



**SWIFT CARGO PVT LTD**

Formerly known as SWIFT FREIGHT I PVT LTD)  
3C2 Gundecha Onclave, Kherani Road, Sakinaka,  
Andheri (E) Mumbai 400072  
Board Line Number: +91 22 6777 9438  
CIN: U63010MH1992PTC068041

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT MUMBAI

CP (CAA)/61/MB-IV/2023

Connected with

CA(CAA)/268/MB-IV/2021

In the matter of Sections 230 and 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement of South Star Shipping Private Limited, (the First Transferor Company) , Swift Shipping Private Limited (the Second Transferor Company) with Swift Cargo Private Limited, the Transferee Company and their respective Shareholders.

**SWIFT CARGO PRIVATE LIMITED**

[CIN: U63010MH1992PTC068041]

... Petitioner Company

**Notice for Final Date of Hearing**

This is to inform you that the National Company Law Tribunal, Mumbai Bench was pleased to admit the captioned Petition filed by the above Company vide its Order dated 29th March, 2023. The Hon'ble Tribunal has kept the returnable date of hearing of the Petition as 11th May, 2023.

A copy of the Scheme of Arrangement of Merger between South Star Shipping Private Limited, (the First Transferor Company) , Swift Shipping Private Limited (the Second Transferor Company) with Swift Cargo Private Limited, (the Transferee Company) and their respective Shareholders is enclosed herewith for your reference.

//Certified True Copy//  
For SWIFT CARGO PRIVATE LIMITED

*V. Venkatarathan*



BASKAR VENKATAVARATHAN  
Director  
DIN: 00094344

**SCHEME OF ARRANGEMENT**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**IN THE MATTER OF THE COMPANIES ACT, 2013**

**AND**

**IN THE MATTER OF SOUTH STAR SHIPPING PRIVATE LIMITED**

**..... (First Transferor Company)**

**AND**

**IN THE MATTER OF SWIFT SHIPPING PRIVATE LIMITED**

**..... (Second Transferor Company)**

**AND**

**IN THE MATTER OF SWIFT CARGO PRIVATE LIMITED**

**..... (Transferee Company)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITOR**

**(UNDER SECTIONS 230 TO 232 AND RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013)**

**1. PREAMBLE**

**1.1.** This Scheme of Arrangement (Merger) (the “**Scheme**”) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act for merger of **SOUTH STAR SHIPPING PRIVATE LIMITED and SWIFT SHIPPING PRIVATE LIMITED** with **SWIFT CARGO PRIVATE LIMITED**

**1.2.** The Scheme is divided into the following parts:

(i) **Part I** deals with Definitions, Interpretations and Share Capital

(ii) **Part II** deals with merger of the **SOUTH STAR SHIPPING PRIVATE LIMITED and SWIFT SHIPPING PRIVATE LIMITED** into **SWIFT CARGO PRIVATE LIMITED**

(iii) **Part III** deals with Accounting Treatment

(iv) **Part IV** deal with General Terms and Conditions

## 2. DESCRIPTION OF COMPANIES

2.1. **SOUTH STAR SHIPPING PRIVATE LIMITED** is a Private Limited Company, incorporated under the Companies Act, 1956 on the 14<sup>th</sup> July, 1995 and has its registered office at Flat No.D-4, 1<sup>st</sup> Floor, BBC Villa Complex, Old No.65, New No.33, Prakasam Salai, Broadway Chennai-600108 , Tamil Nadu, India (**the First Transferor Company**). The Corporate Identity Number of the First Transferor Company is **U60222TN1995PTC032246**. The First Transferor Company is engaged in carrying out the business as follows:

2.1.1. To carry on the business as ship, tug, barge, container, owners, builders, characters, hirers, liners, brokers, agents, underwriters, managers, shipping agents, freight brokers, and contractors, carriers of goods and passengers by river, sea, water, land and air and for this purpose to engage in inland, coastal and international shipping either in India or elsewhere in world.

2.1.2. To carry on the business as transport haulage, clearing and forwarding agent, dock owners, engineers, stevedores, warehousemen, packers, wharfingers, salvors, shipbuilders, ship repairers, manufacturers of and dealers, in machinery, engines, nautical, instruments, gear fittings, and equipment's, of every description, used in ships, tugs, barges, and ocean, going vessels.

2.2. **SWIFT SHIPPING PRIVATE LIMITED** is a Private Limited Company incorporated under the Companies Act, 1956 on the 01<sup>st</sup> March, 1993 and has its registered office at Flat No.A-1, 7<sup>th</sup> Floor, BBC Villa Complex, Old No.65, NewNo.33, Prakasam Salai, Broadway, Chennai-600108 (**the Second Transferor Company**). The Corporate Identity Number of the Second transferor Company is **U63090TN1993PTC024512**. The Second Transferor Company is primarily engaged in the business as follows:

2.2.1 To undertake and carry on all or any or any of the trade and business of shippers, ship owners, ship brokers, ship agents, underwriters, ship managers, tug-owners, shipping agents, loading brokers, freight brokers, and freight contractors, carriers of goods and passengers by land and

water, transport haulage, general contractors, clearing and forwarding agent, dock owners, engineers, stevedores, warehousemen, packers, wharfingers, salvors, shipbuilders, ship repairers, manufacturers of and dealers, in machinery, engines, nautical, instruments and ships, rigging, gear fittings, and equipment's of every description.

2.2.2 To engage in inland, coastal and international shipping either in India or elsewhere in world.

2.2.3 To purchase, charter, hire build or otherwise acquire steam and other ships, vessels and to employ the same in conveyances of passengers, mails and merchandise of all kinds, and to carry on the business of ship owners, barge owners, and lighter men in all the branches.

2.3. **SWIFT CARGO PRIVATE LIMITED** is a Private Limited Company incorporated under the Companies Act, 1956 on the 06<sup>th</sup> August, 1992 and has its registered office at C-2, C-Wing, 3<sup>rd</sup> Floor, Gundecha Onclave Kherani Road, Sakhinaka, Andheri (East) Mumbai- 400072 (**the Transferee Company**). The Corporate Identity Number of the Transferee Company is **U63010MH1992PTC068041**. The Transferee Company is primarily engaged in the business as follows:

2.3.1 To carry on the business of transport of goods, animals, or passengers from place to place either sea, partly through sea and partly by land or consolidation by air and sea.

### 3. **RATIONALE & PURPOSE OF THE SCHEME**

This Scheme of Arrangement is aimed at merger with a view to achieve the following benefits:

3.1 All the companies are under the same management, proposed amalgamation would result into simplification of the holding structure and would result into optimum utilization of the management and other resources.

3.2 With a view to aligning the business operations undertaken by the Transferor Companies and the Transferee Company, the said Companies now propose by way of this Scheme to amalgamate the Transferor Companies into and with the Transferee Company in accordance with the terms hereof.

3.3 The amalgamation will enable appropriate consolidation of the activities of the Transferor Companies and the Transferee Company with pooling and more efficient utilization of resources, greater economies of scale, reduction in overheads and improvement in various operating parameters. The same will result in better inventory management, reduction of working capital requirements.

3.4 The amalgamation will enable the business of the merged Transferee Company to be carried on more conveniently and advantageously. The scheme is proposed accordingly and will have beneficial results for the said Companies and all the stakeholders as well,

## PART I

### DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

#### 4. DEFINITIONS AND INTERPRETATIONS

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

- (i) **“Act”** shall mean the Companies Act, 2013 as amended or **substituted** by any statutory modification/re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- (ii) **“Appointed Date”** shall mean the opening of the business hours as on 01<sup>st</sup> April, 2021 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authorities;
- (iii) **“Board of Directors” or “Board”** in relation to Transferor Companies and Transferee Company, as the case may be, shall mean the board of directors of such company and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Proposed amalgamation (merger), the Scheme and/or any other matter relating thereto;
- (iv) **“Tribunal”** shall mean the National Company Law Tribunal or such other forum or authority which may be vested with any of the powers of a Tribunal to Sanction the Scheme under the Act.

- (v) **“Effective Date”** shall mean the date or last of the dates on which the certified copies of the orders sanctioning the Scheme, passed by the National Company Law Tribunal or such other competent authority are filed by the both the transferor Companies and Transferee Company with their respective Registrar of Companies. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” or “upon the scheme becoming effective” shall mean the Effective Date;
- (vi) **“IT Act”** shall mean the Income Tax Act, 1961, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof for the time being in force;
- (vii) **“Scheme”** shall mean the Scheme of Arrangement presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for merger of **SOUTH STAR SHIPPING PRIVATE LIMITED and SWIFT SHIPPING PRIVATE LIMITED** into **SWIFT CARGO PRIVATE LIMITED**

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules, regulations, byelaws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Tribunal in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal (“NCLT”) or such other forum or authority, as may be vested with any of the powers of a Tribunal under the Act.

## 5. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

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

## 6. SHARE CAPITAL

6.1 The share capital of the First Transferor Company, as on 28<sup>th</sup> February, 2021 was as under:

<b>Particulars</b>	<b>28<sup>th</sup> February, 2021 (in Rs.)</b>
<b><u>Authorized Share Capital</u></b>	
50,000 Equity Shares of Rs. 10/- each.	5,00,000/-
<b>Total</b>	<b>5,00,000/-</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
10,000 Equity Shares of Rs. 10/- each.	1,00,000/-
<b>Total</b>	<b>1,00,000/-</b>

Subsequent to 28<sup>th</sup> February, 2021 and till the date of the Application, there has been no change in the authorized, issued, subscribed and paid-up capital of the First Transferor Company.

6.2 The share capital of the Second Transferor Company as on 28<sup>th</sup> February, 2021 was as under:

<b>Particulars</b>	<b>28<sup>th</sup> February, 2021 (in Rs.)</b>
<b><u>Authorised Share Capital</u></b>	
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
6,00,000 Equity Shares of Rs. 10/- each	60,00,000
<b>Total</b>	<b>60,00,000</b>

Subsequent to 28<sup>th</sup> February, 2021 and till the date of the Application, there has been no change in the authorized, issued, subscribed and paid-up capital of the Second Transferor Company.

6.3 The share capital of the Transferee Company as on 28<sup>th</sup> February, 2021 was as under:

Particulars	28 <sup>th</sup> February, 2021 (in Rs.)
<b><u>Authorized Share Capital</u></b>	
99,000 Equity Shares of Rs. 100/- each	99,00,000
<b>Total</b>	<b>99,00,000</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
97,200 Equity Shares of Rs. 100/- each	97,20,000
<b>Total</b>	<b>97,20,000</b>

Subsequent to 28<sup>th</sup> February, 2021 and till the date of the Application, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company.

## PART II

### AMALGAMATION OF SOUTH STAR SHIPPING PRIVATE LIMITED AND SWIFT SHIPPING PRIVATE LIMITED WITH SWIFT CARGO PRIVATE LIMITED

#### 7. TRANSFER AND VESTING OF THE TRANSFEROR COMPANIES

7.1 With effect from the Appointed Date, the whole of the business and undertaking of the Transferor Companies comprising of all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature and wheresoever situated, shall, without any further act or deed, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern, pursuant to Section 232 and other applicable provisions of the Act, 2013, and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.

7.2 All the movable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company and shall become the property of the Transferee Company without any act or deed on the part of the Transferor Companies or the Transferee Company.

7.3 In respect of movables other than those specified in sub-clause 7.2 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, local and other authorities and bodies, customers and other persons in India and outside India, the following modus operandi shall be followed:

7.3.1 The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor or deposittee as the case may be, that pursuant to the orders of the Hon'ble NCLT sanctioning the Scheme, the said debts, loans, advances etc., be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Companies to recover or realize the same stands extinguished.

7.3.2 The Transferor Companies, may, if required, give notice in such form as they may deem fit and proper to each person, debtor or deposittee that pursuant to the orders of the Hon'ble NCLT, sanctioning the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Companies to recover or realise the same stands extinguished.

7.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall also, pursuant to the order of the Hon'ble NCLT under the provisions of Section 230 to 232 of the Companies Act, 2013 and the rules made thereunder without any further act or deed, be transferred to or deemed to be transferred to and vested in and assumed by the Transferee Company so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company. 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

7.5 It is clarified that this Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Companies or be deemed to be prejudicial to their interests.

7.6 The registrations in the name of the Transferor Companies, which are transferable in nature, shall be deemed to be transferred in the name of the Transferee Company from the effective date and the Transferee Company shall give requisite intimations for this purpose to all concerned.

7.7 In case of registrations in the name of the Transferor Companies, other than the registrations mentioned above, the Transferee Company may make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.

7.8 The transfer and vesting of all the assets of the Transferor Companies, as aforesaid, shall be subject to the existing securities, charges, hypothecation, mortgages and encumbrances, if any, subsisting over or in respect of any of the assets or any part thereof of the Transferor Companies, provided however, any reference in any security documents or arrangements (to which any of the Transferor Companies are a party) wherein the assets of the Transferor Companies have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Companies as are vested in the Transferee Company by virtue of this Scheme, provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecations or mortgages to the end and intent that such securities, charges, hypothecations and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Companies with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

7.9 On and from the Appointed date, all loans, advances, debentures, deposits, inter-company balances or other obligations including Share Application Money, if any, due between or amongst the Transferor Companies and the Transferee Company shall come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby

clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, advances, debentures, deposits, inter-company balances or other obligations (if any) inter-se between any of the Transferor Companies and the Transferee Company.

7.10 This Scheme has been drawn up to comply and come within the definition and the conditions relating to 'Amalgamation' as specified under Section 2(1B) and Section 47 of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are found or interpreted to be inconsistent with the provisions of said Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any applicable law or for any reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating "Amalgamation" as specified in the Income Tax Act, 1961. In such an event, the Clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

## **8 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

8.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, if any, of whatsoever nature relating to which the Transferor Companies are a party, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party, or beneficiary or obligee or obligor thereto.

8.2 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given Transferee, issued to or executed in favour of the Transferee Company, and the TRANSFEE COMPANY shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

8.3 The Transferor Companies shall, if and to the extent required by the law, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, to give formal effect to the provisions of this Scheme and to the extent that the Transferor Companies are required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Companies.

8.4 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all permits, registrations, rights, entitlements, licenses issued to the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

## **9 LEGAL, TAXATION AND OTHER PROCEEDINGS**

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Companies be pending as on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Companies if the Scheme had not been made.

## **10 EMPLOYEES**

10.1 There are no employees in both the transferor Companies.

## **11 CONDUCT OF BUSINESS TILL EFFECTIVE DATE:**

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

11.1 The Transferor Companies shall be carrying on and be deemed to have been carrying on all the business activities and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the

Transferee Company. The Transferor Companies hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

11.2 All profits and income accruing or arising to the Transferor Companies and losses and expenditure arising or incurred by it including taxes (including advance tax), if any, accruing or paid in relation to any profits or income for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company.

11.3 The Transferor Companies shall carry on the business, on and after the Appointed Date and until the Effective Date, with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of commitment either themselves or on behalf of its respective affiliates or associates or any other third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:

- (i) When the same is expressly provided in this Scheme; or
- (ii) When the same is in the ordinary course of business as carried on, as on the date of filing of this Scheme in the Court; or
- (iii) When written consent of the Transferee Company has been obtained in this regard.

12 On and after the Appointed Date and until the Effective Date, the Transferor Companies shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated in the Scheme, issue or allot further securities, either by way of rights or bonus or otherwise.

### **13 IMPACT OF THE SCHEME ON CREDITORS/ BANKS/FINANCIAL INSTITUTIONS**

The Scheme shall not affect any of the Companies' creditors/ banks/ financial institutions. The Scheme does not provide any compromise or arrangement with the creditors and/or shareholders' except as provided in the Scheme.

## **14 SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of Transferor Companies as above and the continuance of proceedings by or against the Transferee Company under Clause 7 of this Scheme and the effectiveness of contracts and deeds under Clause 8 of this Scheme 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.

## **15 COMBINATION OF AUTHORISED SHARE CAPITAL:**

15.1 Upon Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall be automatically stand increased and reclassified without any further act or deed on part of the Transferee Company, including the stamp duty and Registrar of Companies fees, by the authorized Share Capital of the Transferor Companies.

15.2 Consequently, the Memorandum of Associations and Articles of Associations of the Transferee Company (relating to the Authorised Share capital) shall without any further act, instrument or deed be stand altered, modified and amended and the consent of the shareholders to the Scheme, whether at the meetings or otherwise shall be deemed to be sufficient for the purpose of the effecting this amendment and no further, resolutions, under Section 13, 14 and 61 of the Act and other applicable provisions of the Act would be required to be passed separately, as the case may be and for this purpose the stamp duties, and the fees paid on the Authorised Share Capital of the Transferor Companies shall be utilized and applied to the increase and reclassification of the Authorised Share Capital of the Transferee Companies and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase and reclassification of the Authorised Share Capital to the extent.

15.3 Pursuant to the Scheme becoming effective and consequential to the amalgamation of the Transferor Companies with the Transferee Company would be reclassified as under:

Particulars	Amount (in Rs.)
<b><u>Authorized Share Capital</u></b>	
204000 Equity Shares of Rs. 100/- each	2,04,00,000
<b>Total</b>	<b>2,04,00,000</b>

15.4 Clause V of the Memorandum of Association of the Transferee Company shall without any further act, instruments, or deed and stand altered, modified and amended pursuant to the Sections 13 and 61 of the Act and other applicable provisions of the Act and be replaced by following clause:

*“The Authorised Share Capital of the Company is Rs. 2,04,00,000/- (Rupees Two Crore Four Lacs only) divided into 204000 (Two Lac Four Thousand) Equity Shares of Rs. 100/- (Rupees One hundred only)”.*

## **16 ISSUE OF SHARES BY THE TRANSFEE COMPANY**

16.1 The provision of this Clause 16 of the Scheme shall operate notwithstanding anything contrary in this Scheme or in any other Instrument, deed or writing.

16.2 Upon the coming into effect of the Scheme and in consideration of the transfer & vesting of the Transferor Companies in the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the members of the Transferor Companies, whose name is registered in the Register of Members of the Transferor Companies on the Record Date or his/her/its legal heirs, executors or successors as the case may be in following manner:

**First Transferor Company:** 79 Equity shares in the Transferee Company, of face value of Rs.100/- (Rupees One Hundred) each (credited as fully paid-up). The new equity shares will be issued to all the members of Transferor Companies in the ratio of 1:127.

**Second Transferor Company:** 144 Equity shares in the Transferee Company, of face value of Rs.100/- (Rupees One Hundred) each (credited as fully paid-up). The new equity shares will be issued to all the members of Transferor Companies in the ratio of 1:4177.

16.3 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the members of the Transferor Companies is herein referred to as the **“Share Entitlement Ratio”**.

16.4 The shares issued to the members of the Transferor Companies by the Transferee Company pursuant to Clause 16.2 above shall be issued in physical form by the Transferee Company, unless otherwise notified in writing by the members of the Transferor Companies to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that the Transferee Company has received notice from any member that shares are to be issued in dematerialized form then in such event the Transferee Company shall issue shares in dematerialized form subject to receipt of requisite details relating to his/ her /its account with a depository participant or other confirmations as may be required.

16.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferor Companies and in relation to the shares issued by the Transferee Company after the effectiveness of the Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.

16.6 Equity shares to be issued by the Transferee Company pursuant to Clause 16.2 above in respect of such of the equity shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the 2013, Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Transferee Company.

16.7 The issue and allotment of equity shares by Transferee Company to the shareholders of Transferor Companies as provided in the Scheme is the integral part thereof and shall be deemed to have been carried out as if the procedure

laid down under Sections 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 were duly complied with.

16.8 The Transferee Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of new equity shares by Transferee Company to the non-resident equity shareholders of Transferor Companies. Transferee Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Transferee Company to issue and allot new equity shares to the non-resident equity shareholders of Transferor Companies.

16.9 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.

16.10 The Transferee Company shall, if and to the extent required apply for and obtain any approval from the concerned regulatory authorities for the issue and allotment by the Transferee Company of new equity shares to the members of the Transferor Companies.

16.11 Transferee Company shall take necessary steps to increase or alter, (if necessary), its authorized share capital suitably to enable it to issue and allot new equity shares required to be issued and allotted by it under this Scheme;

16.12 The approval of this Scheme by the shareholders of Companies shall be deemed to have the approval under Section 13 and Section 14 of 2013, Act and other applicable provisions of the 2013, Act and any other consents and approvals required in this regard.

### **PART - III**

#### **ACCOUNTING TREATMENT**

#### **17 ACCOUNTING TREATMENT**

17.1 The Transferee Company shall, record all the assets, liabilities and reserves (including Balance in the Statement of Profit & Loss) of the Transferor Companies vested in it pursuant to this Scheme, at their book values and in the same form as appearing in the books of the Transferor Companies as on the

Appointed Date, in accordance with Accounting Standard 14 (Accounting for Amalgamations) prescribed under Companies (Accounting Standards) Rules, 2006 issued by the Institute of Chartered Accountants of India.

17.2 To the extent, there are inter-corporate loans or balances between the Transferee Company and the Transferor Companies, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. For the removal of doubts it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter- company loans or balances with effect from the Appointed Date.

17.3 Investments in shares of the Transferor Companies held by the Transferee Company and its nominee shall stand cancelled in the books of the Transferee Company, without any further act or deed.

17.4 It is intended to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies. In case of any difference in any of the accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and impact of the same as on the Appointed Date will be quantified and adjusted in accordance with clause 17.5 of the Scheme.

17.5 Any difference arising after recording the assets and liabilities of the Transferee Company as per clause 17.1 above and after giving effect to clause 17.2 to 17.4 above shall be adjusted to Reserves of the Transferee Company.

17.6 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to (a) account any of these or other balances or items in any manner whatsoever, as may be deemed fit or (b) to make such adjustments as may be necessitated.

## **18 DIVIDEND, PROFIT, BONUS, RIGHT SHARES:**

18.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date. The dividend, if any, shall be declared by the Transferor Companies only with the prior written consent of the Board of Directors of the Transferee Company.

18.2 Subject to the provisions of this Scheme, the profits of the Transferor Companies for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

18.3 It is clarified that the aforesaid provision in respect of declaration of dividend is an enabling provision only and shall not be deemed to confer any right on any member of the Transferor Companies and/or Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors of the Transferee Company and subject to the provisions of the Act.

18.4 The Transferor Company shall not issue or allot any Bonus Shares or Rights Shares out of its Authorised or unissued Share Capital for the time being.

## **19 DISSOLUTION OF TRANSFEROR COMPANIES**

On the Scheme becoming effective, the Transferor Companies shall be dissolved without being wound up.

## **PART IV**

### **GENERAL TERMS AND CONDITIONS**

## **20 APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL**

The Transferor Companies and the Transferee Company shall make all applications/petitions under Sections 230 to 232 read with Sections 52 and 66 of the 2013, Act and other applicable provisions of the Act, to the Tribunal under whose jurisdiction the registered office of the Transferor Companies and the Transferee Company are situated sanctioning the Scheme and Government authorities, as applicable, for sanctioning of this Scheme for carrying this Scheme into effect and obtain all approvals as may be required under law.

## **21 CONDITIONALITY OF THE SCHEME**

21.1 The Scheme is and shall be conditional upon and subject to:

- (i) the Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor Companies and the Transferee Company as may be required under the Act and as may be directed by the Tribunal;
- (ii) the Scheme has been sanctioned by the Tribunal or any other competent authority under Sections 230 to 232 of the Companies Act, 2013 in favour of Transferor Companies and the Transferee Company and to the necessary order or orders under Section 232 of the Companies Act, 2013 being obtained and the same being filed with the Registrar of Companies;
- (iii) the requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for implementation of the Scheme;
- (iv) compliance with such other conditions as may be imposed by the Tribunal.

## **22 MODIFICATION OR AMENDMENT TO THE SCHEME**

22.1 The Transferor Companies and the Transferee Company by their respective Boards of Directors may in full and absolute discretion assent and/or consent from time to time, on behalf of all persons concerned, to any modifications or amendments or addition to the Scheme or to any conditions or limitations which the Court and/or any other authority under law may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events and to execute all such acts, deeds, matters and things as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

23 All the amendments / modifications to the Scheme shall be subject to approval of the Tribunal.

24 Without prejudice to the generality of the foregoing, Transferor Companies and the Transferee Company by their respective Boards of Directors or such person or persons, as the respective Board of Directors may authorize shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

**25 SEVERABILITY:**

If any part of this Scheme is found invalid, unworkable for any reason whatsoever, ruled illegal by Tribunal or unenforceable under present or future laws, the same shall not, subject to the decision of Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme,

**26 EXPENSES CONNECTED WITH THE SCHEME**

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 Transferor Companies and/or its shareholders.