

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

OF

NORFOLK MERCANTILE PRIVATE LIMITED  
(The Transferor Company)

WITH

ALPA LABORATORIES LIMITED  
(The Transferee Company)

AND

THEIR SHAREHOLDERS



SCHEME OF AMALGAMATION

**PREAMBLE**

**A. PURPOSE OF THE SCHEME**

This Scheme of Amalgamation is presented under Sections 230 to 232 and other applicable provisions if any of the Companies Act, 2013 for amalgamation of NORFOLK MERCANTILE PRIVATE LIMITED ("the Transferor Company") with ALPA LABORATORIES LIMITED ("the Transferee Company") and in compliance with conditions relating to "Amalgamation" as specified u/s 2(1B) of the Income Tax, 1961.

**B. DESCRIPTION OF THE COMPANIES**

**1.1 ALPA LABORATORIES LIMITED ("ALL"), the Transferee Company**

The Company (ALL) was incorporated on March 18, 1988 under the Companies Act, 1956 (No.1 of 1956) in the State of Madhya Pradesh as "Alpa Laboratories Private Limited" and received the 'Certificate of Incorporation' bearing number 10-04446 of 1988 from the Registrar of Companies ("ROC"), Madhya Pradesh, Gwalior. The Company had also received Certificate for Commencement of Business from ROC, Madhya Pradesh, Gwalior on 18<sup>th</sup> March, 1988. The CIN of the Company was L85195MP1988PLC004446. The name of the Company changed from 'Alpa Laboratories Private Limited' to i.e. "Alpa Laboratories Limited" on

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03rd September, 1998 and a fresh certificate of incorporation consequent on change of name was obtained from ROC, Madhya Pradesh, Gwalior.

The main object clause of the Memorandum of Association of the Transferee Company authorizes the Transferee Company:

To carry on business as manufacturers, importers, exporters, buyers, sellers, processors growers, makers, refiners inventors, analysts, druggists chemists, stockists, of pharmaceuticals, organic & inorganic chemicals, medicinal preprational drugs, drug intermediates, aromatic chemicals, drugs and pharmaceutical formulations in usual dosage for i.e. vials, injections orals, syrups, tablets, capsules and in any such other forms for human as well as animal uses food products, surgical goods, minerals & metals analysis, in ayurvedic, allopathic homeopathic unani products based on herbs, vegetables, fruits, plants chemical compounds.

The Transferee Company is a Public Limited Company and its shares are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

#### 1.2 NORFOLK MERCANTILE PRIVATE LIMITED ("NMPL")

The Company was incorporated as a Private Limited Company under the Companies Act, 1956, on February 6, 2014 in the name of Norfolk Mercantile Private Limited in the State of Maharashtra. The CIN of the Company is U74120MH2014PTC252923.

The main object clause of the Memorandum of Association of the Transferor Company authorizes the Transferor Company:

- 1) To Deal in the business of as general merchants and traders in Pharma, medicines, goods and commodities, on ready or forward basis, commission agents, buying and Selling agents, brokers, importers, exporters and to act as manufacturer's representative.
- 2) To carry on the business of real estate such as to construct, purchase sell and otherwise to carry on the business such as builders, contractors, Estate agents to the private and public sector

At present the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

#### C. NATIONALE OF THE SCHEME

- 1.1 NORFOLK MERCANTILE PRIVATE LIMITED is wholly owned subsidiary company of ALPA LABORATORIES LIMITED, the Transferee Company. Both the companies are part of the same group.

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1.2 Accordingly, the Board of Directors of the Transferor and Transferee Company has decided to amalgamate their business and undertakings, so as to achieve the following:

- a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.
- b) The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.
- c) The amalgamation of the operations will assist the Transferee Company and its management in meeting the funding through a common funding mechanism. This will result in effective management and utilization of funds for capital expenditure and working capital. The efficiencies generated through cash management of the merged entity and access to cash flow generated by the combined business can be deployed more efficiently to fund organic and inorganic growth opportunities and to maximize shareholders value.
- d) The amalgamated company will have the benefit of synergy, optimum use of human relations, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- e) Strengthened leadership in the Industry, in terms of the asset base, revenues, product range, production volumes and market share of the combined entity. The amalgamated entity will have the ability to leverage on its large asset base and vast pool of intellectual capital, to enhance shareholder value.
- f) Enable the shareholders of ALPA LABORATORIES LIMITED to get direct participation in the business of its present wholly owned subsidiary (being NORFOLK MERCANTILE PRIVATE LIMITED)
- g) Simplified group and business structure;

1.3 Thus, as a whole, amalgamation of the with the Transferee Company in terms of the Scheme will be beneficial for all the companies, their shareholders, their creditors, employees, customers and all others concerned with all the companies.

## D. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part I: Definitions
- Part II: Capital Structure
- Part III: Amalgamation of the Transferor Company with the Transferee Company
- Part IV: Cancellation of Shares and Increase of Authorized Share Capital of Transferee Company
- Part V: Accounting treatment in the books of the Transferee Company
- Part VI: General Terms and Conditions

### **PART I**

#### **DEFINITIONS**

##### **1.1 DEFINITIONS:**

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

1.1.1. "Act" means the Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactments thereof, except where otherwise expressly provided;

1.1.2. "Appointed Date" means 1<sup>st</sup> April, 2017 or such other date as may be fixed or approved by competent authority having jurisdiction to sanction the Scheme.

1.1.3. "Board of Directors" in relation to ALL or NMPL as the case may be, means the Board of Directors of the respective companies for the time being and shall include a committee of directors or any person authorized by the Board of Directors or such committee of directors.

1.1.4. "Effective Date" shall mean the date on which the certified copy of the order passed by the NCLT sanctioning the Scheme, is filed by NMPL and ALL respectively, with the concerned Registrar of Companies, in terms of Section 232(5) or any other provisions if any of the Companies Act, 2013.

1.1.5. "Financial Statements" include standalone and consolidated accounts, i.e., balance sheet, statement of profit & loss, cash flow statement and notes to

accounts of the Transferor Company and the Transferee Company, as the context may require.

1.1.6. "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal and Courts of Relevant Jurisdiction, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.

1.1.7. "National Company Law Tribunal" means the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai that has jurisdiction over NMPL and National Company Law Tribunal [NCLT] Ahmedabad Bench, Ahmedabad that has jurisdiction over ALL or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013.

1.1.8. "NMPL" means NORFOLK MERCANTILE PRIVATE LIMITED (CIN: U74120MH2014PTC252923), an Unlisted Private Company, which was incorporated on February 06, 2014 under the Companies Act, 1956 having its registered office at 422/6 Mangaldas Market, 20 Kitchen Garden Lane, Mumbai, Maharashtra 4000002, India.

1.1.9. "ALL" means ALPA LABORATORIES LIMITED (CIN: L85195MP1988PLC004446), an Listed Public Company, which was incorporated on March 18, 1988 under the Companies Act, 1956 having its registered office at 33/2 Pigdamber, A B Road, Rau, Indore, Madhya Pradesh 453 446, India.

1.1.10. "Scheme" means this Scheme of Amalgamation of NORFOLK MERCANTILE PRIVATE LIMITED with ALPA LABORATORIES LIMITED, in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal.

1.1.11. "Transferor Company" means collectively the company i.e. NORFOLK MERCANTILE PRIVATE LIMITED amalgamating into ALPA LABORATORIES LIMITED in terms of the Scheme.

1.1.12. "Transferee Company" means ALPA LABORATORIES LIMITED.

1.1.13. "Transferred Undertaking" means and includes :

- i. All the assets and properties and the entire business of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets"),

- ii. All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said liabilities"),
- iii. Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Company shall include the Transferor Company reserves, movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, occupancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorizations, quota rights, registrations, import/ export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota rights, allotments, approvals, freehold land, buildings, factory buildings, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipments, effluent treatment plants, tube wells, software packages, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, tenancy rights, trademarks, brand names, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile, websites, e-mail connections, networking facilities and other communication facilities and equipments, investments, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all necessary records, files, papers, process information, data catalogues and all books of accounts, documents and records relating thereof.
- iv. Without prejudice to the generality of the above, all benefits including under Income Tax, Excise (including Cenvat), Sales

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Tax (including deferment of sales tax), etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments.

**PART II**  
**CAPITAL STRUCTURE**

- 2.1 The Authorised, issued, subscribed and paid up Share Capital of NORFOLK MERCANTILE PRIVATE LIMITED (the transferor Company) as on March 31, 2017 is set out below:

Share Capital	Amount in Rs.
Authorised Share Capital	
60,000 Equity Shares of Rs.10/- each	6,00,000
27,40,000 Preference Shares of Rs.10/- each	2,74,00,000
Total	2,80,00,000
Issued, Subscribed and Paid Up Capital	
20,000 Equity Shares of Rs.10/- each	2,00,000
26,00,000 Preference Shares of Rs.10/- each	2,60,00,000
Total	2,62,00,000

- 2.2 The Authorised, issued, subscribed and paid up Share Capital of ALPA LABORATORIES LIMITED, the Transferee Company as on 31st March, 2017 is set out below:

Share Capital	Amount in Rs.
Authorised Share Capital	
2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000
Total	25,00,00,000
Issued Capital	
2,15,60,000 Equity Shares of Rs. 10/- each	21,56,00,000
Subscribed and Paid Up Capital	
2,10,40,600 Equity Shares of Rs. 10/- each	21,04,06,000
Total	21,04,06,000

## PART III

## AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEEE COMPANY

3.1 Transfer & Vesting of Undertaking

Upon the order of the NCLT sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, joint venture Agreements, expression of Interest(EOI), rights, benefits, interests, liabilities and obligations/(subject to the provisions of Paragraph 3.2 hereof) in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of law, be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

3.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the NCLT sanctioning this Scheme becoming effective, on and from the Appointed Date:

3.2.1 Assets

a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

b) In respect of such assets of the Transferor Company as are intangible in nature including goodwill which has arisen on previous mergers, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company.

c) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand transferred/transmitted to and be vested in and/or be deemed to have been transferred/transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor



Company shall be deemed to be holding such investments for and on behalf of and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.

d) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 3.2.1(a) and (b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge created over any assets in relation to the loans, or borrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

e) All immovable properties of the Transferor Company (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.

### 3.2.2 Licenses & Certificates

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company

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and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

### 3.2.3 Contracts

a) All Contracts, Agreements including Development Agreements, Development Rights, of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

b) Any inter-se contracts between the Transferor Company on One hand and the Transferee Company on the other hand and the Transferor Company amongst themselves shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

### 3.2.4 Intellectual Property

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

### 3.2.5 Legal Proceedings

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

### 3.2.6 Transferred Liabilities and Security

a) All Transferred Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or

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deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.

b) The Transferee Companies alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/creditor in respect thereof.

c) It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.

### 3.2.7 Tax Treatment

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax, GST etc) that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

### 3.2.8 Books and Records

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

### 3.3 Conduct of Business by the Transferor Company till effective date

3.3.1 With effect from the Appointed Dates and upto the Effective Date, the Transferor Company

a) shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;

b) shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

c) shall undertake all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall

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be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and

- d) all the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.

3.3.2 All assets acquired, development rights, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws. Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax / GST has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax / GST paid by the Transferor Company.

3.3.3 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Company, in its name, in so far as may be necessary. Cheques already issued by the Transferor Company, will be honored by the banks, even after the title of account has been changed in the name of Transferee Company.

3.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of Part III of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or

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(ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

3.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the NCLT.

3.3.6 For the purpose of giving effect to the order passed under Sections 230 to 232 read with Section 52, 66 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the NCLT, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 232 read with Section 52, 66 and any other applicable provisions if any of the Companies Act, 2013.

#### 3.4 Saving of Concluded Transactions

The transfer and vesting of the Transferor Company with and into the Transferee Company under Part III of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

#### 3.5 Dissolution of the Transferor Company

Upon this Scheme becoming effective, NORFOLK MERCANTILE PRIVATE LIMITED shall stand dissolved without being wound-up.

#### PART IV

CANCELLATION OF SHARES OF TRANSFEROR COMPANY & INCREASE /  
CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF TRANSFEEE  
COMPANY

#### 4.1 Cancellation of Shares of Transferor Company

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4.1.1 The Transferor Company is the wholly owned subsidiary company of Transferee Company and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital and the effective share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

4.2 Increase / consolidation of authorized share capital of the Transferee Company

4.2.1 Upon this Scheme becoming effective and upon the transfer and vesting of NMPL into ALL pursuant to this Scheme, the entire authorized share capital of NMPL equal to Rs.2,80,00,000/- (divided into 60,000 equity shares of Rs. 10 each and 27,40,000 Preference Shares of Rs.10/- each) shall stand merged with the authorized share capital of ALL, the Transferee Company.

4.2.2 Thus, the Authorized Share Capital of the Transferee Company (ALL) of Rs.25,00,00,000/- divided into 2,50,00,000 Equity Shares of the face value of Rs.10/- each, shall stand increased by Rs. 2,80,00,000/- to Rs. 27,80,00,000/- divided into 2,50,60,000 Equity Shares of the face value of Rs.10/- each and 27,40,000 Preference Shares of Rs.10/- each.

4.2.3 Accordingly, the Authorized Share Capital of the Transferee Company shall stand increased by an amount of Rs. 2,80,00,000/- and Clause V of the Memorandum of Association of ALL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14 and 61, 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

"The Authorized Share Capital of the Company is Rs.27,80,00,000/- (Rupees Twenty Seven Crores Eighty Lacs only) divided into 2,50,60,000 (Two Crore Fifteen Lakhs Sixty Thousand Only) Equity Shares of Rs.10/- (Rupee Ten only) each and 27,40,000 (Twenty Seven Lakhs Forty Thousand Only) Preference Shares of Rs.10/- (Rupee Ten only) each with power to increase or reduce such capital for the time being in force in this behalf and with power to divide the shares in the capital for the time being into equity share capital or preference share capital, and to attach thereto respectively any preferential, qualified or special right, privileges or condition. If and whenever the capital of the company is divided into shares, of different classes the right of any such class may be varied, modified, effected, extended, abrogated or surrendered as provided in the Articles of

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Association of the company and the legislative provisions for the time being in force".

4.2.4 The stamp duty or filing fees paid on the authorized share capital of the Transferor Company is permitted to be utilized and applied towards the increase in the authorized share capital of the Transferee Company in accordance with this paragraph 4.2 and no additional stamp duty shall be payable and no additional fee shall be payable to any regulatory authorities in relation to such increase in the authorized share capital of the Transferee Company. The Transferee Company shall file the requisite documents with the relevant Registrar of Companies, which has jurisdiction over the Transferee Company, for the increase of the authorized share capital of the Transferee Company as aforesaid. It is hereby clarified that for the purposes of increasing the authorized share capital in accordance with this paragraph 4.2, the sanction of the NCLT shall be deemed to be sufficient for the purposes of effecting this amendment and that no further approval or resolution under any applicable provisions of the Companies Act, 2013 would be required to be separately passed.

## PART V

### ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY.

5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date the Transferor company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS) and/ or any other applicable Ind AS, as the case may be. It would inter alia include the following:

- (i) All the assets and liabilities recorded in the books of transferor company shall be transferred to and vested in the books of transferee company pursuant to the Scheme and shall be recorded by transferee company at their respective book values as appearing in the books of transferor company.
- (ii) The identity of the reserves of transferor company shall be preserved and they shall appear in the financial statements of transferee company in the same form and manner, in which they appeared in the financial statements of transferor company, prior to this Scheme becoming effective.
- (iii) The investments in the equity share capital of transferor company as appearing in the books of accounts of transferee company and its wholly owned subsidiaries, shall stand cancelled.
- (iv) Inter-Company balances, loans and advances, if any, will stand cancelled.
- (v) The difference, being excess/deficit arising pursuant to the Scheme shall be accounted based on the accounting principles prescribed under the Ind AS-103.

5.2 In case of any differences in accounting policies between Transferor Company and transferee company, the accounting policies followed by Transferee

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Company will prevail and the difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

## GENERAL TERMS AND CONDITIONS

### 6.1. Application(s) to the National Company Law Tribunal [NCLT]

The Transferor Company and the Transferee Company herein shall, with all reasonable dispatch, make applications under the applicable provisions of the Act to the National Company Law Tribunal (Tribunal) for sanctioning the Scheme and for dissolution of the Transferor Company without being wound up.

### 6.2. Revision of accounts and tax filings, modification of charge

6.2.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, Goods and Service Tax (GST) returns as may be applicable and has expressly reserved the right to make such provisions 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 lapsed.

6.2.2 Filing of the certified copy of the orders of the NCLT sanctioning this Scheme with the concerned Registrar of Companies, shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

### 6.3. Tax neutrality

6.3.1 The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.

6.3.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

### 6.4. Modifications and Amendments to the Scheme



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6.4.1 Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.

6.4.2 The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and, things necessary for giving effect to this Scheme without recourse to their respective shareholders.

6.4.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the representative of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

6.4.4 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the NCLT and the same shall be subject to powers of the NCLT under Section 230 to 232 of the Companies Act, 2013.

## 6.5 MODIFICATIONS/AMENDMENTS TO THE SCHEME

6.5.1 The Transferor Companies (by its Directors) and the Transferee Company (by its Directors) may assent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the NCLT and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. All amendments/modifications to the Scheme shall be subject to approval of the Tribunal.

- 6.5.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

## 6.6 Conditionality of the Scheme

### 6.6.1 This Scheme is conditional upon and subject to the following:

- A. The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
  - B. The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the NCLT and/or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.
  - C. As para (1) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.
  - D. As para (1) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.
  - E. All other sanctions and approvals as may be required by law including registration of the order of the Tribunal sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.
  - F. Certified copies of the orders of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the concerned Registrar of Companies.
- 6.6.2 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if

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the Board of Directors of the Transferor Company and the Transferee Company so decide.

6.7 Revocation and withdrawal of this Scheme

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the NCLT and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

6.8 Severability

If any part of this Scheme is held invalid, ruled illegal by any Tribunal of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

6.9 Effect of Non Receipt of Approvals / Sanctions

In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors of the Transferee Company and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the Hon'ble High Court, the Scheme shall become null and void.

#### 6.10 Costs and expenses

All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.


