



## Banswara Syntex Limited

**Regd. Office:** Industrial Area, Dahod Road, Post Box No. 21, Banswara- 327001, Rajasthan

**CIN** - L24302RJ1976PLC001684

**Ph:** +91 2962 240690, 257679-681, **Fax:** (02962) 240692

**Website:** www.banswarasyntex.com; **Email Id:** hpkharwal@banswarasyntex.com,

### Court Convened Meeting of the Equity Shareholders of BANSWARA SYNTEX LIMITED

Day	<b>MONDAY</b>
Date	<b>28.03.2016</b>
Time	<b>11.00 A.M</b>
Venue	<b>INDUSTRIAL AREA, DAHOD ROAD, BANSWARA- 327001 (RAJASTHAN)</b>

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**IN THE HIGH COURT OF JUDICATURE FOR RAJSTHAN AT JODHPUR  
ORIGINAL JURISDICTION  
S.B.COMPANY APPLICATION NO. 06 /2016**

**In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956;**

And

**In the matter of Banswara Syntex Limited**

A company incorporated under the Companies Act, 1956 and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327001 (Rajasthan).

And

In the matter of Scheme of Arrangement for amalgamation of Banswara Global Limited and Banswara Fabrics Limited with Banswara Syntex Limited and their respective shareholders and creditors.

**Banswara Syntex Limited**

[CIN L24302RJ1976PLC001684], a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327001, in the State of Rajasthan

... Applicant Company/Transferee Company

**NOTICE OF CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS**

To,

The Equity Shareholders of Banswara Syntex Limited ("the Applicant Company/ Transferee Company")

**TAKE NOTICE** that by an Order made on the 11<sup>th</sup> February 2016, the Hon'ble High Court of Rajasthan, has directed that a Meeting of the Equity Shareholders of the Applicant Company be convened and held at the at Industrial Area, Dahod Road, Banswara – 327001 on 28<sup>th</sup> March, 2016 at 11.00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement for amalgamation of Banswara Global Limited, the Transferor Company 1 and Banswara Fabrics Limited, the Transferor Company 2 with Banswara Syntex Limited the Applicant Company/Transferee Company, and their respective Shareholders and creditors.

**TAKE FURTHER NOTICE** that in pursuance of the said Order, and as directed therein a meeting of the Equity Shareholders of the Applicant Company will be convened and held at Industrial Area, Dahod Road, Banswara – 327001 on Monday 28<sup>th</sup> March, 2016, at 11.00 a.m. which you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the Registered Office of the Applicant Company at Banswara, not later than 48 (forty eight) hours before the meeting.

The Hon'ble High Court of Rajasthan has appointed Dr. Sachin Acharya, Advocate to be the Chairman and Mr. Anil Bhansali, Advocate to be the alternate Chairman of the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to subsequent approval of the Court.

A copy of each of the Scheme of Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip is enclosed.

Dated this 19<sup>th</sup> February, 2016

Sd/-  
Dr. Sachin Acharya  
**Chairman appointed for the meeting**

**Registered Office:**

Industrial Area, Dahod Road,  
Post Box No. 21, Banswara – 327 001. Rajasthan.

**Note:**

1. All alterations made in the form of proxy should be initialled.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body corporate or Foreign Institutional Investor (FII) which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate / FII is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the time of the meeting authorising such representative to attend and vote at the Equity Shareholder's meeting. Proxy need not be a member.
3. A registered equity shareholder or his Proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
4. Registered equity shareholders who hold shares in dematerialised form are requested to bring their DP ID and Client ID for easy identification of the attendance at the meeting.
5. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member of the Applicant Company.
6. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
7. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection up to 48 hours prior to the said meeting, at the Registered Office of the Applicant Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).

Enclosures: As above.



## BANSWARA SYNTEX LIMITED

**Regd. Office:** Industrial Area, Dahod Road, Post Box no. 21, Banswara- 327001, Rajasthan  
**CIN -** L24302RJ1976PLC001684  
**Ph:** +91 2962 240690, 257679-681, **Fax:** (02962) 240692  
**Website:** www.banswarasyntex.com, **Email Id:** hpkharwal@banswarasyntex.com,

### NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF THE COMPANY

**Notice pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the rules, circulars and notifications thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India for the approval of the Public Shareholders (as defined hereinafter) of Banswara Syntex Limited through postal ballot and e-voting for the resolutions set out hereinafter.**

To,

**The Public Shareholders of**

**Banswara Syntex Limited** ("the Applicant Company/ Transferee Company")

**NOTICE** is hereby given that pursuant to Section 110 of the Companies Act, 2013 read with the Rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circulars, the Company is seeking the consent of its Members for the Scheme of Arrangement for amalgamation of Banswara Global Limited, the Transferor Company 1 and Banswara Fabrics Limited, the Transferor Company 2 with Banswara Syntex Limited the Applicant Company/Transferee Company, and their respective Shareholders and creditors.

The Audit Committee and the Board of Directors of the Transferee Company at their respective meetings held on 27<sup>th</sup> May, 2015, unanimously have approved Scheme of Arrangement and Amalgamation for amalgamation of Banswara Global Limited, the Transferor Company 1 and Banswara Fabrics Limited, the Transferor Company 2 with Banswara Syntex Limited the Applicant Company/Transferee Company and their respective shareholders and creditors under sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 / Companies Act, 2013.

On 11<sup>th</sup> February 2016, the Hon'ble High Court of Judicature for Rajasthan at Jodhpur, in Company Summons for Direction No. 18<sup>th</sup> February, 2016, directed the Applicant/ Transferee Company to convene and conduct a meeting of its Equity Shareholders on Monday, 28<sup>th</sup> March 2016 at 11:00 a.m. at Registered office of the Applicant / Transferee Company at Industrial Area Dahod Road, Banswara – 327001 ("**Court Convened Meeting**") for the purpose of considering and if thought fit, to approve with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement.

In addition to the Court Convened Meeting, the Applicant Company is also seeking the approval of its Public Shareholders to the Scheme of Arrangement by way of postal ballot and e-voting, as set out under circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India (the "**SEBI**" and such circulars, the "**SEBI Circulars**"). For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulation) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly.

The proposed resolutions for approving the Scheme by way of postal ballot/ e-voting, along with the Explanatory Statement, are set out hereinafter for your consideration. A postal ballot form is also enclosed.

The Board of Directors of the Transferee Company have appointed CS Manoj Maheshwari, Practicing Company Secretary, Jaipur, as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner.

Further, the Transferee Company has engaged the services of Central Depository Services (India) Ltd., ("**CDSL**") to provide the Public Shareholders of the Applicant Company, the platform to vote electronically i.e. to provide e-voting facility. Public Shareholders desirous of voting electronically are requested to carefully read the instructions for e-voting enumerated in the notes to the Notice. Public Shareholders who wish to exercise their vote using postal ballot are requested to carefully go through the instructions printed overleaf and in the enclosed postal ballot form.

In compliance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Public Shareholders of the Applicant Company may cast their votes either through the postal ballot form or electronically i.e. e-voting. It is clarified that the Public Shareholders can opt for only one mode of voting i.e. either through postal ballot or e-voting. Member should not vote both by Postal Ballot and e-voting, and if he/she votes both by Postal Ballot and e-voting, vote by Postal Ballot shall be treated as invalid. It is further clarified that casting of votes by postal ballot or e-voting does not disentitle a Public Shareholder from attending the Court Convened Meeting.

The Postal Ballot voting including e-voting will commence on Saturday, 27<sup>th</sup> February, 2016, at 9.00 a.m. and will end at 5:00 p.m. on Sunday, 27<sup>th</sup> March, 2016. You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed and signed in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before 5 p.m. on



Sunday, 27<sup>th</sup> March, 2016. Postal ballot forms/ votes received after the said date will be treated as if the reply from such Public Shareholder has not been received.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballots including e-votes, and the results of the postal ballot and e-voting will be announced on Tuesday, 29<sup>th</sup> March, 2016.

The results, together with the Scrutinizer's report, will be displayed at the registered office and on the website of the Transferee Company ([www.banswarasyntex.com](http://www.banswarasyntex.com)) and also on the website of Agency ([www.cdslindia.com](http://www.cdslindia.com)), besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Transferee Company are listed.

Under the SEBI Circulars, the following resolutions are to be passed by the Public Shareholders of the Transferee Company through postal ballot and e-voting.

The SEBI Circulars provide that "the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it." This notice is given in terms of the said SEBI Circulars for consideration of the following resolution by postal ballot and e-voting pursuant to Section 110 of the Companies Act, 2013 read with relevant rules:

**To consider and, if thought fit, to pass the following resolutions with requisite majority as per the SEBI Circulars:**

**"RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/ or under the corresponding provisions of the Companies Act, 2013 and provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/DIL/5/ 2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated 20<sup>th</sup> January, 2016, and relevant provisions of applicable laws, and subject to the approval of the Hon'ble High Court of Judicature for Rajasthan at Jodhpur, the Scheme of Arrangement (the "Scheme"), for amalgamation of Banswara Global Limited, the Transferor Company 1 and Banswara Fabrics Limited, the Transferor Company 2 with Banswara Syntex Limited the Applicant Company/Transferee Company and their respective shareholders and creditors, be and is hereby approved and agreed to, with/without any modifications and/or conditions, if any, which may be required and/or imposed and/or permitted by the High Court of Judicature for Rajasthan at Jodhpur while sanctioning the Scheme, or by any other authorities under applicable law.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Applicant Company (herein referred to as the "Board", which term shall deem to include any committee or any person(s) which the Board may nominate or constitute to exercise its powers, including the powers conferred under this resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the Hon'ble High Court of judicature for Rajasthan at Jodhpur while sanctioning the Scheme, or by Regional Director, Registrar of Companies, Stock Exchanges or any other authorities under applicable law."

Dated this 11<sup>th</sup> February, 2016.

By Order of the Board of Directors  
For Banswara Syntex Limited

Sd/-  
[J.K. JAIN]  
[CFO & Company Secretary]

**Notes:**

1. Consideration and approval of the Public Shareholders of the Applicant Company by postal ballot and e-voting is sought for the above resolutions.
2. The Explanatory Statement as required under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 with the rationale for proposing the resolutions stated in the Notice above is annexed hereto.
3. All documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the Applicant Company during office hours on all working days upto the last date for receipt of the postal ballot form. The Registered Office of the Applicant Company is situated at Industrial Area, Dahod Road, Banswara -327001 (RAJ.)
4. The Notice, together with the documents accompanying the same, is being sent to all the members by Registered post acknowledgment due (and electronically by e-mail to those members who have registered their e-mail ids with the Applicant Company/ Registrar and Share Transfer Agents/ NSDL/ CDSL), whose names appear in the Register of Members/list of Beneficial Owners as received from NSDL/CDSL as on Friday, 19<sup>th</sup> February, 2016. The Notice will be displayed on the website of the Applicant Company ([www.banswarasyntex.com](http://www.banswarasyntex.com)) and of CDSL ([www.cdslindia.com](http://www.cdslindia.com)).

5. The date of dispatch of the Notice and the Explanatory Statement along with the postal ballot papers will be announced through advertisement in the following newspapers: (i) Times of India (Jaipur Edition)" in English language; and (ii) "Rajasthan Patrika (All Edition in Rajasthan)" having wide circulation in the state of Rajasthan where the registered office of Applicant Company is situated.
6. The Applicant Company has appointed CS Manoj Maheshwari, Practicing Company Secretary, as the Scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.
7. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the members as on 19<sup>th</sup> February, 2016. The resolutions shall be considered approved by the Public Shareholders in case the votes in favour of the resolutions are more than the votes cast against the resolution.
8. Public Shareholders have the option either to vote through the e-voting process or through the postal ballot form.
9. A postal ballot form along with self-addressed prepaid business reply envelope is also enclosed. Public Shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Public Shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website [www.banswarasyntex.com] or seek duplicate postal ballot form from the Applicant Company. Members shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer on or before Sunday, 27<sup>th</sup> March, 2016, 5.00 p.m. Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.
10. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint members.
11. If the Postal Ballot Form is received in torn or defaced or mutilated condition such that it is difficult for the Scrutinizer to identify either the member, or the number of votes, or as to whether the votes are for 'Assent' or 'Dissent', or if the signature could not be verified or one or more of the above grounds, the vote of such a member will be considered as invalid.
12. The postal ballot form should be completed and signed by the Public Shareholder (as per specimen signature registered with the Applicant Company and/or furnished by CDSL). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his/her absence, by the next named member. Holder(s) of Power of Attorney ("PoA") on behalf of a Public Shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.
13. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, as stated hereinabove, the Applicant Company is pleased to offer e-voting facility to its Public Shareholders holding equity shares as on Friday, 19<sup>th</sup> February, 2016 being the cut off date, to exercise their right to vote electronically on the above resolutions. For this purpose, the Applicant Company has signed an agreement with CDSL for facilitating e-voting.
14. The instructions for Public Shareholders for voting electronically are as under:-

**PROCESS FOR MEMBERS OPTING FOR E-VOTING**

- (i) The voting period begins on Saturday, 27<sup>th</sup> February, 2016 at 9.00 a.m. and will end at 5.00 p.m. on Sunday, 27<sup>th</sup> March, 2016. During this public shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19<sup>th</sup> February, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders".
- (v) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the password provided on the attendance slip.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "Banswara Syntex Ltd." on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
  - Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
15. Public Shareholders have the option to vote either through e-voting or through the physical postal ballot form. If a Public Shareholder has opted for e-voting, then he/she should not vote by physical postal ballot form also and vice-versa. However, in case Public Shareholders cast their vote both via physical postal ballot form and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
16. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballots including e-votes submitted. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The Chairman will announce the results of the postal ballot including e-voting on or before Tuesday, 29<sup>th</sup> March, 2016 at 4.00 p.m. at the registered office of Applicant Company situated at Industrial Area, Dahod Road, Banswara-327001 (Raj.). The results, together with the Scrutinizer's Report, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company ([www.banswarasyntex.com](http://www.banswarasyntex.com)), besides being communicated to the BSE Limited and the National Stock Exchange of India Limited.
17. In case of any query/ grievance with respect to e-voting, Shareholders may contact Mr. H.P. Kharwal, Dy. Company Secretary, Banswara Syntex Limited at telephone no. 02962-240690, 257679-681 or at e-mail ID: [hpkharwal@banswarasyntex.com](mailto:hpkharwal@banswarasyntex.com).
18. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

**IN THE HIGH COURT OF JUDICATURE FOR RAJSTHAN AT JODHPUR**

**ORIGINAL JURISDICTION**

**S.B.COMPANY APPLICATION NO. 06/2016**

In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of Banswara Syntex Limited

A company incorporated under the Companies Act, 1956 and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327001 (Rajasthan).

And

In the matter of Scheme of Arrangement for amalgamation of Banswara Global Limited and Banswara Fabrics Limited with Banswara Syntex Limited and their respective shareholders and creditors.

**Banswara Syntex Limited**

[CIN L24302RJ1976PLC001684], a public limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327001, in the State of Rajasthan

...Applicant Company/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 AND SECTION 110 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO (1) THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF BANSWARA SYNTEX LIMITED AND (2) THE NOTICE FOR POSTAL BALLOT AND E-VOTING IN THE MANNER SET OUT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA CIRCULAR NO. CIR/CFD/DIL/5/2013 DATED FEBRUARY 4, 2013 READ WITH SECURITIES AND EXCHANGE BOARD OF INDIA CIRCULAR NO. CIR/CFD/DIL/8/2013 DATED MAY 21, 2013**

1. Pursuant to the Order dated 11<sup>th</sup> February, 2016, passed by the Hon'ble High Court of Rajasthan at Jodhpur, in the Company Application No. 06 of 2016, a meeting of the Equity Shareholders of Banswara Syntex Limited is being convened for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement for amalgamation of Banswara Global Limited and Banswara Fabrics Limited with Banswara Syntex Limited. Notice of the said meeting together with the copy of the Scheme of Arrangement is sent herewith. This statement explaining the terms of the Scheme of Arrangement is being furnished as required u/s 393 (1) (a) of the Companies Act, 1956.
2. In this statement Banswara Syntex Limited is referred to as ("**Applicant Company**" or "**Transferee Company**"); Banswara Global Limited is referred to as ("**Transferor Company 1**") and Banswara Fabrics Limited is referred to as ("**Transferor Company 2**"). The other definitions contained in the Scheme ("Scheme") will also apply to this statement under Section 393 of the Companies Act, 1956 and Section 110 and Section 102 of the Companies Act, 2013 ("Explanatory Statement").
3. Apart from the Court Convened Meeting of the Equity Shareholders of the Applicant Company, to seek their approval pursuant to Sections 391 to 394 of the Companies Act, 1956, the approval of the Public Shareholders of the Applicant Company is also sought for the Scheme by passing a Resolution pursuant to Section 110 of the Companies Act, 2013, by way of Postal Ballot and e-voting as per the Securities and Exchange Board of India ("**SEBI**") Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 (hereinafter collectively referred to as ("**SEBI Circulars**"), which inter alia provides that the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
4. In accordance with the provisions of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the equity shareholders of the Applicant Company, present and voting at the Court Convened Meeting in person or by proxy, agree to the Scheme. Further as stated hereinabove, the Scheme shall be acted upon only if the votes cast by the Public Shareholders of the Applicant Company in favour of the proposal are more than the votes cast by the Public Shareholders against the proposal, as set out in the SEBI Circulars.
5. The Scheme envisages the amalgamation of the Transferor Companies with the Applicant Company, with effect from 1<sup>st</sup> day of April, 2015 ("**Appointed Date**"). A copy of the Scheme setting out in detail the terms and conditions of the amalgamation is enclosed.

**BACKGROUND OF THE APPLICANT COMPANY AND TRANSFEROR COMPANIES**

**BANSWARA SYNTEX LIMITED**

6. The Applicant Company is a listed company incorporated under the provisions of the Act and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327 001 (Rajasthan). The Transferee Company was originally constituted as a public limited company on May 5, 1976, under the name and style of Banswara Syntex Ltd under the Act as per the certificate

of registration issued by the Registrar of Companies, Rajasthan. The equity shares of the Transferee Company are listed on the BSE Ltd (BSE) and the National Stock Exchange of India Limited (NSE).

7. The objects for which the Applicant Transferee Company has been established are set out in its Memorandum of Association. Primarily, the Transferee Company has been incorporated to carry on all or any of the trades of business of preparing, spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing and finishing, working or manufacturing in any way, also to carry on the business of manufacturers and dealers in all types of Cotton, Linen, Silk, Flax, Hemp, Jute, Rayon, manmade and other fibrous articles or textile substances. It further includes to purchase, exchange and deal in cloth, yarn, cotton in process, raw cotton, jute, wool, Silk, Hemp and other synthetic fibres. Also to carry on the business of spinners, weavers, manufacturers, balers and pressers of all cotton, jute cutting, jute rejections, hemp, cotton, wool hair, any other fibrous manmade synthetics, chemical materials and to transact all manufacturing business that may be necessary or expedient to purchase and vend the raw materials and manufactured articles. Moreover to breed, rear and purchase live-stock of all kinds, to farm and buy animal produce of all kinds, to prepare, manufacture and render marketable any such produce and sell, dispose of either in manufactured or raw state.
8. The Share Capital of the Transferee Company as on 31<sup>st</sup> March, 2015 is as under:-

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
45,000,000 equity Share Capital of face value INR 10/- each	450,000,000
500,000 3% Redeemable Preference shares of face value INR 100/- each	50,000,000
<b>TOTAL</b>	500,000,000
<b>Issued Share Capital</b>	
16,446,361 equity Share Capital of face value INR 10/- each	164,463,610
<b>TOTAL</b>	164,463,610
<b>Paid up Share Capital</b>	
<b>Fully paid:</b> 16,416,361 equity Share Capital of face value INR 10/- each	164,163,610
<b>Partly paid:</b> 30,000 equity Share Capital of face value INR 5/- each	150,000
<b>TOTAL</b>	<b>164,313,610</b>

- The Transferee Company has received due allotment money on 2,985 equity shares @Rs.5/- per shares aggregating to Rs. 14,925/- during the month of April, 2015 from Shareholders whose shares were partly paid up under earlier Rights and Public Issue.
- On 8<sup>th</sup> May, 2015 committee of the Board of the Transferee Company have converted last trench of 5,10,000 warrants, issued on preferential basis to the promoter and promoters group, into equal number of equity shares.
- The Transferee Company has forfeited 27,015 partly paid up equity shares on 27<sup>th</sup> May, 2015.

9. The Share Capital of the Transferee Company as on 27<sup>th</sup> May, 2015 is as set out below:-

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
45,000,000 equity Share Capital of face value INR 10/- each	450,000,000
500,000 3% Redeemable Preference shares of face value INR 100/- each	50,000,000
<b>TOTAL</b>	500,000,000
<b>Issued Share Capital</b>	
16,956,361 equity Share Capital of face value INR 10/- each	169,563,610
<b>TOTAL</b>	169,563,610
<b>Paid up Share Capital</b>	
16,929,346 equity Share Capital of face value INR 10/- each	169,293,460
<b>Forfeited Shares:</b> 27015 equity Share Capital of face value INR 5/- each	135075
<b>TOTAL</b>	<b>169,428,535</b>



## BANSWARA GLOBAL LIMITED

10. Transferor Company 1 is a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Post Box 39 Navagaon Road, Industrial Area, Banswara-327 001 (Rajasthan). The Transferor Company 1 was originally incorporated as a Private Limited Company on September 16, 2005 under the name and style of Carreman Fabrics India Private Limited as per the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur. Later on January 24, 2006, the Carreman Fabrics India Private Limited was converted into a Public limited Company. By a Joint Venture Agreement dated February 17, 2006 between Banswara Syntex Limited, and Carreman, France, the Carreman Fabrics India Limited became Joint Venture Company with 50:50 participation. The Carreman, France has also invested in Carreman Fabrics India Limited by way of 1,90,000, 3% Redeemable Preference Shares of Rs.100/- each.

Later on, vide Joint Venture Termination Agreement dated August 06, 2013, both the Joint Venture partner, i.e. – Banswara Syntex Limited, the Transferee Company and Carreman, France have terminated the Joint Venture and as per this Joint Venture Termination Agreement, the 190000, 3% Redeemable Preference Shares has been redeemed. The 50% Equity participation of Carreman, France i.e. 62 Lac Equity Shares in Carreman Fabric India Limited was purchased by Banswara Syntex Limited from Carreman, France. Later on vide Certificate of Incorporation dated October 09, 2013 the name of Carreman Fabrics India Limited was changed to Banswara Global Limited. As on date, Banswara Global Limited is a 100% wholly owned subsidiary Company of Banswara Syntex Limited.

11. The objects for which the Transferor Company No.1 viz. Banswara Global Ltd. has been established are set out in its Memorandum of Association. Primarily, the Transferor Company No.1 was incorporated to carry on business of spinners, weavers manufacturers, producers, ginners processor, seller, buyers traders, importer, exporter, distributor, shipper and dealer in all kind of threads, yarn, fibres, by-product and to treat and utilize any waste arising from manufacturing process. To carry on the business of manufacturer, processor, producer, jobbers including doing the job work for others and getting job work done from others. Also to act as distributors, stockists of all or any of the products of fabrics and textiles, industrial fabrics, non woven fabrics, readymade garments including waste cotton, linen, jute, polyester, synthetic fibres, synthetic staple fibres, artificial and natural fibres and intermediaries of all types, grades and formulations and including specifically polyester fibres, polyacrylonitrile, polypropylene, nylon and rayon.
12. The Share Capital of the Transferor Company No.1 viz. Banswara Global Ltd., as on 31<sup>st</sup> March, 2015 is as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
15,000,000 equity shares of face value INR 10/- each	150,000,000
300,000 3% Redeemable Cumulative Preference shares of face value INR 100/- each	30,000,000
<b>TOTAL</b>	<b>180,000,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
12,400,000 Issued, subscribed and fully-paid up equity shares of face value INR 10/- each.	124,000,000
<b>TOTAL</b>	<b>124,000,000</b>

13. As on 27<sup>th</sup> May, 2015, i.e. the date of the Scheme, there is no change in the Share Capital of the Transferor Company No.1 from the Share Capital as set out above.
14. As on that date of the Scheme, the entire paid up Share Capital of the Transferor Company No.1 is held by the Transferee Company and its nominees and the Transferor Company No.1 is therefore a wholly owned subsidiary of the Transferee Company.

## BANSWARA FABRICS LIMITED

15. Transferor Company 2 is a listed company incorporated under the provisions of the Act and having its registered office at Industrial Area, Dahod Road, Banswara – 327 001 (Rajasthan). The Transferor Company 2 was originally constituted as a public limited company on March 6, 1980, under the name and style of Banswara Fabrics Limited under the Act as per the certificate of registration issued by the Registrar of Companies, Rajasthan.
16. The objects for which the said Transferor Company No.2 viz. Banswara Fabrics Ltd. has been established are set out in its Memorandum of Association. Primarily, the Transferor Company No.2 was incorporated to carry on business of spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing, finishing and processing, working or manufacturing on any way whatever, cotton, linen, wool, silk, flex, hemp, jute, artificial silk, rayon, cloth, man-made and other fibrous, artificial chemicals or synthetic or textile substance, to treat and utilise and deal in any waste arising from any such operations and the buying and selling of and dealing in all or any of the aforesaid substances.
17. Transferor Company 2 is an associate company of the Transferee Company. The equity shares of the Transferor Company 2 were listed on the Delhi Stock Exchange Limited (DSE) however SEBI vide its Order No. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 withdrew the recognition of the DSE.
18. The Share Capital of the Transferor Company No.2 viz. Banswara Fabrics Ltd., as on 31<sup>st</sup> March, 2015 is as under:

<b>Particulars</b>	<b>Amount (INR)</b>
<b>Authorised Share Capital</b>	
8,50,000 equity shares of face value INR 10/- each	<b>8,500,000</b>
<b>TOTAL</b>	<b>8,500,000</b>
<b>Issued Share Capital</b>	
8,00,000 equity shares of face value INR 10/- each	<b>8,000,000</b>
<b>TOTAL</b>	<b>8,000,000</b>
<b>Paid-up Share Capital</b>	
<b>Subscribed and Fully paid:</b>	
7,64,270 equity shares of face value INR 10/- each	76,42,700
<b>Subscribed but Partly paid:</b>	
35,730 equity shares of face value INR 10/- each (@INR 5/- each)	1,78,650
<b>TOTAL</b>	<b>7,821,350</b>

19. The Board of Directors of the Transferor Company 2 in its meeting held on 21<sup>st</sup> May, 2015, where-in this Scheme has been approved, have resolved to serve final call notice to all those members who have not paid the (CALL MONEY/ ALLOTMENT) money on their equity shares, calling them to pay such (CALL MONEY/ALLOTMENT) money and that in the event of non-payment, the shares will be liable to forfeiture.
20. The Board of Directors of the Transferor Company No.2 Banswara Fabrics Ltd. in its Meeting held on 13<sup>th</sup> August, 2015 has forfeited 33,303 partly paid up equity shares on account of non-payment of call/allotment money as above. Hence as on today, there are no partly paid up shares standing in the company, and that the fully paid up shares are 766697 shares.

#### **RATIONALE FOR THE SCHEME**

21. The amalgamation of Transferor Companies with Transferee Company would inter alia have the following benefits:
  - (i) The combination of Transferee Company and Transferor Companies bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
  - (ii) The Transferor Companies and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Companies with that of the Transferee Company to fulfil this objective.
  - (iii) The Transferee Company will have the benefit of a diversified product portfolio, including complex products.
  - (iv) The Transferee Company will have the benefit of the combined resources of Transferor Companies and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.
  - (v) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the transferor and the transferee companies.
  - (vi) Concentrated effort and focus by the senior management to grow the business by eliminating duplicative communication and burdensome coordination efforts across multiple entities.
  - (vii) Elimination of administrative functions and multiple record-keeping, thus resulting in reduced expenditure.
  - (viii) The amalgamation pursuant to this scheme will create a focussed platform for future growth of Banswara Syntex Ltd.
22. In accordance with the Circular No. CIR/CFD/DIL/5/2013 issued by the Securities and Exchange Board of India ("SEBI") on February 4, 2013 as amended vide Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013, the Audit Committee of the Board of Directors of the Applicant Company had on 27<sup>th</sup> May, 2015 recommended the proposed Scheme of Amalgamation for approval of the Board.
23. The proposed Scheme of Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on 27<sup>th</sup> May, 2015 after considering the recommendations of the Audit Committee, Valuation Report dated 27<sup>th</sup> May, 2015 issued by Independent Valuers, M/s. Kalani & Company, Chartered Accountants and Fairness Opinion dated 27<sup>th</sup> May, 2015 of an Independent SEBI Registered Category I Merchant Banker, M/s Intensive Fiscal Services Pvt. Ltd.

24. Pursuant to the Scheme, all costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.
25. The material provisions of the proposed Scheme of Arrangement, inter alia, are as under:
- (i) **'Appointed Date'** means the 1<sup>st</sup> day of April, 2015 or such other date as may be agreed between the Transferor Companies and the Transferee Company and approved by the High Court;
  - (ii) **'Effective Date'** means the last of the dates on which the conditions referred to in Section 20 of the Scheme have been fulfilled. All references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
  - (iii) The Scheme shall be operative from the Effective Date with effect from the Appointed Date.
  - (iv) Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.
  - (v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
  - (vi) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
  - (vii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the **"Liabilities"**) shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
  - (viii) Subject to the terms of the Scheme, the transfer and vesting of the Undertaking of the Transferor Companies under the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded 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 made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.



## **ISSUE OF CONSIDERATION BY THE TRANSFeree COMPANY**

- (ix) Transferor Company 1 is a wholly owned (100%) subsidiary of Transferee Company, on amalgamation no separate consideration shall be paid by the Transferee Company to the Shareholders of the Transferor Company 1 and no shares shall be issued by the Transferee Company to any person in consideration of or consequent upon the amalgamation and the share capital of the Transferor Company 1 shall be extinguished upon the Scheme becoming effective. The Transferee Company shall not be required to issue and allot any shares against these shares as the transferee company is the only shareholder of the said Transferor Company.
- (x) Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company 2 in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company 2 (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 10/- (Rupees Ten) each credited as fully paid up of the Transferee Company in the ratio of 2 equity shares of the face value of Rs. 10/- (Rupees Ten) each of the Transferee Company for every 5 equity share of Rs. 10/- (Rupees Ten) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company 2 (the “**New Equity Shares**”).
- (xi) New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- (xii) In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company 2, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company 2 and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- (xiii) Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company 2 as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank paripassu from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company 2 as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- (xiv) No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company to the shareholders of the Transferor Company 2 and the fractional share entitlements, if any, arising out of such allotment, shall be rounded off to the nearest higher complete share.

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

- (xv) Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

## **LEGAL PROCEEDINGS**

- (xvi) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

## **ACCOUNTING TREATMENTS**

- (xvii) Recognising that the amalgamation is to be considered as an “amalgamation in the nature of merger” in accordance with the provisions of paragraph 29 of Accounting Standard 14 - “Accounting for Amalgamations” (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in

respect of assets, liabilities and reserves and surplus of the Transferor Companies in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Companies shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.

- (xviii) As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Companies, if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Companies.
- (xix) An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Companies, if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.
- (xx) An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Companies, if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.
- (xxi) In case of any difference in accounting policies of the Transferee Company and the Transferor Companies, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- (xxii) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Companies and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from Appointed Date.

#### **DISSOLUTION OF THE TRANSFEROR COMPANIES AND VALIDITY OF RESOLUTIONS**

- (xxiii) Upon the effectiveness of this Scheme, the Transferor Companies shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved.
- (xxiv) Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor Companies insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally effected by the parties concerned.
- (xxv) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY**

- (xxvi) Increase of authorised share capital
  - (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Companies, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.
  - (b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

V The Authorized Share Capital of the Company is Rs. 68,85,00,000 (Rupees Sixty Eight Crores Eighty Five Lacs Only) divided into 6,08,50,000 (Six Crore Eight Lac Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 500,000 (Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 300,000 (Three Lacs) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, with power to Board of Directors to increase the capital from time to time and divide the shares of the original or any increased capital into several classes and to attach thereto respectively, such preferential, qualified or special rights, privileges or conditions as regards capital, dividend, voting right or otherwise as the regulations of the company as originally framed or altered by special resolution from time to time.

For removal of doubt, it is clarified that the approval of the Scheme by the shareholders of the Transferee Company under section 391 and 394 of the Act shall be deemed to be approval under sections 13, 14, 61 and 64 of the New Act and other applicable provisions of the Act.

- (c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:
  - 4. The Authorized Share Capital of the Company is Rs. 68,85,00,000 (Rupees Sixty Eight Crores Eighty Five Lacs Only) divided into 6,08,50,000 (Six Crore Eight Lac Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 500,000 (Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 300,000 (Three Lacs) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, with power to Board of Directors to increase the capital from time to time and divide the shares of the original or any increased capital into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as regards capital, dividend, voting right or otherwise as the regulations of the company as originally framed or altered by special resolution from time to time.
  - (d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms, if any, with the Registrar of Companies for alteration of its authorized share capital.
- (xxvii) Under the accepted principle of single window clearance, it is hereby provided that the amendment in Section 17.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

**The features set out above being only the salient features of the Scheme of Arrangement, the members are requested to read the entire text of the Scheme of Arrangement (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Arrangement.**

- 26. The Share Exchange Ratio in respect of the Scheme of Arrangement has been arrived at on the basis of the valuation carried out by M/s Kalani & Co., Chartered Accountants, who have issued their Valuation Report dated 27<sup>th</sup> May, 2015. A copy of Valuation Report has been kept for inspection at the Registered Office of the Applicant Company and has been displayed on the website of the Applicant Company.
- 27. In terms of Clause 24(h) of the Listing Agreement, M/s Intensive Fiscal Services Pvt. Ltd., a Category - I Merchant Banker has provided an opinion to the Board of Directors of the Applicant Company as to the fairness from a financial point of view of the swap ratio to the Equity Shareholders of the Applicant Company ("Fairness Opinion"). The Fairness Opinion was issued based on various assumptions and considerations, and should be read in its entirety for information regarding the assumptions made and factors considered in rendering such opinion.
- 28. The proposed Scheme was placed before Audit Committee of the Applicant Company at its meeting held on 27<sup>th</sup> May, 2015. The Audit Committee recommended and approved the proposed Scheme after considering the Valuation Report of M/s Kalani & Co., Independent Chartered Accountant and Fairness Opinion of M/s Intensive Fiscal Services Pvt. Ltd., a SEBI registered Merchant Banker Category -I.
- 29. The Board of Directors of the Applicant Company have at their board meeting held on 27<sup>th</sup> May, 2015 unanimously approved the Scheme based on recommendation of Audit Committee, Valuation Report of M/s Kalani & Co., Independent Chartered Accountant recommending the share exchange ratio in which Equity Share should to be issued by the Transferee Company to the shareholders of Transferor Company 2 and Fairness Opinion of Intensive Fiscal Services Pvt. Ltd., a SEBI registered Merchant Banker Category -1. The Copies of the said report, fairness opinion and other documents submitted to the Stock Exchanges are also displayed on the website of the Applicant Company at and the websites of the Stock Exchanges where the shares of the Applicant Company are listed, in terms of the Securities Exchange Board of India circular CIR/CFD/DIL/5/2013 dated 4 February 2013.
- 30. In accordance with Clause 24(f) of the Listing Agreement and SEBI Circulars the Company has filed an application alongwith the Draft Composite Scheme of Arrangement and Amalgamation with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 30/07/2015 for seeking their No Objection to the proposed Scheme of Arrangement and Amalgamation. BSE Limited, the Designated Stock Exchange forwarded the said application alongwith Draft Scheme to SEBI for its approval and/or comments.
- 31. As required by Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 issued by SEBI the Company has filed Complaints Report (indicating Nil Complaints) with BSE and NSE on 18<sup>th</sup> September, 2015. After filing of Complaint Report, the Company has not received any compliant from any investors. A Copy of Complaints Report is enclosed.
- 32. Accordingly in terms of Clause 24(f) of Listing Agreement and SEBI Circulars the Company received approval to the Scheme from BSE Limited vide its observation letter dated 20<sup>th</sup> January, 2016 and National Stock Exchange of India Limited vide its observation letter dated 20<sup>th</sup> January, 2016. A copy of observation letters received from BSE and NSE are enclosed.
- 33. No investigation proceedings have been instituted or are pending in relation to the Transferee Company under Sections 210 to 229 of the Companies Act, 2013 or under the corresponding provisions of the Act. No winding up petitions have been admitted or filed against the Transferee Company.

34. The financial position of the Transferee Company will not be adversely affected by the Scheme of Arrangement. It will continue to remain strong and it will be able to meet and pay its debts as and when they arise. The rights and interests of the members and the creditors of the Transferee Company will not be prejudicially affected by the Scheme.
35. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Sections 235 to 251 of the Act or under the corresponding provisions of the Companies Act 2013. No winding up petitions have been admitted or filed against the Applicant Company.
36. The Directors of the Applicant Company and the Transferor Companies may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions, trusts of which they are Directors, Partners, Members or Trustees in the Applicant Company or the Transferor Companies. Further, none of the Directors, Key Managerial Personnel ("KMP") or relatives of the Directors and KMPs of the Applicant Company and/or the Transferor Company have any material, financial or other interest, in the Scheme except as shareholders to the extent appearing in the Register of Directors' Shareholding and Register of Members maintained by the Applicant Company and the Transferor Companies respectively. Save as aforesaid, none of the Directors of the Applicant Company have any material interest in the proposed Scheme.
37. The shareholding of the present Directors and KMPs of the Applicant Company / Transferee Company and the Transferor Companies, as on 31st December, 2015, is as under:

a. SHAREHOLDING OF DIRECTORS AND KMP OF APPLICANT COMPANY

Sr. No.	Name of Director	Designation	No. of Shares held in		
			Applicant Company	Transferor Company 1	Transferor Company 2
1.	RAMESHWAR LAL TOSHNIWAL	Whole-time Director	27765	50	23000
2.	RAVINDRA KUMAR TOSHNIWAL	Managing Director	2231447	50	17050
3.	SHALEEN TOSHNIWAL	Whole-time Director	2231447	50	0
4.	RAKESH MEHRA	Whole-time Director	6061	0	0
5.	DEVENDRA PAL GARG	Director	0	0	0
6.	ARUNCHANDRA NAVNITLAL JARIWALA	Director	0	0	0
7.	VIJAY MEHTA	Director	0	0	0
8.	VIJAY KUMAR JAMNADHAR AGARWAL	Director	0	0	0
9.	PARDUMAN KUMAR	Director	0	0	0
10.	KAMAL KISHORE KACHOLIA	Director	0	0	0
11.	SHRI BHAGWAN AGARWAL	Director	0	0	0
12.	VAIJAYANTI AJIT PANDIT	Director	0	0	0
13.	JINENDRA KUMAR JAIN	CFO & Company Secretary	100	50	200

b. SHAREHOLDING OF DIRECTORS AND KMP OF TRANSFEROR COMPANY 1

Sr. No.	Name of Director	Designation	No. of Shares held in		
			Applicant Company	Transferor Company 1	Transferor Company 2
1	RAMESHWAR LAL TOSHNIWAL	Director	27765	50	23000
2	RAVINDRA KUMAR TOSHNIWAL	Director	2231447	50	17050
3	VIJAYENDRA KUMAR AGARWALA	Director	0	0	0
4	AMBRISH DHAIRYAKANT GANDHI	Director	0	0	0
5	JAGDEESH MAL MEHTA	Director	15	0	500
6	PANKAJ GOLECHA	Director	0	0	0

c. SHAREHOLDING OF DIRECTORS AND KMP OF TRANSFEROR COMPANY 2

Sr. No.	Name of Director	Designation	No. of Shares held in		
			Applicant Company	Transferor Company 1	Transferor Company 2
1	RAMESHWAR LAL TOSHNIWAL	Director	27765	50	23000
2	RAKESH MEHRA	Director	6061	0	0
3	RAVIKANT SHYAMSUNDER SHARMA	Director	50296	0	0
4	BALGOVIND RAMNIRANJAN CHOKHANI	Director	0	0	0
5	KAVITA SONI	Director	595075	0	0

38. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed pre-amalgamation and post-amalgamation (expected) shareholding pattern of the Applicant Company and the Transferor Companies are given herein below:

a. SHAREHOLDING PATTERN – APPLICANT COMPANY

Sr. No. (i)	Category of shareholder (II)	Pre-Amalgamation as on 31 <sup>st</sup> December 2015.		Post Amalgamation (Expected)	
		Total Number of Shares (III)	Percentage of total number of shares (IV)	Total Number of Shares (III)	Percentage of total number of shares (IV)
<b>(A)</b>	<b>Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals/Hindu Undivided Family	8585332	50.71%	8612582	50.28%
(b)	Central Government/State Government(s)	0	0	0	0
(c)	Bodies Corporate	1319919	7.80%	1363919	8.00%
(d)	Financial Institutions / Banks	0	0	0	0
(e)	Any Other (specify)	0	0	0	0
	Trusts	0	0	0	0
	<b>Sub Total (A)(1)</b>				
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	100000	0.59%	100000	0.59%
(b)	Bodies Corporate	0	0	0	0
(c)	Institutions	0	0	0	0
(d)	Qualified Foreign Investors	0	0	0	0
(e)	Any Other (specify)	0	0	0	0
	<b>Sub Total (A)(2)</b>				
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	10005251	59.10%	10076501	58.87%
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds/UTI	4775	0.03%	4775	0.03%
(b)	Financial Institutions / Banks	570	0	570	0
(c)	Central Government / State Government(s)	0	0	0	0

(d)	Venture Capital Funds	0	0	0	0
(e)	Insurance Companies	0	0	0	0
(f)	Foreign Institutional Investors	2108581	12.46%	2108581	12.32%
(g)	Foreign Bank	0	0	0	0
(h)	Qualified Foreign Investors				
(I)	Any Other (specify)	0	0	0	0
	<b>Sub Total (B) (1)</b>	2113926	12.49%	2113926	12.35%
<b>2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate	1886199	11.14%	1892124	11.05%
(b)	Individuals - shareholders holding nominal share capital up to Rs. 1 Lakh	1865697	11.02%	1962577	11.47%
(i)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1058273	6.25%	1070897	6.26%
(c)	Qualified Foreign Investors	0	0	0	0
(d)	Any Other	0	0	0	0
i	Non Resident Indians (Repat)	0	0	0	0
ii	Non Resident Indians (Non Repat)	0	0	0	0
iii	Foreign Companies	0	0	0	0
iv	Clearing Member	0	0	0	0
v	Directors & their Relatives & Friends	0	0	0	0
vi	Trusts				
vii	Overseas Corporate Bodies				
	<b>Sub Total (B)(2)</b>	4810169	28.41%	4925598	28.78%
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	6924095	40.90%	7039524	41.13%
	<b>Total (A)+(B)</b>				
(C)	<b>Shares held by custodians and against which Depository Receipts have been issued</b>	0	0	0	0
I	Promoter and Promoter group	0	0	0	0
li	Public	0	0	0	0
	<b>Sub Total (C)</b>	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	16929346	100.00%	17116025	100.00%

b. SHAREHOLDING PATTERN – TRANSFEROR COMPANY 1

Sr. No. (i)	Category of shareholder (II)	Pre-Amalgamation as on 31 <sup>st</sup> December 2015.	
		Total Number of Shares (III)	Percentage of total number of shares (IV)
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>1</b>	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	150	0
(b)	Central Government/State Government(s)	0	0
(c)	Bodies Corporate	12399700	100.00%
(d)	Financial Institutions / Banks	0	0

(e)	Any Other (specify)	150	0.00%
	Trusts	0	0
	<b>Sub Total (A)(1)</b>	12400000	100.00%
<b>2</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Qualified Foreign Investors	0	0
(e)	Any Other (specify)	0	0
	<b>Sub Total (A)(2)</b>	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	12400000	100%
<b>(B)</b>	<b>Public shareholding</b>	0	0
1	Institutions	0	0
(a)	Mutual Funds/UTI	0	0
(b)	Financial Institutions / Banks	0	0
(c)	Central Government/State Government(s)	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Bank	0	0
(h)	Qualified Foreign Investors	0	0
(I)	Any Other (specify)	0	0
	<b>Sub Total (B) (1)</b>	0	0
<b>2</b>	<b>Non-institutions</b>	0	0
(a)	Bodies Corporate	0	0
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	0	0
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0
(c)	Qualified Foreign Investors	0	0
(d)	Any Other	0	0
i	Non Resident Indians (Repat)	0	0
ii	Non Resident Indians (Non Repat)	0	0
iii	Foreign Companies	0	0
iv	Clearing Member	0	0
v	Directors & their Relatives & Friends	0	0
vi	Trusts	0	0
vii	Overseas Corporate Bodies	0	0
	<b>Sub Total (B)(2)</b>	0	0
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	0	0
	<b>Total (A)+(B)</b>	0	0
(C)	Shares held by custodians and against which Depository Receipts have been issued	0	0



I	Promoter and Promoter group	0	0
li	Public	0	0
	Sub Total (C)	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	12400000	100%

c. SHAREHOLDING PATTERN – TRANSFEROR COMPANY 2

Sr. No. (i)	Category of shareholder (II)	Pre-Amalgamation as on 31 <sup>st</sup> December 2015.	
		Total Number of Shares (III)	Percentage of total number of shares (IV)
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>1</b>	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	68124	8.88%
(b)	Central Government/State Government(s)	0	0
(c)	Bodies Corporate	410000	53.48%
(d)	Financial Institutions / Banks	0	0
(e)	Any Other (specify)	0	0
	Trusts	0	0
	<b>Sub Total (A)(1)</b>	478124	62.36%
<b>2</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Qualified Foreign Investors	0	0
(e)	Any Other (specify)	0	0
	<b>Sub Total (A)(2)</b>	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	478124	62.36%
<b>(B)</b>	<b>Public shareholding</b>		
<b>1</b>	<b>Institutions</b>		
(a)	Mutual Funds/UTI	0	0
(b)	Financial Institutions / Banks	0	0
(c)	Central Government/State Government(s)	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Bank	0	0
(h)	Qualified Foreign Investors	0	0
(I)	Any Other (specify)	0	0
	<b>Sub Total (B) (1)</b>	0	0
<b>2</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	14812	1.93%
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs. 1 Lakh	242200	31.59%



(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	31561	4.12%
(c)	Qualified Foreign Investors	0	0
(d)	Any Other	0	0
i	Non Resident Indians (Repat)	0	0
ii	Non Resident Indians (Non Repat)	0	0
iii	Foreign Companies	0	0
iv	Clearing Member	0	0
v	Directors & their Relatives & Friends	0	0
vi	Trusts	0	0
vii	Overseas Corporate Bodies	0	0
	<b>Sub Total (B)(2)</b>	288573	37.64%
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	288573	37.64%
	<b>Total (A)+(B)</b>	766697	100%
(C)	Shares held by custodians and against which Depository Receipts have been issued	0	0
I	Promoter and Promoter group	0	0
li	Public	0	0
	<b>Sub Total (C)</b>	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	766697	100%

#### INSPECTION DOCUMENTS

39. The following documents will be opened for inspection by the Shareholders at the Registered Office of the Applicant Company situated at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327001 in the State of Rajasthan on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Meeting and at the venue of the Meeting on the date of the Meeting during the Meeting hours.
- Copy of the Order passed by the Hon'ble High Court of Rajasthan dated 11.02.2016 directing convening the meeting of Equity Shareholders passed in Company Application No. 06/2016;
  - Copies of the Memorandum of Association and Articles of Association of the Applicant Company and the Transferor Companies;
  - Copy of Audited Financial Statements of the Applicant Company and the Transferor Companies for the year ended on 31.03.2015 and Unaudited financial results for quarter/nine month ended 31.12.2015;
  - Copy of Scheme of Arrangement together with documents referred therein;
  - Valuation Report dated 27<sup>th</sup> May, 2015 issued by M/s Kalani & Company, Chartered Accountants
    - Fairness Opinion for the Applicant Company dated 27<sup>th</sup> May, 2015 issued by M/s. Intensive Fiscal Services Pvt. Ltd.
    - Observation letter to the Scheme received from the BSE Limited;
    - Observation letter to the Scheme received from the National Stock Exchange of India Limited;
    - Copy of Complaints Report dated 18<sup>th</sup> September, 2015;
    - Other documents displayed by the Stock Exchange and Transferee Company's website, in terms of the SEBI Circular.
- A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Company.

Dated this 19<sup>th</sup> February, 2016

Registered Office:  
Industrial Area, Dahod Road,  
Post Box No. 21, Banswara – 327 001 Rajasthan.

Sd/-  
Dr. Sachin Acharya  
Chairman appointed for the meeting

**SCHEME OF AMALGAMATION AND ARRANGEMENT  
OF  
BANSWARA GLOBAL LIMITED - TRANSFEROR COMPANY 1  
AND  
BANSWARA FABRICS LIMITED – TRANSFEROR COMPANY 2  
WITH  
BANSWARA SYNTAX LTD - TRANSFeree COMPANY  
AND  
THEIR SHAREHOLDERS AND CREDITORS  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 READ WITH  
SECTION 52 OF THE COMPANIES ACT, 2013 AND  
SECTIONS 100 to 104 OF THE COMPANIES ACT, 1956**

This Scheme of Amalgamation and Arrangement (the “**Scheme**”) provides for amalgamation of Banswara Global Limited (Company Registration Number: 021321 and having Corporate Identification Number: U18101RJ2005PLC021321) incorporated under the Act on September 16, 2005 (“**Transferor Company 1**”) and Banswara Fabrics Limited (Company Registration Number: 002005 and having Corporate Identification Number: L17124RJ1980PLC002005) incorporated under the Act on March 6, 1980 (“**Transferor Company 2**”) (**Transferor Company 1** and **Transferor Company 2** collectively referred to as “**Transferor Companies**”) with Banswara Syntax Ltd, (Company Registration Number: 001684 and having Corporate Identification Number: L24302RJ1976PLC001684) incorporated under the Act on May 5, 1976 (“**Transferee Company**”) pursuant to Sections 391 to 394 read with Section 52 of the Companies Act, 2013 and, Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof).

**1. PREAMBLE**

**1.1. Description of Companies**

- (a) **Transferor Company 1:** Banswara Global Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Post Box 39 Navagaon Road, Industrial Area, Banswara-327 001 (Rajasthan). The Transferor Company 1 was originally incorporated as a Private Limited Company on September 16, 2005 under the name and style of Carreman Fabrics India Private Limited as per the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur. Later on January 24, 2006, the Carreman Fabrics India Private Limited was converted into a Public limited Company. By a Joint Venture Agreement dated February 17, 2006 between Banswara Syntax Limited, and Carreman, France, the Carreman Fabrics India Limited became Joint Venture Company with 50:50 participation. The Carreman, France has also invested in Carreman Fabrics India Limited by way of 1,90,000, 3% Redeemable Preference Shares of Rs.100 each.

Later on, vide Joint Venture Termination Agreement dated August 06, 2013, both the Joint Venture partner, i.e. - Banswara Syntax Limited, the Transferee Company and Carreman, France have terminated the Joint Venture and as per this Joint Venture Termination Agreement, the 190000, 3% Redeemable Preference Shares has been redeemed. The 50% Equity participation of Carreman, France i.e. 62 Lac Equity Shares in Carreman Fabric India Limited was purchased by Banswara Syntax Limited from Carreman, France. Later on vide Certificate of Incorporation dated October 09, 2013 the name of Carreman Fabrics India Limited was changed to Banswara Global Limited. As on date, Banswara Global Limited is a 100% wholly owned subsidiary Company of Banswara Syntax Limited. Now, by this scheme of Amalgamation, the Banswara Global Limited the Transferor Company 1 is to be merged into Banswara Syntax Limited.

The Transferor Company 1 was formed with the main objects to carry on the business of spinners, weavers manufacturers, producers, ginners processor, seller, buyers traders ,importer, exporter, distributor, shipper and dealer in all kind of threads, yarn, fibres, by -product and to treat and utilize any waste arising from manufacturing process. To carry on the business of manufacturer, processor, producer, jobbers including doing the job work for others and getting job work done from others. Also to act as distributors, stockists of all or any of the products of fabrics and textiles, industrial fabrics, non woven fabrics, readymade garments including waste cotton, linen, jute, polyester, synthetic fibres, synthetic staple fibres, artificial and natural fibres and intermediaries of all types, grades and formulations and including specifically polyester fibres, polyacrylonitrile, polypropylene, nylon and rayon.

Banswara Global Limited is a wholly owned subsidiary of Banswara Syntax Ltd. The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme.

- (b) **Transferor Company 2:** Banswara Fabrics Limited is a listed company incorporated under the provisions of the Act and having its registered office at Industrial Area, Dahod Road, Banswara – 327 001 (Rajasthan). The Transferor Company 2 was originally constituted as a public limited company on March 6, 1980, under the name and style of Banswara Fabrics Limited under the Act as per the certificate of registration issued by the Registrar of Companies, Rajasthan and was formed with the main objective to carry on the business of spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing, finishing and processing, working or manufacturing on any way whatever, cotton, linen, wool, silk, flex, hemp, jute, artificial silk, rayon, cloth, man-made and other fibrous,

artificial chemicals or synthetic or textile substance, to treat and utilise and deal in any waste arising from any such operations and the buying and selling of and dealing in all or any of the aforesaid substances. Transferor Company 2 is an associate company of the Transferee Company. The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme. The equity shares of the Transferor Company 2 were listed on the Delhi Stock Exchange Limited (DSE) however Securities and Exchange Board of India (SEBI) vide its Order No. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 withdrew the recognition of the DSE.

- (c) **Transferee Company:** Banswara Syntex Ltd is a listed company incorporated under the provisions of the Act and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327 001 (Rajasthan). The Transferee Company was originally constituted as a public limited company on May 5, 1976, under the name and style of Banswara Syntex Ltd under the Act as per the certificate of registration issued by the Registrar of Companies, Rajasthan and was formed with the main objective to carry on all or any of the trades of business of preparing, spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing and finishing, working or manufacturing in any way, also to carry on the business of manufacturers and dealers in all types of Cotton, Linen, Silk, Flax, Hemp, Jute, Rayon, manmade and other fibrous articles or textile substances. To purchase, exchange and deal in cloth, yarn, cotton, yarn, cotton in process raw cotton jute and other synthetic fibres. Also to carry on the business of spinners, weavers, manufacturers, balers and pressers of all cotton, jute cutting, jute rejections, hemp, wool, synthetic chemical materials and to transact all manufacturing business that may be necessary or expedient to purchase and vend the raw materials and manufactured articles. Moreover to breed, rear and purchase live-stock of all kinds, to farm and buy animal produce of all kinds, to prepare, manufacture and render marketable any such produce and sell, dispose of either in manufactured or raw state. The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme. The equity shares of the Transferee Company are listed on the BSE Ltd (BSE) and the National Stock Exchange of India Limited (NSE).

## 1.2. Rationale for the Scheme

To consolidate and effectively manage the related businesses of the Transferor Companies and the Transferee Company in a single entity which will provide synergy benefits, attain efficiencies and cost competitiveness, it is intended that the Transferor Companies should amalgamate with Transferee Company. The amalgamation of Transferor Companies with Transferee Company would inter alia have the following benefits:

- (i) The combination of Transferee Company and Transferor Companies bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
- (ii) The Transferor Companies and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Companies with that of the Transferee Company to fulfil this objective.
- (iii) The Transferee Company will have the benefit of a diversified product portfolio, including complex products.
- (iv) The Transferee Company will have the benefit of the combined resources of Transferor Companies and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.
- (v) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the transferor and the transferee companies.
- (vi) Concentrated effort and focus by the senior management to grow the business by eliminating duplicative communication and burdensome coordination efforts across multiple entities.
- (vii) Elimination of administrative functions and multiple record-keeping, thus resulting in reduced expenditure.
- (viii) The amalgamation pursuant to this scheme will create a focussed platform for future growth of Banswara Syntex Ltd.

- 1.3. In view of the aforesaid, the board of directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking and business of the Transferor Companies with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Companies and the Transferee Company.

- 1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:

- (a) the amalgamation of the Transferor Companies with the Transferee Company; and
- (b) various other matters consequential or otherwise integrally connected herewith;

Pursuant to Sections 391 to 394, and other relevant provisions of the Act and the New Act (as defined hereunder) in the manner provided for in this Scheme.

1.5. The amalgamation of the Transferor Companies with the Transferee Company will combine the business, activities and operations of the Transferor Companies and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto. If any terms and or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provision of said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

1.6. For sake of convenience this Scheme is divided into following parts:

**Part A** dealing with definitions and share capital;

**Part B** dealing with amalgamation of the Transferor Company 1 with the Transferee Company;

**Part C** dealing with amalgamation of the Transferor Company 2 with the Transferee Company;

**Part D** dealing with general terms and conditions.

**Part B** and C of the Scheme are independent and severable.

## **PART A**

### **1.7. Definitions**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- (a) **'Act'** means the Companies Act, 1956, as applicable, and rules and regulations made thereunder and shall include any statutory modifications or amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors of the Transferor Companies and the Transferee Company, Sections 100 to 104 and Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted;
- (b) **'Appointed Date'** means the 1st day of April, 2015 or such other date as may be agreed between the Transferor Companies and the Transferee Company and approved by the High Court;
- (c) **'Board of Directors'** means the board of directors of the Transferor Companies or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (d) **'Effective Date'** means the last of the dates on which the conditions referred to in Section 20 of this Scheme have been fulfilled. All references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- (e) **'Encumbrance'** means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term 'Encumbered' shall be construed accordingly.
- (f) **'Governmental Authority'** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (g) **'High Court'** means the Hon'ble High Court of Rajasthan having jurisdiction in relation to the Transferor Companies and the Transferee Company, and shall, if applicable, include the National Company Law Tribunal;
- (h) **'New Act'** means the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications or amendments or re-enactment thereof for the time being in force.
- (i) **'Scheme' or 'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor Companies and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;
- (j) **'Stock Exchanges'** means National Stock Exchange of India Limited and the BSE Limited and/or Delhi Stock Exchange Limited to the extent necessary in the context of Transferor Company 2;
- (k) **'Transferor Company 1'** means Banswara Global Limited, a company registered under the Act and having its registered office at Post Box 39 Navagaon Road Industrial Area, Banswara – 327 001 (Rajasthan);
- (l) **'Transferor Company 2'** means Banswara Fabrics Limited, a company registered under the Act and having its registered office at Industrial Area, Dahod Road, Banswara – 327 001 (Rajasthan);
- (m) **'Transferor Companies'** means collective reference to Transferor Company 1 and Transferor Company 2;
- (n) **'Transferee Company'** means Banswara Syntex Ltd, a company registered under the Act and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327 001 (Rajasthan);

- (o) **‘Undertaking’** shall mean the entire business and the whole of the undertakings of the Transferor Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstanding, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Companies employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, in each case, whether in India or abroad.
  - (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies business activities and operations.
  - (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies.
  - (iv) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
  - (v) Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
  - (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining

to the Undertaking of the Transferor Companies vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Companies at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

## 2 SHARE CAPITAL

### 2.1. Transferor Company 1

The share capital of the Transferor Company 1 as on 31<sup>st</sup> March, 2015 is as set out below:

Particulars	Amount (INR)
<b>Authorised share capital</b>	
15,000,000 equity shares of face value INR 10/- each	150,000,000
300,000 3% Redeemable Cumulative Preference shares of face value INR 100/- each	30,000,000
<b>TOTAL</b>	<b>180,000,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
12,400,000 Issued, subscribed and fully-paid up equity shares of face value INR 10/- each.	124,000,000
<b>TOTAL</b>	<b>124,000,000</b>

As on the date of this Scheme, there is no change in the share capital of the Transferor Company 1 from the share capital as set out above.

As on 27<sup>th</sup> May, 2015, i.e. the date of this scheme the entire paid up share capital of the Transferor Company 1 is held by the Transferee Company and its nominees and the Transferor Company 1 is therefore a wholly owned subsidiary of the Transferee Company.

### 2.2. Transferor Company 2

The share capital of the Transferor Company 2 as on 31<sup>st</sup> March, 2015 is as set out below:

Particulars	Amount (INR)
<b>Authorised share capital</b>	
8,50,000 equity shares of face value INR 10/- each	8,500,000
<b>TOTAL</b>	<b>8,500,000</b>
<b>Issued share capital</b>	
8,00,000 equity shares of face value INR 10/- each	8,000,000
<b>TOTAL</b>	<b>8,000,000</b>
<b>Paid-up share capital</b>	
<b>Subscribed and Fully paid:</b>	
7,64,270 equity shares of face value INR 10/- each	76,42,700
<b>Subscribed but Partly paid:</b>	
35,730 equity shares of face value INR 10/- each (@INR 5/- each)	1,78,650
<b>TOTAL</b>	<b>7,821,350</b>

As on the date of this Scheme, there is no change in the share capital of the Transferor Company 2 from the share capital as set out above.

The Board of Directors of the Transferor Company 2 in its meeting held on 21<sup>st</sup> May, 2015, where-in this Scheme has been



approved, have resolved to serve final call notice to all those members who have not paid the (CALL MONEY/ ALLOTMENT) money on their equity shares, calling them to pay such (CALL MONEY/ALLOTMENT) money and that in the event of non-payment, the shares will be liable to forfeiture.

**Subsequently on 13.08.2015 the board of directors has forfeited 33303 shares on account of non-payment of unpaid call money. Hence as on today, there are no partly paid up shares standing in the company, and that the fully paid up shares are 766697 shares.**

### 2.3. Transferee Company

The share capital of the Transferee Company as on 31<sup>st</sup> March, 2015 is as set out below:

Particulars	Amount (INR)
<b>Authorised share capital</b>	
45,000,000 equity share capital of face value INR 10/- each	450,000,000
500,000 3% Redeemable Preference shares of face value INR 100/- each	50,000,000
<b>TOTAL</b>	<b>500,000,000</b>
<b>Issued share capital</b>	
16,446,361 equity share capital of face value INR 10/- each	164,463,610
<b>TOTAL</b>	<b>164,463,610</b>
<b>Paid up share capital</b>	
<b>Fully paid:</b> 16,416,361 equity share capital of face value INR 10/- each	164,163,610
<b>Partly paid:</b> 30,000 equity share capital of face value INR 5/- each	150,000
<b>TOTAL</b>	<b>164,313,610</b>

1. The Transferee Company has received due allotment money on 2,985 equity shares @Rs.5/- per shares aggregating to Rs. 14,925/- during the month of April, 2015 from Shareholders whose shares were partly paid up under earlier Rights and Public Issue.
2. On 8<sup>th</sup> May, 2015 committee of the Board of the Transferee Company have converted last trench of 5,10,000 warrants, issued on preferential basis to the promoter and promoters group, into equal number of equity shares.
3. The Transferee Company has forfeited 27,015 partly paid up equity shares on 27<sup>th</sup> May, 2015.

The share capital of the Transferee Company as on 27<sup>th</sup> May, 2015 is as set out below:

Particulars	Amount (INR)
<b>Authorised share capital</b>	
45,000,000 equity share capital of face value INR 10/- each	450,000,000
500,000 3% Redeemable Preference shares of face value INR 100/- each	50,000,000
<b>TOTAL</b>	<b>500,000,000</b>
<b>Issued share capital</b>	
16,956,361 equity share capital of face value INR 10/- each	169,563,610
<b>TOTAL</b>	<b>169,563,610</b>
<b>Paid up share capital</b>	
16,929,346 equity share capital of face value INR 10/- each	169,293,460
<b>Forfeited Shares:</b> 27015 equity share capital of face value INR 5/- each	
<b>TOTAL</b>	<b>169,428,535</b>

- 2.4. The authorised share capital of the Transferor Companies will be transferred to the Transferee Company as stated under Section 17 of the Scheme. If required further, thereafter, upon the Scheme of Arrangement becoming finally effective, the Transferee Company will suitably enhance its authorised capital at the appropriate time.

## PART B

### AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH THE TRANSFEE COMPANY

## 3 TRANSFER AND VESTING OF UNDERTAKING

Generally

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company 1 shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

#### Transfer of Assets

- 3.2. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Company 1 as on the Appointed Date, whether or not included in the books of the Transferor Company 1, and all assets and properties which are acquired by the Transferor Company 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
  - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company 1 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company 1, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
  - (iii) In respect of movables other than those dealt with in Section 3.2 (ii) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
  - (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company 1 including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Company 1 shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
- 3.3. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company 1 of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "Liabilities") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company 1 on or after the Appointed Date till the Effective Date, shall be deemed to be and



shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company 1 as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iii) All loans raised or used and all liabilities and obligations incurred by the Transferor Company 1 for the operations of the Transferor Company 1 after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (iv) The Transferor Company 1 may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Court sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- (v) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Court having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company 1.

The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company 1 which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company 1 have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Company 1. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (vi) Loans and advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) if any, due or which may at any time in future becomes due between the Transferor Company 1 and the Transferee Company shall, ipso facto stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
  - (vii) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company 1 and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
  - (viii) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.
- 3.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company 1 under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company 1 on or before the Appointed Date or concluded 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 made, done and executed by the Transferor Company 1 as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

#### **4 ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY**

- 4.1. Transferor Company 1 is a wholly owned (100%) subsidiary of Transferee Company, on amalgamation no separate consideration shall be paid by the Transferee Company to the Shareholders of the Transferor Company 1 and no shares shall be issued by the Transferee Company to any person in consideration of or consequent upon the amalgamation and the share capital of the Transferor Company 1 shall be extinguished upon the Scheme becoming effective. The Transferee

Company shall not be required to issue and allot any shares against these shares as the transferee company is the only shareholder of the said Transferor Company 1.

## **5 ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY 1 IN THE BOOKS OF THE TRANSFEE COMPANY**

- 5.1. Recognising that the amalgamation is to be considered as an “amalgamation in the nature of merger” in accordance with the provisions of paragraph 29 of Accounting Standard 14 - “Accounting for Amalgamations” (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company 1 in the books of the Transferee Company shall be governed by, the provisions of AS-14, “the Pooling of Interests Method”. Accordingly, all the assets and liabilities of the Transferor Company 1 shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 5.2. As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company 1, if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company 1.
- 5.3. An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company 1, if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.
- 5.4. An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company 1, if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.
- 5.5. In case of any difference in accounting policies of the Transferee Company and the Transferor Company 1, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 5.6. Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company 1 and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from Appointed Date.

### **PART C**

## **AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH THE TRANSFEE COMPANY**

## **6 TRANSFER AND VESTING OF UNDERTAKING**

Generally

- 6.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company 2 shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

Transfer of Assets

- 6.2. Without prejudice to the generality of Section 6.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
  - (i) All assets and properties of the Transferor Company 2 as on the Appointed Date, whether or not included in the books of the Transferor Company 2, and all assets and properties which are acquired by the Transferor Company 2 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
  - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company 2 as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company 2, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.

- (iii) In respect of movables other than those dealt with in Section 6.2 (ii) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
  - (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company 2 including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Company 2 shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
- 6.3. Without prejudice to the generality of Section 6.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company 2 of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the “**Liabilities**”) shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company 2 on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
  - (ii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company 2 as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
  - (iii) All loans raised or used and all liabilities and obligations incurred by the Transferor Company 2 for the operations of the Transferor Company 2 after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
  - (iv) The Transferor Company 2 may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Court sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
  - (v) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Court having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company 2.

The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this

Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company 2 which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company 2 have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Company 2. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (vi) Loans and advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) if any, due or which may at any time in future becomes due between the Transferor Company 2 and the Transferee Company shall, ipso facto stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
  - (vii) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company 2 and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
  - (viii) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 6.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 6 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.
- 6.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company 2 under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company 2 on or before the Appointed Date or concluded 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 made, done and executed by the Transferor Company 2 as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## 7 ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

- 7.1. Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company 2 in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company 2 (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors),
- a) equity shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of the Transferee Company in the ratio of 2 (Two) equity shares of the face value of Rs. 10/- (Rupees Ten) each of the Transferee Company for every 5 (Five) equity shares of Rs. 10/- (Rupees Ten) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company 2 (the "**New Equity Shares**").
- 7.2. Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company 2, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 7.3. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company 2 is herein referred to as the "**Share Exchange Ratio**". In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 7.4. New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

- 7.5. In so far as the equity shares of the Transferor Company 2 held by the Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.
- 7.6. Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company 2, the shares held by the said members of Transferor Company 2, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- 7.7. In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company 2, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company 2 and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/ certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- 7.8. Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company 2 as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company 2 as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 7.9. No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company to the shareholders of the Transferor Company 2 and the fractional share entitlements, if any, arising out of such allotment, shall be rounded off to the nearest higher complete share.
- 7.10. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 2, 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 the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company 2, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company 2 which are held in abeyance under the provisions 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.

## **8 ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY 2 IN THE BOOKS OF THE TRANSFEE COMPANY**

- 8.1. Recognising that the amalgamation is to be considered as an "amalgamation in the nature of merger" in accordance with the provisions of paragraph 29 of Accounting Standard 14 - "Accounting for Amalgamations" (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company 2 in the books of the Transferee Company shall be governed by, the provisions of AS-14, "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company 2 shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 8.2. As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company 2, if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company 2.
- 8.3. An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company 2, if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves.
- 8.4. An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company 2, if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.
- 8.5. In case of any difference in accounting policies of the Transferee Company and the Transferor Company 2, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 8.6. Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company 2 and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from Appointed Date.



**PART D**  
**GENERAL TERMS AND CONDITIONS**

**9 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 9.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.
- 9.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. 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 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- 9.3. The Transferee Companies shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

**10 LEGAL PROCEEDINGS**

- a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

**11 OPERATIVE DATE OF THE SCHEME**

This Scheme shall be operative from the Effective Date with effect from the Appointed Date.

**12 STANDSTILL PROVISIONS TILL EFFECTIVE DATE**

For the period from the Appointed Date and upto the Effective Date:

- (a) All the profits or incomes accruing or arising to the Transferor Companies or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Companies shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Companies.
- (b) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- (d) The Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit 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.
- (e) The Transferor Companies shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the

Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business.

- (f) The Transferor Companies shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Board of Directors of the Transferee Company.
- (g) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

### 13 DIVIDEND

From the date of filing the Scheme to the Effective Date:

- (a) Except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferee Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferor Companies shall not declare/or pay dividends or other distribution payable in cash, stock, property or otherwise, with respect to any of its capital stock,
- (b) The Transferor Companies, except as mentioned otherwise in this Scheme, shall not issue or allot any shares, 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 Transferee Company.
- (c) Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Companies and the Transferee Company, respectively.

### 14 BRANDS AND TRADEMARK

Upon the effectiveness of the Scheme, the Transferee Company will be entitled to all the brands and trademarks of the Transferor Companies including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

### 15 TRANSFEROR COMPANIES' EMPLOYEES

- (a) Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Companies, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Companies, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Companies with any union/employee of the Transferor Companies recognized by the Transferor Companies.
- (b) Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable law, for a period of 12 months after the Scheme comes into effect, (the "**Relevant Period**"), the Transferee Company shall provide (or cause its subsidiaries to provide) each such employee of the Transferor Companies whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a "**Transferred Employee**") with compensation and benefits that are substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; provided, however, that during the Relevant Period there shall be no decrease in a Transferred Employee's base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favourable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide (or cause its subsidiaries to provide) such more favourable term, and otherwise provide terms of employment in accordance with the preceding sentence.
- (c) It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Companies are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in relation to the

obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such funds of the Transferor Companies, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Companies and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out to be done by the for transfer of such fund/assets/ value, etc. to the Transferee Company in this regard.

## **16 DISSOLUTION OF THE TRANSFEROR COMPANIES AND VALIDITY OF RESOLUTIONS**

- 16.1. Upon the effectiveness of this Scheme, the Transferor Companies shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved.
- 16.2. Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor Companies insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally effected by the parties concerned.
- 16.3. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

## **17 AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY**

### **17.1. Increase of authorised share capital**

- (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Companies, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.
- (b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

*V The Authorized Share Capital of the Company is Rs. 68,85,00,000 (Rupees Sixty Eight Crores Eighty Five Lacs Only) divided into 6,08,50,000 (Six Crore Eight Lac Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 500,000 (Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 300,000 (Three Lacs) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, with power to Board of Directors to increase the capital from time to time and divide the shares of the original or any increased capital into several classes and to attach thereto respectively, such preferential, qualified or special rights, privileges or conditions as regards capital, dividend, voting right or otherwise as the regulations of the company as originally framed or altered by special resolution from time to time.*

For removal of doubt, it is clarified that the approval of the Scheme by the shareholders of the Transferee Company under section 391 and 394 of the Act shall be deemed to be approval under sections 13, 14, 61 and 64 of the New Act and other applicable provisions of the Act.

- (c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:

*4 The Authorized Share Capital of the Company is Rs. 68,85,00,000 (Rupees Sixty Eight Crores Eighty Five Lacs Only) divided into 6,08,50,000 (Six Crore Eight Lac Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 500,000 (Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 300,000 (Three Lacs) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, with power to Board of Directors*



*to increase the capital from time to time and divide the shares of the original or any increased capital into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as regards capital, dividend, voting right or otherwise as the regulations of the company as originally framed or altered by special resolution from time to time.*

- (d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms, if any, with the Registrar of Companies for alteration of its authorized share capital.
- (e) Under the accepted principle of single window clearance, it is hereby provided that the amendment in Section 17.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

## **18 APPLICATION TO THE HIGH COURT**

- 18.1. The Transferor Companies shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Rajasthan for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of Act and to obtain all approvals as may be required under law.
- 18.2. The Transferee Company shall also make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Rajasthan for sanctioning of this Scheme under the provisions of Act and to obtain all approvals as may be required under law.

## **19 MODIFICATIONS, AMENDMENTS TO THE SCHEME**

- 19.1. If at any time the High Court or any regulatory authority, including the stock exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Companies and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Companies and Transferee Company, the Transferor Companies and Transferee Company shall perform such part accordingly.
- 19.2. Subject to the foregoing, the Transferor Companies (by any of their respective Directors) and the Transferee Company (by any of its Directors):
  - (i) May in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court(s) or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.
  - (ii) Are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;
  - (iii) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
  - (iv) Mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

## **20 SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS**

This Scheme is conditional upon and subject to:

- (a) The Scheme being approved by a Shareholders' resolution of Transferor and Transferee passed by way of Postal Ballot/E-voting in terms of para 5.16 of the SEBI circular after disclosure of all material facts in the explanatory statement to be sent to the Shareholders in relation to the said resolution ; provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- (b) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of Transferor and Transferee Companies as may be directed by the High Court.

- (c) The Sanction and orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the transferor Companies and Transferee Company from High Court.
- (d) Certified copy of the order of the Court or such other competent authority sanctioning this scheme being filed with the Registrar of Companies, Rajasthan in appropriate e-form

## **21 TAXES/ DUTIES / CESS ETC.**

- (a) The Transferee Company will be successor of the Transferor Companies. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Companies as well as the unutilized credits relating to Service Tax paid on input services consumed by the Transferor Companies shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.
- (b) Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the respective Transferor Companies shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Transferor Companies under Income Tax Act, 1961, if any, shall be available to the Transferee Company.
- (c) If any of the Transferor Companies is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.
- (d) Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

## **22 EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION**

- 22.1. In the event any of the conditions, sanctions and/or approvals referred to in the preceding Section 20 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the High Court(s) and/or the Order(s) has not been passed as aforesaid on or before December 31, 2016, or such other date as mutually agreed by the Transferee Company and the Transferor Companies ("Long Stop Date"), either the Transferor Companies or the Transferee Company may opt to terminate this Scheme. If the Transferor Companies and the Transferee Company jointly opt to withdraw/terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect, and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter se by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available: (i) to the Transferor Companies, if the Transferor Companies' failure to fulfil any obligation mutually agreed with the Transferee Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date; and (ii) to the Transferee Company, if the Transferee Company's failure to fulfil any obligation mutually agreed with the Transferor Companies shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.
- 22.2. In case the High Court do not approve the Scheme or there is a delay in obtaining approvals beyond a reasonable time as the Board of Directors of the Transferee Company may consider fit, such part, paragraph or clause relating to amalgamation of Transferor Companies with the Transferee Company, as the case may be, shall be severable from the Scheme and the Board of Directors of the Transferee Company shall be entitled to amend, cancel and/or modify any part, paragraph or clause of the scheme as will best preserve for the remaining parties the benefits and obligations of the Scheme. Such amended or modified Scheme shall continue to be effective in respect of the Transferee Company and such other Transferor Companies in respect of whom the Scheme has been approved by the High Court.
- 22.3. If any part of this Scheme hereof is invalid, ruled illegal by any High Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme.

## **23 SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme

## **24 EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses, including any taxes and duties of the Transferor Companies and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferee Company. Stamp duty on the orders of the High Courts, if any and to the extent applicable, shall be borne and paid by the Transferee Company.

DCS/AMAL/MN/24(f)/270/2015-16  
January 20, 2016

The Company Secretary  
**BANSWARA SYNTEX LTD**  
Dohad Road Industrial Area,  
Post Box No 21 ,  
Banswara ,Rajasthan ,327001.



**Sub: Observation letter regarding the Draft Scheme of Arrangement involving Amalgamation of Banswara Global Ltd and Banswara Fabrics Ltd with Banswara Syntex Ltd.**

We are in receipt of Draft Scheme of Arrangement involving Amalgamation of Banswara Global Ltd and Banswara Fabrics Ltd with Banswara Syntex Ltd.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 20, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"The Company shall delete para 7.1(b) of the draft scheme, as submitted vide its undertaking dated December 31,2015"*
- *"The company shall ensure that pre and post shareholding pattern submitted by company vide email dated September 24,2015 is displayed on the website of the listed company "*
- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- i. Copy of the High Court approved Scheme;
- j. Result of voting by shareholders for approving the Scheme;
- k. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- l. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- m. Status of compliance with the Observation Letter/s of the stock exchanges;
- n. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- o. Complaints Report as per Annexure II of this Circular.
- p. Any other document/disclosure as informed by the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
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Corporate Identity Number : U67120MH2005PLC165188

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



**Nitin Pujari**  
**Manager**

Ref: NSE/LIST/58366

January 20, 2016

The Dy. General Manager  
Banswara Syntex Limited  
Industrial Area,  
Dohad Road,  
Banswara - 327001

**Kind Attn.: Mr. P C Kothari**

Dear Sir,

**Sub: Observation letter for draft Scheme of Amalgamation and Arrangement of Banswara Global Limited and Banswara Fabrics Limited with Banswara Syntex Ltd.**

This has reference to draft Scheme of Amalgamation and Arrangement of Banswara Global Limited (Transferor Company 1) and Banswara Fabrics Limited (Transferor Company 2) with Banswara Syntex Ltd (Transferee Company) and their Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 submitted to NSE vide your letter dated July 23, 2015.

Based on our letter reference no Ref: NSE/LIST/43659 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated January 20, 2016, has given following comments on the draft Scheme of Amalgamation:

- "a. The Company shall delete para 7.1(b) of the draft scheme as submitted vide its undertaking dated December 31, 2015;*
- b. The Company to ensure that the pre and post shareholding pattern submitted by BSL is displayed from the date of receipt of this letter on the websites of the listed company and the stock exchanges along with various documents submitted pursuant to the Circulars.*
- c. The Company shall duly comply with various provisions of the Circulars."*

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 20, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Limited

Samir Naringrekar  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed



Signer : Samir Naringrekar  
Date: Thu, Jan 21, 2016 15:09:57 GMT+05:30  
Location: NSE



**MERCHANT BANKER CATEGORY - I**  
(An ISO 9001 : 2000 Certified Company)



May 27, 2015

To,  
The Board of Directors,  
Banswara Syntex Ltd.,  
Dahod Road Industrial Area,  
Post Box No 21, Banswara,  
Rajasthan - 327001

**Sub: Fairness Opinion on Report issued by M/s Kalani & Co., Chartered Accountants, for proposed amalgamation of Banswara Global Limited ("BGL" or the "Transferor Company 1") and Banswara Fabrics Limited ("BFL" or the "Transferor Company 2") with Banswara Syntex Limited ("BSL" or the "Transferee Company").**

Dear Sir,

**1. BACKGROUND & PURPOSE OF ENGAGEMENT**

**1.1. Banswara Syntex Limited (Transferee Company)**

- a) Banswara Syntex Limited or "BSL" or "Transferee Company" is a public limited company, having its shares listed on the Bombay Stock Exchange Limited ("BSE") & National Stock Exchange of India Limited ("NSE"). It was incorporated on May 05, 1976 as a public limited company under the name of "Banswara Syntex Limited" in the State of Rajasthan. The Registered office of company is at Industrial Area, Dahod Road, Post Box No. 21, Banswara - 372 001 (Rajasthan).
- b) "BSL" was formed with the main objects to carry on all or any of the trades of business of preparing, spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing and finishing, working or manufacturing in any way, also to carry on the business of manufacturers and dealers in all types of Cotton, Linen, Silk, Flex, Hemp, Jute, Rayon, Man-made and other fibrous articles and textile substances. To purchase, exchange and deal in cloth, yarn, cotton, in process raw cotton etc.



**INTENSIVE FISCAL SERVICES PVT. LTD. Investment Banking & Corporate Advisory**  
CIN: U65920MH1997PTC107272

Corporate Office:

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**MERCHANT BANKER CATEGORY - I**

(An ISO 9001:2000 Certified Company)



and other synthetic fibers. Also to carry on the business of spinners, weavers, manufacturers, balers and pressers of all cotton, jute cutting, jute rejections, hemp, wool, synthetic chemical materials and to transact all manufacturing business that may be necessary or expedient to purchase and vent the raw materials and manufactured articles. Moreover to breed, rear and purchase live-stocks of all kinds, to farm and buy animal produce of all kinds, to prepare, manufacture and render marketable any such produce and sell, dispose of either in manufactured or raw state.

- c) As per the audited financial results for the year ended March 31, 2015, the Authorized Share Capital of BSL is Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 4,50,00,000 Equity Shares of Rs. 10/- each and 5,00,000, 3% Redeemable Preference Shares of Rs 100/- each.
- d) The Issued and Subscribed Equity Share Capital of BSL is Rs. 16,44,63,610/- (Rupees Sixteen Crores Forty Four Lacs Sixty Three Thousand Six Hundred and Ten only) divided into 1,64,46,361 equity shares of Rs. 10/- each.
- e) The paid up share capital of BSL is Rs. 16,43,13,610/- (Rupees Sixteen Crores Forty Three Lacs Thirteen Thousand Six Hundred and Ten only) divided into 1,64,16,361 equity shares of Rs. 10/- each fully paid up and 30,000 partly paid up equity shares Rs. 5/- paid up.
- f) As per the filings done with BSE and NSE for the quarter ended March 31, 2015, following persons held the shares in BSL as Promoters:-

S. No.	Promoters' Name	No. of Shares	% of total paid up capital of BSL
1	Kavita Soni	5,75,075	3.50%
2	Prem Toshniwal	8,91,449	5.42%
3	Radhika Toshniwal	10,68,542	6.50%
4	Rameshwar Lal Toshniwal	56,440	0.34%
5	Ravindra Kumar Toshniwal	20,03,947	12.18%
6	Shaleen Toshniwal	19,82,005	12.05%
7	Sonal Toshniwal	8,16,175	4.96%
8	Lawson Trading Company Pvt Ltd	3,97,018	2.41%



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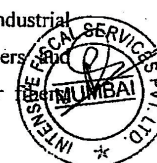
admin@intensivefiscal.com;  
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9	Moonfine Trading Company Pvt Ltd	1,82,500	1.11%
10	Niral Trading Pvt Ltd	5,49,665	3.34%
11	Speedshore Trading Company Pvt Ltd	1,90,736	1.16%
12	Rakesh Mehra	6,061	0.04%
13	Dhruv Ravindra Toshniwal	1,00,000	0.61%
14	Udit Ravindra Toshniwal	1,00,000	0.61%
15	Navnita Mehra	5,75,638	3.50%
	<b>TOTAL</b>	<b>94,95,251</b>	<b>57.73%</b>

**1.2. Banswara Global Limited (Transferor Company 1)**

- a) Banswara Global Limited or "BGL" or "Transferor Company 1" is a public limited company, incorporated under the provisions of the Companies Act, 1956 having its registered office at Post Box 39 Navagaon Road, Industrial Area, Banswara - 327 001 (Rajasthan). BGL was originally incorporated as a Private Limited Company on September 16, 2005 under the name and style of Carreman Fabrics India Private Limited. The company was later on converted into a Public Limited Company on January 24, 2006 and a fresh Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur. The name of the company was further changed to "Banswara Global Limited" on October 09, 2013 and a fresh Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, Jaipur.
- b) "BGL" was formed with the main object to carry on the business of spinners, weaver manufacturers, producers, ginners processor, seller, buyers traders, importer, exporter, distributor, shipper and dealer in all kinds of threads, yarn, fibers, synthetic staple fibers, by-product and to treat and utilize any waste arising from manufacturing process. To carry on the business of manufacturer, processor, producer, jobbers, including doing the job work for others and getting job work done from others. Also to act as distributors, stockists of all or any of the products of fabrics and textiles, industrial linen, jute, polyester, synthetic fibers, synthetic staple fibers, artificial and natural fibers and intermediaries of all types, grades, and formulations and including specifically polyester polyacrylonitrile, polypropylene, nylon and rayon.



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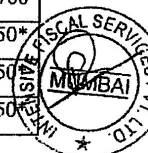
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Email:

admin@intensivefiscal.com;  
difsl@yahoo.co.in

- c) By a Joint Venture Agreement dated February 17, 2006 between Banswara Syntex Limited and Carreman, France, the Carreman Fabrics India Private Limited became Joint Venture Company with 50:50 participation. The Carreman, France had also invested in Carreman Fabrics India Limited by way of 1,90,000, 3% Redeemable Preference Shares of Rs. 100 each.
- d) Later on, vide Joint Venture Termination Agreement dated August 06, 2013, both the Joint Venture partner, i.e. Banswara Syntex Limited, the transferee company and Carreman, France have terminated the Joint Venture and as per the Joint Venture Termination Agreement, the 1,90,000, 3% Preference Shares has been redeemed. The 50% of Equity Participation of Carreman Fabric India Limited was purchased by Banswara Syntex Limited from Carreman, France. Later on vide Certificate of Incorporation dated October 09, 2013 the name of Carreman Fabrics India Limited was changed to Banswara Global Limited.
- e) As on the date of this Report Banswara Global Limited "BGL" is a wholly owned subsidiary company of Banswara Syntex Limited "BSL".
- f) As per the audited financial results for the year ended March 31, 2015, the Authorized Share Capital of BGL is Rs. 18,00,00,000/- (Rupees Eighteen Crores Only) divided into 1,50,00,000 Equity Shares of Rs. 10/- each and 3,00,000, 3% Redeemable Cumulative Preference Shares of Rs. 100/- each.
- g) The Issued, Subscribed and Paid up Share Capital of BGL is Rs. 12,40,00,000 (Rupees Twelve Crores Forty Lacs only) divided into 1,24,00,000 Equity Shares of Rs. 10/- each.
- h) The list of shareholders of company is as follows:

S. No.	Name of Shareholder	Number of Shares
1	Banswara Syntex Limited (BSL)	1,23,99,700
2	Sham Sunder Sajal on behalf of BSL	50*
3	Jinendra Kumar Jain on behalf of BSL	50*
4	Prakash Chandra Kothari on behalf of BSL	50*



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Contact:

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5	Ravindra Kumar Toshniwal on behalf of BSL	50*
6	Rameshwar Lal Toshniwal on behalf of BSL	50*
7	Shaleen Toshniwal on behalf of BSL	50*
<b>TOTAL</b>		<b>1,24,00,000</b>

\* Holding shares in fiduciary capacity on behalf of Banswara Syntex Limited.

**1.3. Banswara Fabrics Limited (Transferor Company 2)**

- a) Banswara Fabrics Limited or "BFL" or "Transferor Company 2" is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Industrial Area, Dahod Road, Banswara - 372 001 (Rajasthan). BFL was incorporated as a public limited company on March 6, 1980, under name and style of "Banswara Fabrics Limited".
- b) The main object of "BFL" is to carry on the business of spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing, fishing and processing, working or manufacturing on any way whatever cotton, linen, wool, silk, flex, hemp, jute, artificial silk, rayon, cloth, man-made and other fibrous, artificial chemicals or synthetics or textile substance, to treat and utilize and deal in any waste arising from any such operations and the buying and selling of and dealing in all or any of the aforesaid substances. Transferor Company 2 is an associate company of the BSL.
- c) As per the Audited financial results for the year ended March 31, 2015, the Authorized Share Capital of BFL is Rs. 85,00,000/- (Rupees Eighty Five Lacs Only) divided into 8,50,000 Equity Shares of Rs. 10/- each.
- d) The Issued Share Capital of BFL is Rs. 80,00,000 (Rupees Eighty Lacs only) divided into 8,00,000 Equity Shares of Rs. 10/- each.
- e) The Subscribed Share Capital of BFL is Rs. 80,00,000 (Rupees Eighty Lacs only) divided into 8,00,000 Equity Shares of Rs. 10/- each.



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- f) The Paid up Share Capital of BFL is Rs. 78,21,350 (Rupees Seventy Eight Lacs Twenty One Thousand and Three Hundred Fifty only) divided into 7,64,270 Equity Shares of Rs. 10/- each fully paid up and 35,370 shares of Rs. 10 each, Rs. 5 paid up.
- g) The equity shares of the BFL were listed in Delhi Stock Exchange Limited (DSE); however, Securities and Exchange Board of India (SEBI) vide its Order No. WTM/PS/45/MRD/DSA/NAV/2014 dated November 19, 2014 withdrew the recognition of the DSE and hence BFL ceases to be recognized as a listed company.

**2. SCOPE OF ENGAGEMENT:-**

2.1 As per Clause 24(h) of the Listing Agreement, *"the company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on valuation of assets / shares done by the valuer for the company and unlisted company."*

2.2 BSL vide its letter dated May 18, 2015 has approached **Intensive Fiscal Services Private Limited** or "**Intensive**" or "**IFSL**", SEBI Registered Category-I Merchant Banker having SEBI Reg. No. **INM000011112** to give Fairness Opinion Report (hereinafter referred to as "Report") as required under Clause 24 of the Listing Agreement on Report issued by **M/s Kalani & Co, Chartered Accountants, Jaipur**, for proposed amalgamation of **Banswara Global Limited ("BGL"** or "**Transferor Company 1**") and **Banswara Fabrics Limited ("BFL"** or "**Transferor Company 2**") with **Banswara Syntex Limited ("BSL"** or "**Transferee Company**")", as required under Clause 24 of the Listing Agreement.



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### 3. SOURCE OF INFORMATION:

3.1 We have studied the valuation report of **Kalani & Co, Chartered Accountants**, and further relied on the following information made available to us by the management of BGL and BFL with BSL, for the purpose of this opinion.

- a) Report issued by Kalani & Co. Chartered Accountants, Jaipur, dated May 27, 2015 signed by S.P. Jhanwar, Partner for proposed amalgamation.
- b) Audited Annual Report of BSL as on March 31, 2013, March 31, 2014 & Audited Financials for the year ended March 31, 2015.
- c) Audited Annual Report of BGL as on March 31, 2013, March 31, 2014 & Audited Financials for the year ended March 31, 2015.
- d) Audited Annual Report of BFL as on March 31, 2013, March 31, 2014 & Audited Financials for the year ended March 31, 2015.
- e) Detailed profile of BSL, BGL and BFL;
- f) Board resolution approving the scheme of amalgamation by the Board of Directors of BSL, BGL and BFL;
- g) Memorandum and Articles of Association of BSL, BGL and BFL.
- h) Draft Scheme of Amalgamation pursuant to section 391/394 of the Companies Act, 1956 read with corresponding sections of Companies Act, 2013
- i) 100% subsidiary certificate of BGL being a 100% subsidiary of BSL as provided by the management, and
- j) Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for merger/amalgamation to the Companies, Public Domain Website, as were considered relevant for the purpose of the Fairness Opinion.



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**4. Contents of Report issued by Kalani & Co, Chartered Accountants, Jaipur, dated May 27, 2015 signed by S.P. Jhanwar, Partner;**

Summary of said Report is as under:

- a) BSL holds 100% share capital of the BGL as on March 31, 2015 and thus the BGL is a Wholly owned subsidiary of the BSL.
- b) No Shares are to be issued by the BSL to the shareholders of the BGL as the Transferor Company 1 is the 100% subsidiary company of the BSL.
- c) On and from the Effective Date, the entire share capital of the BGL shall automatically stand cancelled and the BSL shall not be required to issue and/ or allot any shares to the members of the BGL.
- d) Since shares of BFL are listed in DSE but SEBI has derecognised the same, hence they are treated as non-traded and shares and the method for valuation of shares of BFL is Book Value Method.
- e) The method for valuation of shares of BSL in on the basis of Average Market Price of the Shares.
- f) For every 5 fully paid-up shares of BFL, 2 fully paid-up shares of BSL will be issued.
- g) For every 6 partly paid-up shares (Rs. 5 Paid-up) of BFL, 2 fully paid-up shares of BSL will be issued.
- h) As a result of the amalgamation and upon the Scheme becoming effective the both the Transferor Companies (BGL and BFL) shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

**5. Shares Swap Ratio proposed in Draft Scheme of Amalgamation:-**

- a) Transferee Company holds 100% share capital of Transferor Company 1 and thus Transferor Company 1 is a Wholly owned subsidiary of the Transferee Company.
- b) No Shares are to be issued by Transferee Company to the shareholders of Transferor Company 1 as Transferor Company 1 is the 100% subsidiary company of Transferee Company.
- c) 2 fully paid-up shares of BSL will be issued for every 5 fully paid-up shares of BFL.
- d) 2 fully paid-up shares of BSL will be issued for every 6 partly paid-up shares (Rs. 5 Paid-up) of BFL.



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**6. Fairness Opinion on the Report issued by Kalani & Co, Chartered Accountants, Jaipur, dated May 27, 2015 signed by S.P. Jhanwar, Partner:-**

Based on the facts discussed, exclusions and limitation mentioned thereto and subject to our disclaimer as mentioned below. We state that in our opinion, the recommendation given by Kalani & Co for:

- a) Not allotting any equity shares by the Transferee Company to the members of the Transferor Company 1 as the entire share capital of the Transferor Company 1 is beneficially held by the Transferee Company; AND
- b) Allotting 2 fully paid-up share of Transferee Company for every 5 fully paid-up shares held in the Transferor Company 2,
- c) Allotting 2 fully paid-up share of Transferee Company for every 6 partly paid-up shares (Rs. 5 Paid-up) held in the Transferor Company 2,

seems Fair and Reasonable.

**7. Disclaimer/Limitation/Warranties And Caveats**

- a) This Report is prepared by Intensive solely for the purpose and scope set out in this Report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b) We have provided this Report based on the information provided, explanation given, Draft Scheme of Amalgamation provided to us, representations made by management of BSL, BGL, BFL and the Report issued by M/s Kalani & Co, Chartered Accountants. We have neither checked, nor audited, nor independently verified such information and representations. We have also not factored any



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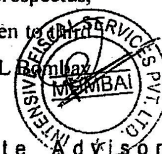
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implications or any financial or tax planning which BSL, BGL and BFL might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this Report in good faith and in the belief that such information is neither false nor misleading.

- c) This Report is issued on the understanding that the Management of BSL, BGL & BFL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this Report for events, trends or transactions relating to the Company or the market/economy in general & occurring subsequent to the date of this Report. We reserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- d) We have no present interest in BSL, BGL and BFL and the fees for this Report are not contingent upon the value reported herein. Our Fairness Opinion on the Report should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with BSL, BGL and BFL. Further Intensiv nor the members of the team working on the Fairness opinion on Report have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- e) We owe responsibility to only the directors of the Company who have retained us and nobody else. Intensiv does not accept any liability to any third party in relation to the issue to this Report. Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to equity shareholders of BSL, BGL & BFL.



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**MERCHANT BANKER CATEGORY - I**

(An ISO 9001:2000 Certified Company)

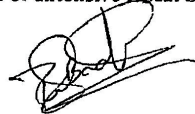


Stock Exchange Limited, National Stock Exchange Limited, Bombay High Court or Securities Exchange Board of India. We retain the right to deny permission for the same.

We also certify and confirm that we are a Category-I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this Report.

Thanks & Best Regards,

For Intensive Fiscal Services Pvt. Ltd



**Pulkit Bachhawat**

**Manager – Investment Banking**



For- BANSWARA SYNTAX LTD.



(P. C. KOTHARI)  
Dy. General Manager  
(Legal & Secretarial)

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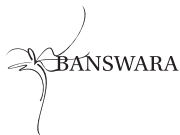
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# Banswara Syntex Limited

**Regd. Office:** Industrial Area, Dahod Road, Post Box No. 21, Banswara- 327001, Rajasthan

**CIN** - L24302RJ1976PLC001684

**Ph:** +91 2962 240690, 257679-681, **Fax:** (02962) 240692

**Website:** www.banswarasyntex.com; **Email Id:** hpkharwal@banswarasyntex.com,

## Complaints Report

(Commencing from the date of uploading the documents under Clause 24(f) of the Listing Agreement on the stock exchanges i.e. 28th August, 2015 till the date of expiry of 21 days from the same i.e. 18<sup>th</sup> September, 2015 to 24<sup>th</sup> September, 2015)

### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Numbers of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

### Part B

Sr. No.	Name of complaint	Date of complaint	Status (Resolved/Pending)
1.	-	-	-





## BANSWARA SYNTEX LIMITED

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Website: www.banswarasyntex.com - Email Id: hpkharwal@banswarasyntex.com,

### IN THE HIGH COURT OF JUDICATURE FOR RAJSTHAN AT JODHPUR ORIGINAL JURISDICTION S.B.COMPANY APPLICATION NO.06/2016

In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of Banswara Syntex Limited

A company incorporated under the Companies Act, 1956 and having its registered office at Industrial Area, Dahod Road, Post Box No. 21, Banswara – 327001 (Rajasthan).

And

In the matter of Scheme of Arrangement for amalgamation of Banswara Global Limited and Banswara Fabrics Limited with Banswara Syntex Limited and their respective shareholders and creditors.

### FORM OF PROXY

I/We the undersigned, as Equity Shareholder(s) of Banswara Syntex Limited, the Transferee/Applicant Company. I hereby Appoint \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to act for me/us at the meeting of the Equity Shareholder to be at Industrial Area, Dahod Road, Banswara- 327001 on Monday, 28<sup>th</sup> March, 2016 at 11.00 a.m. for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of



## BANSWARA SYNTEX LIMITED

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Website: www.banswarasyntex.com - Email Id: hpkharwal@banswarasyntex.com,

### ATTENDANCE SLIP

#### PLAEESE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the Meeting of the Equity Shareholder of the Company, convened pursuant to the order dated 11<sup>th</sup> February, 2016 pronounced on 18<sup>th</sup> February 2016 of the Hon'ble High Court of Judicature for Rajasthan at Industrial Area, Dahod Road, Banswara-327001, (Rajasthan). On Monday, 28<sup>th</sup> March, 2016 at 11.00 a.m.

Name of the Equity Shareholder : \_\_\_\_\_  
Folio No. : \_\_\_\_\_  
DP ID No. / Client ID No. : \_\_\_\_\_  
No. of share(s) held : \_\_\_\_\_

Name of the proxy holder/authorized representative : \_\_\_\_\_

Signature : \_\_\_\_\_

#### NOTE:

Equity Shareholder(s) attending the Meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the Meeting hall.

Amalgamation between Banswara Global Limited and Banswara Fabrics Limited with Banswara Syntex Limited; and at such meeting, and any adjournment/adjournments thereof, to vote, for me/us and in my/own name(s) \_\_\_\_\_ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Amalgamation either with or without modifications as my/proxy may approve. (strikeout what is not necessary)

Dated            March , 2016

Affix Re. 1  
Revenue  
Stamp

Signature across the stamp

Name of the Equity Shareholder : \_\_\_\_\_

Address of the Equity Shareholder : \_\_\_\_\_

Registered Folio No. : \_\_\_\_\_

DP ID No / : \_\_\_\_\_

Client ID No. : \_\_\_\_\_

No. of Shares(s) held: : \_\_\_\_\_

**NOTES:**

1. Please affix revenue stamp before putting signature.
2. The Proxy need not be an Equity Shareholder of the Transferee/Applicant Company.
3. All alterations made in the Form of Proxy should be initialled.
4. The Proxy must be deposited at the Registered Office of the Transferee/Applicant Company at Industrial Area, Dahod Road, Post Box No. 21, Banswara- 327001, Rajasthan at least 48 hours before the time for holding the meeting.
5. In case of Multiple proxies, the proxy later in time shall be accepted.