>th</sup> January, 2009.

b. Present Object of the Transferee Company

- i. To act as consultants and advisors in the line of management, financial and electronic data processing and to provide advises in EDP systems, secretarial, legal, commercial financial, economic labour, industrial, public relations, managerial, scientific, technical, PERT-CPM, statistical, taxation, accountancy, quality control, personnel and general administration of companies. Bodies corporate, firms, trusts, associations, proprietors, clubs organizations etc and to provide all types of services including systems analysis, data processing, portfolio management, personal recruitment, carriage of passengers and goods, designing and preparation of feasibility and projects reports, drawings, plan layouts, buildings plans, tenders for all the plant and machinery, equipment, building plans and other structures and helping in finalisation of contracts and creation and commissioning of plants.
- ii. To carry and undertake the business of financiers and trading on hire purchase, purchasing, selling, hiring or letting on hire all kinds of plant and machinery, automobiles, aeroplanes, helicopters, carriages, equipments, vehicles, buildings sheds, land plots, furniture, fixtures and other articles that the company may think fit and to assist in financing of all and every kind of hire purchase or deferred payment or similar transaction and to subsidize, finance or assist in subsidizing or financing the sale and maintenance thereof and to give guarantees and to provide securities to or on behalf of anybody corporate or other person whether promoted or managed by this company or not. The Company shall not carry on any business which is banned under the Banking Regulation Act, 1949 and the Prize chits and Money circulation Schemes (banning) Act, 1978.

h

Kailash

The Transferee Company was incorporated as Shivam Commercial Services Limited on 14<sup>th</sup> November, 1984.

Thereafter, the name of the company changed from Shivam Commercial Services Limited to Kailash Auto Finance Limited on 08<sup>th</sup> April, 1992.

The Transferee Company is a Non Deposit accepting Non Banking Finance Company registered with Reserve Bank of India, Kanpur, having registration number B-12.00129 dated 12<sup>th</sup> January, 2009.

**b. Present Object of the Transferee Company**

- i. To act as consultants and advisors in the line of management, financial and electronic data processing and to provide advises in EDP systems, secretarial, legal, commercial financial, economic labour, industrial, public relations, managerial, scientific, technical, PERT-CPM, statistical, taxation, accountancy, quality control, personnel and general administration of companies, Bodies corporate, firms, trusts, associations, proprietors, clubs, organizations etc and to provide all types of services including systems analysis, data processing, portfolio management, personal recruitment, carriage of passengers and goods, designing and preparation of feasibility and projects reports, drawings, plan layouts, buildings plans, tenders for all the plant and machinery, equipment, building plans and other structures and helping in finalisation of contracts and creation and commissioning of plants.
- ii. To carry and undertake the business of financiers and trading on hire purchase, purchasing, selling, hiring or letting on hire all kinds of plant and machinery, automobiles, aeroplanes, helicopters, carriages, equipments, vehicles, buildings sheds, land plots, furniture, fixtures and other articles that the company may think fit and to assist in financing of all and every kind of hire purchase or deferred payment or similar transaction and to subsidize, finance or assist in subsidizing or financing the sale and maintenance thereof and to give guarantees and to provide securities to or on behalf of anybody corporate or other person whether promoted or managed by this company or not. The Company shall not carry on any business which is banned under the Banking Regulation Act, 1949 and the Prize chits and Money circulation Schemes (banning) Act, 1978.

h

*Kailash*

251

- iii. To carry on the business of financing industrial enterprises and others whether by way of making loans or advance or to subscribing to capital of private enterprises in India.
- iv. To carry on the business of auctioneers, broker's factor and agent in all its branches in relation to the articles mentioned in clause 2 above.

c. Capital Structure of the Transferee Company as on 31<sup>st</sup> March, 2012

Share Capital	Amount in Rs.
<b>Authorised:</b>	
100,00,000 Equity Shares of Rs. 10/- each	Rs. 10,00,00,000/-
5,00,000 Preference Shares of Rs 10/- each	Rs. 5,00,00,000/-
<b>Issued:</b>	
38,05,900 Equity Shares of Rs. 10/- each	Rs. 3,80,59,000/-
<b>Subscribed</b>	
38,05,900 Equity Shares of Rs. 10/- each	Rs. 3,80,59,000/-
<b>Paid-up</b>	
38,05,900 Equity Shares of Rs. 10/- each	Rs. 3,80,59,000/-

4.) (1) DETAILS OF TRANSFEROR COMPANY

a. Incorporation of Transferor Company No. 1

The Transferor Company No. 1 was incorporated as a Private Limited company with the name Careful Projects Advisory Private Limited on 18<sup>th</sup> September, 2010

Thereafter, the company was converted into a public company and accordingly the name of the company was changed to Careful Projects Advisory Limited with effect from 08<sup>th</sup> July, 2011

b. Present object of the Transferor Company No. 1

- i. To act as consultancy and advisory services in the matter of purchase for investment or resale and to traffic in land, house and other property of any tenure and any interest therein and to create set and deal in free hold ground rents and to make advances upon the security of land or house or other property or any interest therein and generally to deal in traffic by way of sale, lease, exchange or otherwise with land and house property and any other property whether real or personal and to purchase or to otherwise acquire and to sell exchange, surrender, lease, mortgage, charge convert turn to account, dispose of assign and deal with property and rights of all kinds and in particular mortgage, debentures, produce, concessions, options, contracts, annuities, licences, stocks, shares, bonds, pol



Handwritten signature or initials, possibly 'Karl'.

icies,bookdebts business concerns and undertaking and claims privileges of all kinds including that of acquiring any rights, title, interest in any agreement or any such rights, titles, interest, claim in any pending suit or action.

ii. To act as consultancy and advisory services in the matter of take on lease, purchase or acquire in any manner whatsoever any apartment, house, flats, shops, offices, clubs, township ,markets ,or other building and for these purpose to purchase, take on lease or in exchange ,hire or otherwise acquire and hold any land and prepare layout thereon ; to use it or let out or dispose off the same on installment basis, rent basis or by outright sale or in any other mode of disposition/development and acquire and deal in any and every kind of article and produce and materials used for building.

c. Capital Structure of the Transferor Company No.1 as on 31<sup>st</sup> March, 2012

Share Capital	Amount in Rs.
Authorised:	
29,00,00,000 Equity Shares of 1/-each	Rs. 29,00,00,000/-
Issued, subscribed and paid-up:	
28,56,86,800 Equity Shares of 1/-each	Rs. 28,56,86,800/-



(2) DETAILS OF TRANSFEROR COMPANY NO. 2

a. Incorporation of Transferor Company No. 2

The Transferor Company No. 2 was incorporated as Panchshul Marketing Private Limited on 25<sup>th</sup> September, 2010 as a private company limited by shares under the provisions of the Companies Act, 1956

Thereafter, the company was converted into a public company and accordingly the name of the company was changed to Panchshul Marketing Limited with effect from 08<sup>th</sup> July, 2011.

b. Present object of the Transferor Company No. 2

i. To carry on the business as distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contactors, forwarding agents, licensing agents, general brokers and buyers, sellers, suppliers, growers,

h

Kail

processors, traders, merchants, indentures, brokers, agents, assemblers, stockiest of goods and commodities of any kind to work as commodities of any kind to work as commission agents, brokers, contractors, processors order suppliers and dealing agents.

c. Capital Structure of the Transferor Company No.2 as on 31<sup>st</sup> March, 2012

Share Capital	Amount in Rs.
<b>Authorised:</b>	
31,00,00,000 Equity Shares of 1/-each	Rs. 31,00,00,000/-
<b>Issued, subscribed and paid-up:</b>	
30,02,24,000 Equity Shares of 1/- each	Rs 30,02,24,000 /-

PART- III

5.) RATIONALE FOR THE SCHEME OF ARRANGEMENT

5.1 Purpose of the Scheme:

1.) REDUCTION OF PAID UP CAPITAL AGAINST ACCUMULATED LOSSES

On the effective date and after securing necessary approvals and permissions, the accumulated losses of Rs. 3,42,53,100/- (Rupees Three Crores Forty Two Lacs Fifty Three Thousand and One Hundred Only) of the Company out of total accumulated Loss of Rs. 6,39,89,178/- (Rupees Six Crores Thirty Nine Lacs Eighty Nine Thousand One Hundred Seventy Eight Only) is sought to be set off against the paid up capital of the Company, as a result of which the Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs. 3,80,59,000/- (Rupees Three Crores Eighty Lacs and Fifty Nine Thousand Only) divided into 38,05,900 (Thirty Eight Lacs Five Thousand and Nine Hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 38,05,900/- (Rupees Thirty Eight Lacs Five Thousand Nine Hundred only) divided into 38,05,900 (Thirty Eight Lacs Five Thousand Nine Hundred) Equity Shares of Re. 1/- (One only) each. Consequently, every shareholder of the Company, whose name appears on the Register of Members on the Record Date, shall receive 10 (Ten) Equity Share of Re. 1/- (Rupees One Only) in lieu of every 10 (Ten) Equity Shares of Rs. 10/- (Rupees Ten Only) each, held earlier in the Company. For example, a person who is holding 100 (Hundred) Equity Shares of Rs 10/- (Rupees Ten Only) each aggregating to Rs 1,000/- (Rupees One Thousand Only) shall hold (after the reduction) 100 (Hundred) Equity Shares of Re 1/- (Rupee



h  
Kavil

254

One Only) each aggregating to Rs.100/- (Rupees One Hundred Only). The revised structure of the share capital of the Company shall be as specified in Clause No. 6 of the Scheme.

The reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company. In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. For example if shareholder will hold 15.4 shares after reconstruction of capital, it shall be rounded off to 15 shares and the 0.4 shares shall be ignored. However, if the shareholder will hold say 15.5 shares, it shall be rounded off to 16 shares.

**2.) MERGER OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANIES**

- a) It would be advantageous to combine the activities and operations of the three companies into a single Company for synergistic linkages and the benefit of combined financial resources. This will be reflected in the profitability of the Transferee Company.
- b) This Scheme of arrangement would result in merger and thus consolidation of business of both the transferor companies and Transferee Company in one entity i.e. KAFL. KAFL being a Listed Company all the shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a trading platform.
- c) Amalgamation of the Transferor Companies with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies. The merged entity will also have sufficient funds required for meeting its working capital needs and other purposes raised as provided for in the scheme.
- d) The Scheme of arrangement will result in cost saving for all the companies as they are capitalizing each others core competency and market which is expected to result in higher profitability levels and cost savings for the Amalgamated Company.
- e) The Amalgamated Company will have the benefit of the combined resources of Transferor and Transferee Companies i.e. Reserves, investments, goodwill, manpower, finances, customers, distributors, brands etc. at its disposal for meeting its requirements.

h

KAFL

- f) The amalgamated Company would also have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over the others, especially in view of the increasing competition due to liberalization and globalization, which will be beneficial in more than one ways to both the Transferor and the Transferee Company and their shareholders.
- g) Transferor as well as Transferee Company share common fundamental management philosophies. The Companies also share common corporate values.
- h) The Amalgamation is in accordance with the Section 2(iB) of the Income Tax Act, 1961 and the Transferor Companies as well as the Transferee Company will be able to avail of the benefits available under the Income tax Act, 1961 and any other provisions applicable and available under the Indian laws.
- i) Upon the Scheme being effective, the objects of the Transferee Company shall automatically become the objects of the amalgamated company.
- j) There will be no stamp duty payable under the provisions of the Indian Stamp Act on transfer of moveable and immovable assets of the Transferor Companies.
- k) Upon the scheme being effective,

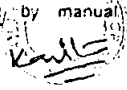
**a. TRANSFER OF UNDERTAKING**

The Undertaking of the Transferor Companies shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner

I. With effect from the Appointed Date, all the Undertaking of the Transferor Companies comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (ii) and (iii) below), be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to become as from the Appointed Date the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein

II. All the movable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery or by

h



endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. The plant and machinery of the Transferor Companies, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.

III. In respect of movables other than those specified in sub-clause (II) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government Semi-Government, Custom, Port, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and for be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Section 391 read with Section 394 of the Act.

IV. In relation to the assets of any, belonging to the Transferor Companies, which require separate documents of transfer, the Transferor Companies and the Transferee Company will execute the necessary documents, as and when required.

V. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

VI. The transfer and vesting of the Undertaking of the Transferor Companies as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Companies.

Provided however, any reference in any security documents or arrangements (to which the Transferor Companies or Transferee Company are a party) to the assets of the Transferor Companies or Transferee Company offered or agreed to be offered as security for any financial assistance or obligations, shall continue with such assets or part thereof pertaining to the Undertaking, of the Transferor Companies as are vested in the Transferee Company by virtue of the



h

11

*Kant*



257

aforesaid Clauses or such assets or part thereof pertaining to the Transferee Company respectively and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies or any of the assets of the Transferee Company respectively.

VII. Loans or other obligations, if any, due between or amongst the Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.

**b. AUTHORISATION**

The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances, if required, referred to above.

**c. LEGAL PROCEEDINGS**

I. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

II. 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 Companies with the Transferee Company or anything contained in the Scheme.

III. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.

**d. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, incentives, licenses, engagements and other



A small, partially visible stamp or mark on the left side of the page.

h

11

Kavita

K. V. L.

instruments, if any, of whatsoever nature to which the Transferor Companies are a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or notations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

**e. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of Undertaking under Clause 5.1 above and the continuance of proceedings by or against the Transferee Company under Clause 5.1 above and the effectiveness of contracts and deeds under Clause 5.1 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date and after the Appointed Date till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

**f. STAFF, WORKMEN AND EMPLOYEES**

(a) On the Scheme coming into effect, all staff, workmen and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Companies on the Effective Date.

(b) It is expressly provided that in so far as the Gratuity Fund, Provident Fund, Super Annuity Fund, Employee's State Insurance Corporation Contribution, Labour Welfare Fund or any other Fund created or existing for the benefit of the staff, workmen and



h

Karls

259

employees of the Transferor Companies are concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds 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 Companies in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Companies under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

**g. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEE COMPANY**

As and from the Appointed Date up to and including the Effective Date:

i. The Transferor Companies shall carry on and be deemed to have carried on its business and activities and shall stand possessed of all its Undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company

ii. Any income or profit accruing or arising to the Transferor Companies and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, etc), incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

**h. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE:**

With effect from the Appointed Date and upto the Effective Date:

(a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of, and in trust for the Transferee Company.

h

*Karish*



261

Company or except as has been expressly disclosed under this Scheme.

i. CONSIDERATION/EXCHANGE (SWAP RATIO)

- (a) The networth of the transferee company based on the valuation report of the Independent Chartered Accountant is of Nil, since the Networth is negative.
- (b) The paid up value per share of the Transferee Company will be of Re. 1/- each, fully paid up post reduction of capital.
- (c) The networth of the Transferor Company No. 1 as per the valuation report of Independent Chartered Accountant is of Rs. 29,18,41,326/- (Rupees Twenty Nine Crores Eighteen Lakhs Forty One Thousand Three Hundred Twenty Six Only).
- (d) The paid up value per share of the Transferor Company No. 1 is of Re. 1/- each, fully paid up.
- (e) The networth of the Transferor Company No. 2 as per the valuation report of Independent Chartered Accountant is of Rs. 30,55,21,250/- (Thirty Crores Fifty Five Lakhs Twenty One Thousand Two Hundred and Fifty only).
- (f) The paid up value per share in the Transferor Company No. 2 is of Re. 1/- each, fully paid up.
- (g) The Authorized share capital of the Transferor Companies shall stand cancelled and without any further act or deed and without any further payment of the stamp duty or the registration fees shall be added to the Authorised Share Capital of the Transferee Company.

j. SWAP RATIO:

Considering parameters like options of listing of the company, wider market accessibility, easy liquidity, etc. the shareholders of the transferor companies have agreed to accept the shares in the following ratio:

- a. The shareholders of the Transferor Company No. 1 have agreed to accept one share for every one equity share of Rs. 1/- each held by them as fully paid-up in the Equity Share Capital of the Transferee Company post reduction of Capital.
- b. The shareholders of the Transferor Company No. 2 have agreed to accept one share for every one equity share of Rs. 1/- each held by them as fully paid-up in the Equity Share Capital of the Transferee Company post reduction of capital.

ln



262

**K. ISSUE OF SHARES BY THE TRANSFEREE COMPANY TO THE SHAREHOLDERS OF THE TRANSFEROR COMPANIES:**

Upon the Scheme becoming finally effective in consideration of the transfer of and vesting of the Undertaking of the Transferor Companies in the Transferee Company in terms of the Scheme:

(a) The Transferee Company shall, subject to the provisions of the Scheme and without any further application, act, instrument or deed, issue and allot to the shareholders of the Transferor Companies, whose names appear in the Register of members of Transferor Companies on Record Date to his/her heirs, executors, administrators, or the successors in title, as the case may be, in the following proportion:

(b) In respect of every 1 Equity Share of Re. 1/- (Rupee One only) each held by him in the Transferor Companies No. 1, 1 Equity Share of Re. 1/- (Rupee One Only) each credited as fully paid-up in the Equity Share Capital of the Transferee Company:

In respect of every 1 Equity Share of Re. 1/- (Rupee One only) each held by him in the Transferor Companies No. 2, 1 Equity Share of Re. 1/- (Rupee One Only) each credited as fully paid-up in the Equity Share Capital of the Transferee Company:

(c) The said shares shall be issued in dematerialized form or in physical form by the Transferee Company, as notified in writing by the shareholders of the Transferor Companies to the Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. Thus, the Transferee Company shall issue total 58,59,10,800 (Fifty Eight Crores Fifty Nine Lakhs Ten Thousand Eight Hundred) Equity Shares of Re. 1/- each aggregating to Rs. 58,59,10,800/- (Rupees Fifty Eight Crores Fifty Nine Lakhs Ten Thousand Eight Hundred Only) to the shareholders of Transferor Companies.

a. Of the said shares 28,56,86,800 (Twenty Eight Crores Fifty Six Lakhs Eighty Six Thousand Eight Hundred) Equity Shares of Re. 1/- each shall be allotted to the shareholders of Transferor Company No. 1;

b. 30,02,24,000 (Thirty Crores Two Lakhs Twenty Four Thousand) Equity Shares of Re. 1/- each shall be allotted to the shareholders of Transferor Company No. 2;

c. In the event that the Transferee Company restructures its equity share capital by way of share split / consolidation / issue of bonus



shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of such corporate actions.

- (d) The said new Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Transferee Company, save and except that the owners of such Equity Shares shall be entitled to dividend declared and paid by the Transferee Company only after the Record Date for the purpose of allotment of the Transferee Company's Equity shares to the Equity Shareholders of the Transferor Companies pursuant to the approval of the Scheme.
- (e) Equity shares of the Transferee Company issued under the scheme may be listed and / or admitted to trading on the Mumbai Stock Exchange (BSE) and / or any other Stock Exchange where the shares of Transferee Company are listed and / or admitted to trading in terms of the applicable laws and regulations. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.
- (f) For the purpose of issue of equity shares to the shareholders of Transferor Companies, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India (if any) and other concerned regulatory authorities for the issue and allotment by the Transferee Company of such equity shares.
- (g) The Equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any Equity shares of Transferor Company which are held in abeyance (if any) under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.
- (h) The Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of Equity Shares of Transferor Companies which are not fully paid up shall also be kept in abeyance and dealt with by the Transferee Company when they become fully paid-up, based on information periodically provided by Transferor Companies to the Transferee Company.



1

*Karil*

264

(i) Unless otherwise determined by the Board of Directors or any committee thereof of Transferor Companies and the Board of Directors or any committee thereof of the Transferee Company, issuance of Equity shares shall be done within 90 days from the date of sanction of this scheme by the Hon'ble Court(s) or as early as possible depending upon the situation.

(j) For the purpose of Income Tax as per the expert opinion received by Transferor Companies.

1) The cost of acquisition of the shares of the Transferee Company in the hands of the shareholders of Transferor Companies shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Transferor Companies

2) The period for which the share(s) in the Transferor Companies are held by the shareholders shall be included in determining the period for which the shares in the Transferee Company have been held by the respective shareholder.

(k) The issue and allotment of Equity Shares by Transferee Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81(1A) and other applicable provisions of the Act.

(l) There shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the date of listing of the shares of the Transferee Company pursuant to the Scheme, save and except pursuant to the issuance of shares under this Scheme.

(m) Fraction of Share: The fractions arising due to the above Exchange Ratio shall be treated as under :

a. No fractional entitlements shall be issued by the Transferee Company, in respect of the fractional entitlements, if any, to which the members of the Transferor Companies may be entitled on issue of allotment of the shares

b. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an authorised officer of the Transferee Company with express understanding that such Director or the officer shall sell the same at the best available price in one or more lots and by private sale / placement or by auction as deemed fit the decision of such Director or the officer as the case may be as to the timing and method of the sale and the price at which such sale has been given

L

*Kant*



265

effect to shall be final and pay the sale proceeds to the Transferee Company. The net sale proceeds there upon shall be distributed among the members of the Transferor Companies in the proportion of their fractional entitlements by the Transferee Company.

(n) Upon issuance and allotment of the Equity Shares by the Transferee Company to the members of the Transferor Companies as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Companies shall automatically stand cancelled / extinguished

a. In so far as the Equity Shares of the Transferor Companies held by the Transferee Company if any, on the Effective Date are concerned, such shares would be cancelled and to that extent the Transferee Company is required to issue less number of shares.

b. In so far as the Equity Shares of the Transferee Company held by the Transferor Companies are concerned, such shares would be cancelled, on the Effective Date and an equal number of new shares shall be issued, which shall be proportionately distributed amongst the shareholders of the respective Transferor companies subject to the provisions of clause (m) above

1. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANIES:



(a) Recognizing that the amalgamation is to be considered as an "amalgamation in nature of merger" as defined by paragraph 29 of the Accounting Standard on "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India (ICAI), As-14, the accounting treatment in respect of assets, liabilities and reserves of the Transferor Companies shall be governed, subject to the provisions of this paragraph, in accordance with what is described in As-14 as "the Pooling of interests Method".

(b) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferor Companies be required, the Reserves of the Transferor Companies will be merged with the Reserves of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Companies.

h

Kavits



266

(c) Further, in case of any difference in accounting policy between the Transferor Companies and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy

(d) An amount equal to the balance lying to the credit/ debit of Profit and Loss Account in the books of the Transferor Companies shall be credited/ debited by the Transferee Company to its Profit and Loss Account and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves as effectively as if the same were created by the Transferee Company and credited by the Transferee Company out of its own earned and distributable profits.

(e) The difference between Net Assets Value i.e. Book value of Assets minus liabilities (including Reserves) of the Transferor Companies as on Appointed Date and Equity Share Capital issued to the shareholders of Transferor Companies on Amalgamation by the Transferee Company shall be credited/ debited by the Transferee Company to its Capital Reserve/ Goodwill Account as the case may be. General Reserve shall constitute as free reserves as if the same was created by the Transferee Company out of its own earned and distributable profits.

m. DIVIDEND, PROFIT, BONUS, RIGHT SHARES:

At any time upto the Effective Date

(a) The Transferor Companies and the Transferee Company shall not declare/ or pay dividends, which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of both the Transferor Companies and the Transferee Company

(b) The Transferor Companies and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Companies and the Transferee Company.



h

Handwritten signature or initials, possibly "Karl S", with a horizontal line underneath.

Transferor Companies and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy.

(d) An amount equal to the balance lying to the credit/ debit of Profit and Loss Account in the books of the Transferor Companies shall be credited/ debited by the Transferee Company to its Profit and Loss Account and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves as effectively as if the same were created by the Transferee Company and credited by the Transferee Company out of its own earned and distributable profits.

(e) The difference between Net Assets Value i.e. Book value of Assets minus liabilities (including Reserves) of the Transferor Companies as on Appointed Date and Equity Share Capital issued to the shareholders of Transferor Companies on Amalgamation by the Transferee Company shall be credited/ debited by the Transferee Company to its Capital Reserve/ Goodwill Account as the case may be. General Reserve shall constitute as free reserves as if the same was created by the Transferee Company out of its own earned and distributable profits.

**m. DIVIDEND, PROFIT, BONUS, RIGHT SHARES:**

At any time upto the Effective Date

(a) The Transferor Companies and the Transferee Company shall not declare or pay dividends, which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of both the Transferor Companies and the Transferee Company.

(b) The Transferor Companies and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Companies and the Transferee Company.



h

Handwritten signature or initials, possibly "Karl", with a circular stamp or seal around it.

267

(c) The resolutions of the Transferor Companies, which are valid and subsisting be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be valid and shall continue for the Transferee Company.

(d) The borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act shall, without any further act, instrument or deed, stand enhanced by an amount equivalent to the aggregate value of the paid up share capital and free reserves of the Transferor Company (apart from temporary loans obtained from the bankers in the ordinary course of business) over and above the existing borrowing limits of the Transferee Company.

n. DISSOLUTION OF THE TRANSFEROR COMPANIES:

The Transferor Companies shall be dissolved without winding up on an order made by the Respective High Courts under Section 394 of the Companies Act.

6.) Consequential changes in Shareholding Pattern

Particulars	Pre Shareholding	%	Shareholding	%	Shareholding	%
	Equity Shares of Rs. 10 Each		(Post Reduction Pre Merger) Equity Shares of Re. 1 Each		(Post merger and Reduction) Equity Shares of Re. 1 Each	
I. Promoters						
Indian promoters						
Bodies Corporate	28,56,617	69.80	26,56,617	69.80	15,78,57,300	26.89
II. Public Shareholding						
Mutual Funds						
Financial Institutions						
Other Bodies Corporate	7,100	0.19	7,100	0.19	8,97,68,150	15.29
Individual	1,42,183	30.01	1,42,183	30.01	33,94,34,633	57.82
3. Others						
6. NRI						
<b>TOTAL EQUITY SHARES</b>	<b>38,05,900</b>	<b>100.00</b>	<b>38,05,900</b>	<b>100.00</b>	<b>58,70,60,083</b>	<b>100.00</b>

7.) The Paid Up Capital of the company post merger shall be 58,70,60,083 (Fifty Eight Crores Seventy Lakhs Sixty Thousand Eighty Three only) Equity Shares of Re. 1/- each aggregating to Rs. 58,70,60,083/- (Rupees Fifty Eight Crores Seventy Lakhs Sixty Thousand Eighty Three only)

*h*

*Kail*

*[Signature]*

21

268

8.) Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies

9.) The consent of shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting the above amendments for increase in authorised capital of the Transferee Company and for reduction of capital and no further resolution under Section 31, Section 94, Section 100 and Section 81(1A) or any other applicable provisions of the Act, would be required to be separately passed

269

that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

PART-V

13.) SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS:

This Scheme is specifically conditional upon and subject to:

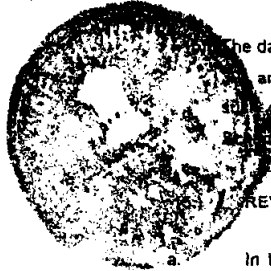
- (a) The approval of and agreement to the Scheme by the requisite majority of such Classes of persons of the Transferor Companies and the Transferee Company as may be directed by the respective High Court for Transferor and the Transferee company on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) The sanctions of the High Court obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Companies and Transferee Company.
- (c) Filing certified copies of the court orders referred to in this Scheme with the Registrar of Companies.

14.) EFFECTIVE DATE OF THE SCHEME:

This Scheme although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.

- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are hereinabove referred to have been obtained or passed; and

The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies and the date shall be referred to as Effective Date for the purpose of the Scheme.



REVOCATION OF THE SCHEME

In the event of any of the said sanctions and approvals referred to in Clause 12 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before 31.03.2013 or such other date as may be mutually agreed upon by the respective Board of Directors of the

h  
23  
Kavil

270

Transferor Companies and the Transferee Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegates), this Scheme shall stand revoked, cancelled and be of no effect)

- b. In the event of revocation under clause 14(a) no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or employees or any other person (any and 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.
- c. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such boards are of 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 any of the companies

16.) COSTS, CHARGES AND EXPENSES

All costs, charges, 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) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company

PART-VI

CANCELLATION OF SHARES

On this Scheme becoming finally effective, all the shareholders, if so required of the Company, shall surrender their share certificates for cancellation thereof, notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company may instead of requiring the surrender of the old share certificates, as above, direct-



h

Karil

271

issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders

18.) LISTING OF SHARES:

Notwithstanding the reduction of Capital of the Company and issue of new Equity Shares in pursuance of this Scheme, the listing benefit of the Company, for the existing shares as well as the new shares being issued in pursuance of this Scheme, on all or any of the Stock Exchanges where the existing Equity Shares of the Company are listed may continue

- a. Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

For KAILASH AUTO FINANCE LIMITED

Director / Authorised Signatory

*[Signature]*

0130074  
3-2-13



9945

Dated this 21<sup>st</sup> day of May 2013  
(By the Court)

*[Signature]*  
REGISTRAR GENERAL

Comply  
Plan  
21-05-13

TRUE COPY  
Bansidhar  
21-05-13  
Section Officer  
Copying Department  
High Court, Allahabad

18/5/2013  
Mush  
18/5/2013  
SO

*[Signature]*  
18/5/2013  
DR