

KARUN CARPETS PVT. LTD.

(CIN : U65100PB1985PTC049210)

Corp. Office :

801-803, Tower-B,
Global Business Park,
M.G. Road,
Gurugram 122 002, Haryana
Phone : 0124-2803379 upto 83
Email : sect@eicl.in

Date: March 12, 2021

To,

National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001
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Sub: Disclosure under Regulation 10(6) of Securities and Exchange Board of India (Substantial Acquisition of Share and Takeover) Regulations, 2011 ('SAST Regulations')

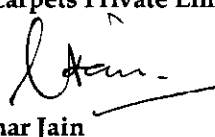
Dear Sir,

Pursuant to the Scheme of Amalgamation ('Scheme') between Bharat Starch Products Private Limited ('BSPPL'), DBH International Private Limited ('DIPL'), DBH Investments Private Limited ('Transferor Companies') and Karun Carpets Private Limited ('KCPL' / 'Transferee Company') approved by Hon'ble National Company Law Tribunal, Chandigarh ('NCLT') vide its order dated December 04, 2020, shares of Greaves Cotton Limited ('GCL' / 'Target Company') held by the Transferor Companies stands transferred to KCPL with effect from 31st December, 2020. Order of NCLT along with the Scheme is enclosed as **Annexure A**.

We, as the Transferee Company, had applied for the informal guidance of the Securities and Exchange Board of India (SEBI) as per the SEBI (Informal Guidance) Scheme, 2003, in respect of applicability of the Regulation 3 of the SAST Regulations and for availing exemption under Reg. 10(1)(d)(iii) of SAST Regulations. Annexed hereto as **Annexure B** is the informal guidance received from SEBI in response to the said request dated June 06, 2019.

Accordingly, the disclosure under Regulation 10(6) of SAST Regulations, is enclosed as **Annexure C** in respect of acquisition of shares in GCL pursuant to exemption provided under Reg. 10 (1) (d) (iii) of SAST Regulations.

This is for your information and records.

For Karun Carpets Private Limited

Suresh Kumar Jain
Director (DIN : 00003500)
Place : Gurugram

Encl: a/a

Regd. Office: Flat No.J-3/602, The Views, Mohali Hills, Sector-105, SAS Nagar, Mohali, Punjab - 140 306

**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
CORPORATE BHAWAN, PLOT NO. 4-B
GROUND FLOOR, SECTOR 27-B, MADHYA MARG,
CHANDIGARH-160019**

No.NCLT/Reg./FO/2020/.....²⁰³⁰

Date. 04/01/2021

CP (CAA) No. 33/Chd/Pb/2019

Under Section 230 to 232 of the
Companies Act, 2013

In the matter of Scheme of amalgamation between:

To

1. **Bharat Starch Products Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AABCB0232D

.... Petitioner Company No.1/
Transferor Company No. 1

2. **DBH Investments Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AABCT0039N

.... Petitioner Company No.2/
Transferor Company No. 2

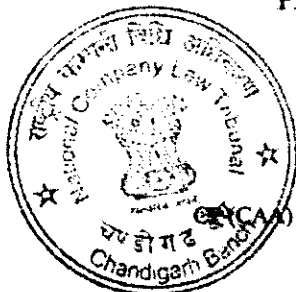
3. **DBH International Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AAACD0085D

..... Petitioner Company No.3/
Transferor Company No.3

WITH

4. **Karun Carpets Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AAACK2331D

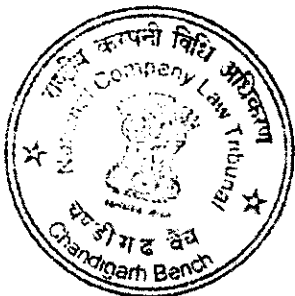
..... Petitioner Company No.4/



Transferee Company

Please find enclosed herewith formal order as per Form No. CAA 7 of Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 containing the directions of the Hon'ble National Company Law Tribunal, Chandigarh for compliance in terms of order dated 04.12.2020.


(M.S. Gill)
Designated Registrar



CP (CAA) No. 33/Chd/Pb/2019

FORM No. CAA.7
(Pursuant to section 232 and rule 20)
Before the National Company Law Tribunal,
Chandigarh Bench, Chandigarh

CP (CAA) No. 33/Chd/Pb/2019

Under Section 230 to 232 of the
Companies Act, 2013

In the matter of Scheme of amalgamation between:

To

1. **Bharat Starch Products Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AABCB0232D

.... Petitioner Company No.1/ Transferor Company No. 1

AND

2. **DBH Investments Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AABCT0039N

.... Petitioner Company No.2/Transferor Company No. 2

3. **D B H International Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AAACD0085D

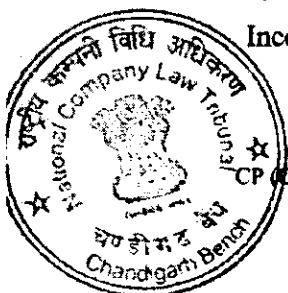
..... Petitioner Company No.3/Transferor Company No.3

WITH

4. **Karun Carpets Private Limited**
having its registered office at
Flat No. J-3/602, The Views, Mohali Hills,
Sector-105, SAS Nagar, Mohali, Punjab – 140 306
PAN: AAACK2331D

..... Petitioner Company No.4/Transferee Company

Upon the above petition coming up for hearing on 04th December, 2020 and
upon reading the said petition, report submitted by the
Income Tax Department and compliance affidavit submitted by the Counsel for the



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Petitioner Companies and hearing learned counsel for the petitioner companies as well as counsel representing the Income Tax Department and after carefully perusing the records, the National company Law Tribunal approved the 'scheme' with the clarification that this order should not be construed as an order in any way granting exemption from payment of any stamp duty, taxes, or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law. With the sanction of the Scheme, the Transferor Companies 1, 2 & 3 be transferred to and vested in the Transferee Company. Notwithstanding the above, if there is any deficiency found, or violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners as well as the petitioners.

THIS TRIBUNAL DOES FURTHER ORDER:

- i. That all the property, rights and powers of the Transferor Companies No. 1, 2 & 3 be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Companies No. 1, 2 & 3 but subject nevertheless to all charges now affecting the same; and
 - ii. That all the liabilities and duties of the Transferor Companies No. 1, 2 & 3 be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and
 - iii. That all the proceedings now pending by or against the Transferor Companies No. 1, 2 & 3 be continued by or against the Transferee Company; and
 - iv. That the employees of the Transferor Companies No. 1, 2 & 3 shall be transferred to the Transferee Company in terms of the 'Scheme'; and
- That the Transferee Company shall, without further application, allot to the existing members of the Transferor Company 1, Transferor Company 2 and

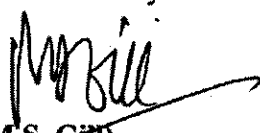


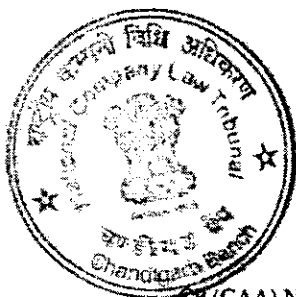
No. 33/Chd/Pb/2019

Transferor Company 3, shares of Transferee Company to which they are entitled under the said Scheme of Amalgamation: and

- vi. That the fee, if any, paid by the Transferor Companies No. 1, 2 & 3 on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme'; and
- vii. That the Petitioner Companies shall, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company 1, Transferor Company 2 and Transferor Company 3 registered with him on the file relating to the said Transferee Company and the files relating to the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company shall be consolidated accordingly, as the case may be; and
- viii. That the Transferee Company shall deposit an amount of Rs. 75,000/- with the Pay & Accounts Office in respect of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi and Rs. 25,000/- in favour of "The Company Law Tribunal Bar Association" Chandigarh within a period of four weeks from the date of receipt of the certified copy of this order; and
- ix. That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

Dated: 04.12.2020
(By the Tribunal)


(M.S. Gill)
Designated Registrar
National Company Law Tribunal,
Chandigarh Bench



SCHEDULE OF PROPERTIES

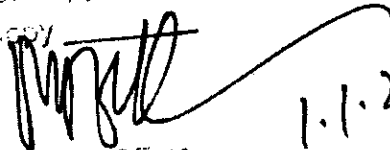
(attached as supplied by the Transferor Company)

FREE OF COST COPY



CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

No _____
Date of Presentation
of application for Copy _____
No. of Pages 3+13+21=37
Copy Fee NIL
Registration Charge Fee NIL
Total Fee NIL
Date of Receipt _____
Date of Presentation of Copy _____
Date of Delivery of Copy _____


DD / DR / AR / Court Officer
National Company Law Tribunal
Chandigarh Bench, Chandigarh

1.1.2021.

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Annexure 1**BHARAT STARCH PRODUCTS PRIVATE LIMITED**

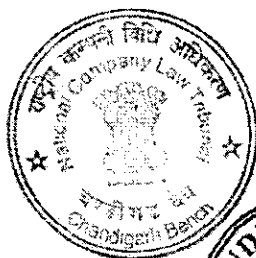
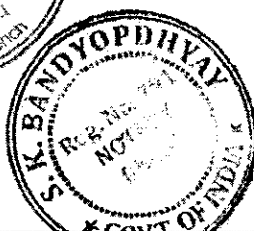
**Schedule of property of the business of the Transferor
Company 1/ Applicant Company 1 as on Appointed Date
(updated as on September 30, 2020)**

Particulars	Description of Property	Amount (in INR)
Part 1		
Short description of the freehold property of the Transferor Company 1	<p>Complete details of Location with Area:</p> <p>Plot of agriculture land admeasuring 4 Bighas 16 Biswas bearing Khasra No. 1480 alongwith built up structure situated at 8, Cedar Avenue, DLF farms situated in Village Chhatarpur, Tehsil Mehrauli, New Delhi-110068</p> <ul style="list-style-type: none"> Gross Value of the property as on Appointed Date 	Rs.2,10,22,000/-



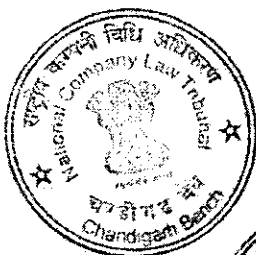
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	<ul style="list-style-type: none"> Any addition to the property after appointed date till 30.09.2020-NIL Type of ownership-OWNER 	
Part 2		
Short description of the leasehold property of the Transferor Company 1	<ul style="list-style-type: none"> Location with Area- Gross Value of the property as on Appointed Date- Any addition to the property after appointed date till 30.09.2020- Type of ownership- 	NIL
Part 3		
Description of all charges in action of the Transferor Company 1	<u>Details of Charges</u> <u>Creation:</u> <ul style="list-style-type: none"> Charge Id: Date of creation: Amount of Charge: Assets under Charge: 	NIL



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	<ul style="list-style-type: none"> Details of charge holder: <u>Modification, if any:</u> Date of Modification: Amount secured: 	
Description of stocks, shares, debentures of the Transferor Company 1	DETAILS GIVEN IN INVESTMENT SCHEDULE	
Description of investments held by Transferor Company 1	DETAILS GIVEN IN INVESTMENT SCHEDULE	
Other fixed assets (Gross)	Description of fixed assets: - Building - Furniture & Fixtures - Office equipments - Computer Total	Rs.2,98,44,108/- Rs. 86,90,770/- Rs. 31,81,560/- Rs. 1,07,960/- ----- Rs.4,18,24,398/-
Deferred tax assets		NIL
Loans and advances		Rs.85,06,989/-



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Trade receivables		NIL
Cash and cash equivalent	- Cash in Hand - Axis Bank	Rs. 28,137/- Rs.25,63,766/-
	Total	Rs.25,91,903/-
Other current assets	MAT Credit	Rs.31,23,413/-

Investment schedule:

Equity shares (quoted)	No of shares	Amount (in INR.)
Greaves Cotton Limited (quoted)	13775865	Rs.44,72,74,786/-
D B H International Pvt. Ltd (unquoted)	4600	Rs.1,56,39,000/-
Total		Rs.46,29,13,786/-



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Annexure 2**DBH INVESTMENTS PRIVATE LIMITED**

**Schedule of property of the business of the Transferor
Company 2/ Applicant Company 2 as on Appointed Date
(updated as on September 30, 2020)**

Particulars	Description of Property	Amount (in INR)
Part 1		
Short description of the freehold property of the Transferor Company 1	<ul style="list-style-type: none"> • Complete details of Location with Area • Gross Value of the property as on Appointed Date • Any addition to the property after appointed date till 30.09.2020 • Type of ownership 	NIL
Part 2		
Short description of the leasehold property of the Transferor Company 1	<ul style="list-style-type: none"> • Location with Area- • Gross Value of the property as on Appointed Date- • Any addition to the property after 	NIL



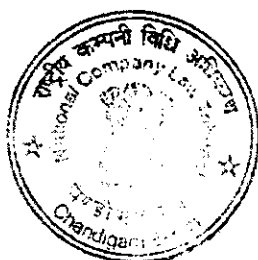
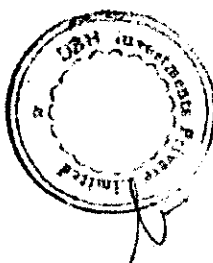
	appointed date till 30.09.2020- Type of ownership-	
Part 3		
Description of all charges in action of the Transferor Company 1	<ul style="list-style-type: none"> • <u>Details of Charges Creation:</u> • Charge Id: • Date of creation: • Amount of Charge: • Assets under Charge: • Details of charge holder: • <u>Modification, if any:</u> • Date of Modification: • Amount secured: 	<u>NIL</u>
Description of stocks, shares, debentures of the Transferor Company 1		NIL
Description of investments held by Transferor Company 1	Details of investments as on appointed date: as indicated in the schedule below	NIL



	Any additions / changes in investment after the appointed date till date: NIL	
Other fixed assets (Gross)	Description of fixed assets:	NIL
Deferred tax assets		NIL
Loans and advances		NIL
Trade receivables		NIL
Cash and cash equivalent	- Fixed Deposit - Cash in Hand - Yes Bank Total	Rs.23,55,387/- Rs. 3,182/- Rs. 50,510/- ----- Rs.24,09,079/-
Other current assets	- Interest receivable on FDR - TDS Total	Rs. 65,505/- Rs. 7,859/- ----- Rs. 73,364/-

Investment schedule:

Equity shares (quoted)	No of shares	Amount (in Rs.)
NIL		NIL
Total		NIL

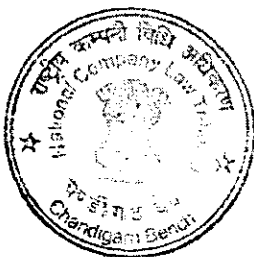


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Annexure 2**D B H INTERNATIONAL PRIVATE LIMITED**

**Schedule of property of the business of the Transferor
Company 3/ Applicant Company 3 as on Appointed Date
(updated as on September 30, 2020)**

Particulars	Description of Property	Amount (in INR)
Part 1		
Short description of the freehold property of the Transferor Company 1	<p>Complete details of Location with Area-</p> <p>This property with a built up area admeasuring 950 sq.ft. alongwith an open car space on ground floor for one car situated in Basement No.3 of Block A-2 of Marble Arch Apartment, 9, Prithviraj Road New Delhi-110001 (NDMC Area)</p> <p>Gross Value of the property as on Appointed Date</p>	11,77,295/-



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	<ul style="list-style-type: none"> Any addition to the property after appointed date till 30.09.2020-NIL Type of ownership – OWNERSHIP Other Immovable Properties: Freehold Industrial land of area 364.94 Are and 902.50 cent at Mangalapuram Panchayath of Melthonakkal village in Kerala details of land given in Annexure -1 Any addition to the property after appointed date till 30.09.2020-NIL Type of ownership – OWNERSHIP 	Rs.1,13,28,008/-
Part 2		
Short description of	<ul style="list-style-type: none"> Location with Area- 	NIL



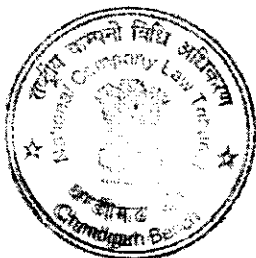

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the leasehold property of the Transferor Company 1	<ul style="list-style-type: none"> Gross Value of the property as on Appointed Date- Any addition to the property after appointed date till 30.09.2020- Type of ownership- 	
Part 3		
Description of all charges in action of the Transferor Company 1	<ul style="list-style-type: none"> <u>Details of Charges</u> <u>NIL</u> <u>Details in the following format:</u> <u>Creation:</u> <ul style="list-style-type: none"> Charge Id: Date of creation: Amount of Charge: Assets under Charge: Details of charge holder: <u>Modification, if any:</u> <ul style="list-style-type: none"> Date of Modification: Amount secured: 	<u>NIL</u>



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Description of stocks, shares, debentures of the Transferor Company 1	<u>Details given in Investment schedule below:</u>	
Description of investments held by Transferor Company 1	<u>Details given in Investment schedule below:</u>	
Other fixed assets (Gross)	Description of fixed assets: - Computers - Furniture & Fittings - Electrical Fittings & Equipments - Office Equipments - Vehicle Total	Rs. 4,97,534/- Rs. 66,44,981/- Rs. 57,600/- Rs. 5,64,614/- Rs. 23,53,300/- <hr/> Rs.101,18,029/-
Deferred tax assets		Rs. 3,20,884/-
Loans and advances		Rs.4,46,32,636/-
Trade receivables	<u>NIL</u>	
Cash and cash equivalent	- Cash in Hand - Axis Bank Limited – Trivandrum - Axis Bank Limited, - HDFC Bank - Deposit in Bank Total	Rs. 45,619/- Rs. 1,68,054/- Rs.10,93,013/- Rs. 85,164/- Rs. 2,00,000/- <hr/> Rs. 15,91,851/-



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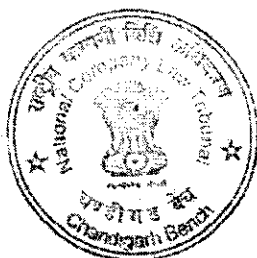


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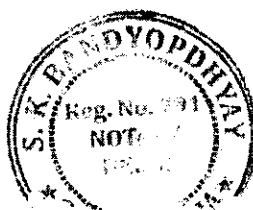
Other current assets	- Interest Receivable on Fixed Deposits	Rs. 35,688/-
	- MAT Credit Entitlement	Rs.3,19,86,823/-
	- Interest Receivable	Rs. 7,11,986/-
	Total	Rs.3,27,34,497/-

Investment schedule:

<u>Equity shares (quoted)</u>	<u>No of shares</u>	<u>Amount (in Rs.)</u>
Greaves Cotton Ltd.	98764252	Rs.1,32,66,66,218/-
<u>Equity shares (Un quoted)</u>		
Bharat Starch Products Pvt. Ltd.	490005	Rs.4,93,000/-
CGPPI Adhesives Products Ltd.	35000	Rs.3,50,000/-
DBH Investments Pvt. Ltd.	9600	Rs.9,60,100/-
EICL Limited	32678691	Rs.68,56,87,449/-
Pembril Industrial & Engg. Co. Pvt. Ltd.	3025	Rs.72,68,063/-
Premium Transmission Pvt. Ltd.	12499995	Rs.12,53,22,300/-
Total		Rs.2,14,67,47,130/-
Mutual funds		
ICICI Prudential Money Market fund	528507.0620	Rs.13,62,85,611/-
Kotak Money Market Fund	51931.844	Rs.15,79,23,095/-
L&T Money Market Fund	5407027.972	Rs.10,17,74,354/-
Mirae Asset Cash Management Fund	88849.733	Rs.17,89,01,856/-
Total		Rs.57,48,84,916/-



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Details of Immovable Properties

Annexure-1

DBH International Pvt Ltd

Details of Land

Doc No	Survey No	Patta No	Date of Purchase	Area		Consideration as per Doc
				Are	Cent	
1648/01	465/12	10661	06-07-2001	104.6	258.36	27,23,175
	465/15			0.4	0.99	
1649/01	465/8	4617		1.1	2.72	13,30,465
	465/13			50.2	123.99	
1647/01	465/6	10660		11.2	27.66	2,90,472
1650/01	471/18	4700		21.7	53.6	5,62,789
	Sub Total			189.2	467.32	49,06,901
1661/02	465/1	11007	20-06-2002	36.6	90	15,80,000
	465/3			10.4	26	
1660/02	465/14	8940		12.6	31	4,03,000
1658/02	471/13	11006		7.1	17.54	2,28,020
1659/02	471/17	11005		24	59.3	7,70,900
	Sub Total			90.7	223.84	29,81,920
1123/03	465/4	4313	04-09-2003	13.6	33.6	4,70,400
1122/03	470/8	4613		45	112	14,74,000
	Sub Total			58.6	145.6	19,44,400
2039/03	465/5	4484	06-02-2003	12.14	30	4,50,000
	Sub Total			12.14	30	4,50,000
4631/08	471/16		09-06-2008	14.3	35.34	10,44,787
	Sub Total			14.3	35.34	10,44,787
	Grand Total			364.94	902.1	1,13,28,008



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ANNEXURE - A-1

SCHEME OF AMALGAMATION

BETWEEN

**BHARAT STARCH PRODUCTS PRIVATE LIMITED
(TRANSFEROR COMPANY 1)**

AND

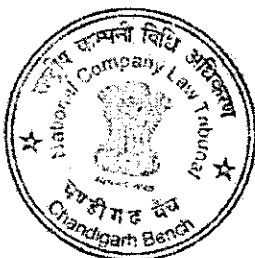
**DBH INVESTMENTS PRIVATE LIMITED
(TRANSFEROR COMPANY 2)**

AND

**D B H INTERNATIONAL PRIVATE LIMITED
(TRANSFEROR COMPANY 3)**

AND

**KARUN CARPETS PRIVATE LIMITED
(TRANSFeree COMPANY)**



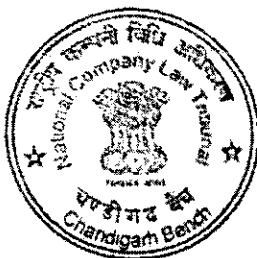
PREAMBLE

This Scheme provides for the amalgamation of Bharat Starch Products Private Limited (hereinafter referred to as "BSP" or "Transferor Company 1"), DBH Investments Private Limited (hereinafter referred to as "DBHIN" or "Transferor Company 2"), D B H International Private Limited (hereinafter referred to as "DBHI" or "Transferor Company 3") into Karun Carpets Private Limited (hereinafter referred to as "KCP" or "Transferee Company") and consequent dissolution of BSP, DBHIN and DBHI without winding up and issuance of new Equity shares by KCP as consideration for the amalgamation. BSP, DBHIN and DBHI are collectively referred to as Transferor Companies.

The rationale for the amalgamation is that the consolidation of entities will help in eliminating the cross-holdings and attain a leaner and efficient structure from long term perspective.

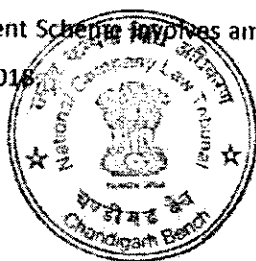
Accordingly, this Scheme is divided into following sections:

- Section A: General
- Section B: Transfer and vesting of Transferor Companies into Transferee Company
- Section C: General terms and conditions of amalgamation
- Section D: Issue of equity shares and accounting treatment
- Section E: Miscellaneous provisions



SECTION A - GENERAL

- A. Bharat Starch Products Private Limited was originally incorporated as "Bharat Corn Products Limited", a company limited by shares on August 24, 1998 under the provisions of the Companies Act, 1956 which then changed to Bharat Starch Products Limited w.e.f. March 17, 2003. The name of the company got further changed to Bharat Starch Products Private Limited w.e.f. March 30, 2017. The registered office of BSP has been shifted from the State of Haryana to the State of Punjab vide the Order of the Regional Director, Northern Region dated January 31, 2019 and fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on March 12, 2019 with U74899PB1998PTC049161 as its CIN.
- B. DBH Investments Private Limited was originally incorporated as a company limited by shares under the name "Tula Traders Private Limited" on February 23, 1994 under the provisions of the Companies Act, 1956. The name of the company got changed to DBH Investments Private Limited w.e.f. August 10, 2007. The registered office of DBHIN has been shifted from the State of Haryana to the State of Punjab vide the Order of the Regional Director, Northern Region dated February 8, 2019 and fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on March 12, 2019 with U51900PB1994PTC049163 as its CIN.
- C. D B H International Private Limited was originally incorporated as "Dadabhoy Hormusjee & Sons Limited", on January 11, 1950 under the provisions of the Companies Act, 1913. The name of the company got changed to D B H International Private Limited w.e.f. March 27, 2001. The registered office of DBHI has been shifted from the State of Haryana to the State of Punjab vide the Order of the Regional Director, Northern Region dated February 6, 2019 and fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on March 12, 2019 with U74899PB1950PTC049162 as its CIN.
- D. Karun Carpets Private Limited was incorporated as a company limited by shares on December 05, 1985 under the provisions of the Companies Act, 1956. KCP is also registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company vide certificate dated December 2, 2016. The registered office of KCP has been shifted from Delhi to the State of Punjab vide the Order of the Regional Director, Northern Region dated March 8, 2019 and the fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on March 22, 2019 with U65100PB1985PTC049210 as its CIN.
- E. The present Scheme provides amalgamation of BSP, DBHIN and DBHI into KCP with effect from April 1, 2018.



1. DEFINITIONS

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

- (a) **"Act"** means the Companies Act, 2013 and rules made thereunder or any statutory modification, amendment or re-enactment thereof.
- (b) **"Appointed Date"** means April 1, 2018 or such other date as may be approved by the Hon'ble National Company Law Tribunal, Chandigarh.
- (c) **"Board of Directors"** of Transferor Companies and Transferee Company shall include any committee thereof.
- (d) **"BSP" or "Transferor Company 1"** means Bharat Starch Products Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Flat No. J-3/602, The Views, Mohali Hills, Sector -105, SAS Nagar, Mohali, Punjab – 140 306.
- (e) **"DBHIN" or "Transferor Company 2"** means DBH Investments Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Flat No. J-3/602, The Views, Mohali Hills, Sector -105, SAS Nagar, Mohali, Punjab – 140 306
- (f) **"DBHI" or "Transferor Company 3"** means D B H International Private Limited, a company incorporated under the Companies Act, 1913 and having its registered office at Flat No. J-3/602, The Views, Mohali Hills, Sector -105, SAS Nagar, Mohali, Punjab – 140 306.
- (g) **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 17 hereof have been fulfilled. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.
- (h) **"KCP" or "Transferee Company"** means Karun Carpets Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Flat No. J-3/602, The Views, Mohali Hills, Sector -105, SAS Nagar, Mohali, Punjab – 140 306.
- (i) **"Merged Undertaking"** means and includes the whole of the business of BSP, DBHIN and DBHI and shall mean all assets, properties and liabilities and shall include (without limitation):



- all secured and unsecured debts, present and future liabilities, contingent liabilities, duties and obligations (including duties/ rights/ obligations imposed by any authority or under any agreement, contracts, applications, letters of intent or any other contracts) and land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and including but without being limited to all plant and machinery, computers and accessories, software, leasehold improvements, vehicles, fixed assets, work in progress, appliances, accessories, sundry debtors, inventories, current assets, investments of all kinds [shares, scrips, stocks, bonds, debentures etc.], reserves, provisions, funds, as on the Appointed Date;
- offices, import entitlements, import licenses, other licenses, approvals, permissions, registrations, copyrights, patents, titles, trade names, trademarks, applications for copyrights, patents, trade names and trademarks, any other intellectual property whether registered or otherwise, labels, label designs, quality certifications, leases, licenses, tenancy rights, no objection certificate from any authorities (including the Municipal Authorities, Department of Town & Country Planning, Development Authority, Electricity Board), power of attorney, premises, hire purchase and lease arrangements, office equipment, electrical fittings, furniture and fittings, capital work in progress, telephones, telexes, email and facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements including customer contracts, powers, authorities, permits, Central government/ State government incentives/ schemes/ benefits under any law in force including all single window clearances, prospecting licenses, environmental clearances, allotments, approvals, certifications, consents, privileges, balances with all regulatory authorities, liberties, advantages, easements and all the rights, titles, interest, goodwill, benefit and advantage, deposits, receivables, funds, cash, bank balances and bank accounts, bills of exchange, benefits of assets or properties or other interest held in trusts, benefit of any deposits, financial assets, benefit of any bank guarantees, loans and advances, accounts, subsidies, grants, tax credits (including MODVAT/ CENVAT, Service Tax credits, GST credits, MAT credits), advance tax credits, withholding tax credits and other tax refund and credits and any other tax incentives and benefits, advantages, exemptions, tax holidays, remissions and reductions and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by Transferor Companies, as on the Appointed Date and all earned money and/ or deposits including security deposits paid by Transferor Companies.



- all employees of Transferor Companies on the date immediately preceding the Effective Date;
- all other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees with respect to the payment of compensation, gratuity, provident fund etc and benefits or obligations of any kind whether insurances, retirement etc.
- all necessary records, files, papers, engineering and process information, computer programme, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to Transferor Companies.

It is intended that the definition of Merged Undertaking under this clause would enable the transfer of all property, assets, liabilities, employees etc of Transferor Companies to the Transferee Company pursuant to this Scheme.

- (j) "NCLT" shall mean the Hon'ble National Company Law Tribunal at Chandigarh.
- (k) "RBI" shall mean Reserve Bank of India.
- (l) "Scheme of Amalgamation" or "this Scheme" or "the Scheme" means this Scheme of Arrangement in its present form or with any modifications made under Clause 19 of the Scheme.
- (m) "Specified Date" means the date to be fixed by the Board of Directors of KCP for the purpose of determining the shareholders of the BSP, DBHIN and DBHI for purpose of issuance of shares upon amalgamation.
- (n) "Transferor Companies" shall mean BSP (Transferor Company 1), DBHIN (Transferor Company 2) and DBHI (Transferor Company 3) collectively.

1A. EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.



2. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with such modifications or amendments as directed by the NCLT or other appropriate authority shall be effective from the Appointed Date herein, although it shall be operative from the Effective Date.

3. SHARE CAPITAL

- (a) The authorized, issued, subscribed and paid up share capital of BSP as on March 31, 2018 is as follows:

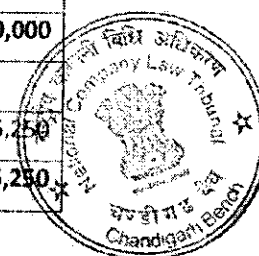
PARTICULARS	AMOUNT (Rs)
AUTHORIZED CAPITAL	
10,00,000 Equity Shares of Rs 10/- each	1,00,00,000
1,60,00,000 Cumulative Redeemable Preference Share of Rs.10/- each	16,00,00,000
Total	17,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
8,14,827 Equity Shares of Rs. 10/- each	81,48,270
Total	81,48,270

- (b) The authorized, issued, subscribed and paid up share capital of DBHIN as on March 31, 2018 is as follows:

PARTICULARS	AMOUNT (Rs)
AUTHORIZED CAPITAL	
3,00,000 Equity Shares of Rs.100/- each	3,00,00,000
7,00,000 Cumulative Convertible Preference Shares of Rs.100/- each	7,00,00,000
Total	10,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
10,000 Equity Shares of Rs. 100/- each	10,00,000
Total	10,00,000

- (c) The authorized, issued, subscribed and paid up share capital of DBHI as on March 31, 2018 is as follows:

PARTICULARS	AMOUNT (Rs)
AUTHORIZED CAPITAL	
1,80,00,000 Equity Shares of Rs.10/- each	180,00,000
28,00,000 Convertible or Non-Convertible or Cumulative or Non-Convertible Redeemable Preference Share of Rs.100/- each	280,00,000
Total	460,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
6,82,625 Equity Shares of Rs. 10/- each	6,826,250
Total	6,826,250

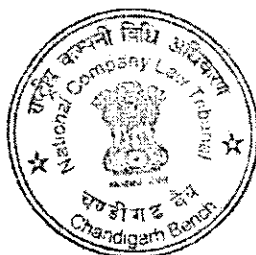


- (d) The authorized, issued, subscribed and paid up share capital of KCP as on March 31, 2018 is as follows:

PARTICULARS	AMOUNT (Rs)
AUTHORIZED CAPITAL	
3,00,000 Equity Shares of Rs.10/- each	30,00,000
90,000 Cumulative Preference Shares of Rs.100/- each	90,00,000
Total	1,20,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
50,447 Equity Shares of Rs. 10/- each	5,04,470
Total	5,04,470

4. COMPLIANCE WITH TAX LAWS

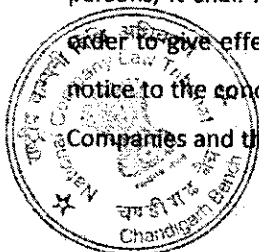
This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically section 2(1B) of the Income Tax Act, 1961, and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted 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 aforesaid provisions of the tax laws shall prevail. This 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, and the power to make any such amendments shall vest with the Board of Directors of the Transferee Company.



SECTION B – TRANSFER AND VESTING OF TRANSFEROR COMPANIES INTO TRANSFEREE COMPANY

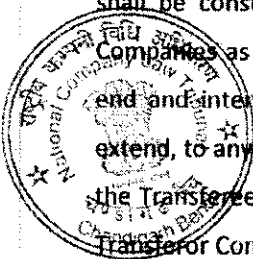
5. TRANSFER AND VESTING OF TRANSFEROR COMPANIES INTO TRANSFEREE COMPANY

- 5.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Merged Undertaking shall, pursuant to the provisions contained in Section 230 to 232 of the Act and other provisions of law for the time being in force and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, in accordance with Section 2(1B) of the Income Tax Act, 1961, so as to become as and from the Appointed Date, the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, titles, interests or obligations of the Transferor Companies therein.
- 5.2 All assets acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company upon the coming into effect of the Scheme. Where any of the assets of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been sold or transferred by the Transferor Companies 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.
- 5.3 In respect of the assets of the Transferor Companies (mentioned in Clause 5.1 and Clause 5.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by the Transferor Companies and shall become the property of the Transferee Company as an integral part of the Transferee Company. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Companies and the Transferee Company.
- 5.4 In respect of movables of the Transferor Companies other than those specified in Clause 5.3 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause, and such transfer shall be effected by notice to the concerned persons, or in any manner as may be mutually agreed by the Transferor Companies and the Transferee Company.



- 5.5 In respect of the assets of the Transferor Companies other than those referred to in Clause 5.3 and 5.4 above, the same shall without any further act, instrument or deed be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company pursuant to the Act and other applicable provisions of law. The mutation of the title to the immovable properties, if any, in favour of the Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and it is becoming effective in accordance with the terms hereof.
- 5.6 Subject to the other provisions of this Scheme, any ongoing lease, all licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by the Transferor Companies in terms of the various statutes and/ or schemes of Union and State Governments, shall be available to and vest in the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company.
- 5.7 All loans raised and used and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date and all duties, losses and obligations of the Transferor Companies, whether or not recorded in their books of accounts shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become its liabilities and obligations on the same terms and conditions as were applicable to the respective Transferor Companies.
- 5.8 Loans or other obligations, if any, due between and amongst Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf.
- 5.9 Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of the Transferor Companies as on the Appointed Date is concerned, it is hereby clarified that the Transferor Companies and the Transferee Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.

Provided however, any reference in any security documents or arrangements (to which the respective Transferor Companies is a party) to the assets of the respective Transferor Companies offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the respective Transferor Companies as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the respective Transferor Companies or any of the assets of the Transferee Company, save and except as may be otherwise agreed between the respective Transferor Companies and the Transferee Company and the respective lender(s).



Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company pursuant to the Scheme and the Transferee Company shall not be obliged to create any further or additional security thereof after the Scheme has become operative.

- 5.10 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferee Company and the Transferor Companies shall execute 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, to give formal effect to the above provisions, if required.



SECTION C – GENERAL TERMS AND CONDITIONS OF AMALGAMATION

6. BUSINESS AND PROPERTY IN TRUST

6.1 Upon the coming into effect of the Scheme, as and from the Appointed Date and upto and including the Effective Date:

- (a) Transferor Companies shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) Any income or profit accruing or arising to Transferor Companies, as the case may be, and all costs, charges, expenses and losses or taxes incurred by Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

7. CONDUCT OF BUSINESS

7.1 With effect from the date of approval of the Scheme by the Board of Directors of Transferor Companies, and upto the Effective Date:

- (a) Transferor Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.
- (b) Transferor Companies shall not alter or substantially expand the business except with the written concurrence of the Transferee Company.
- (c) Transferor Companies shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber any of their properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferor Companies.
- (d) Transferor Companies shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferor Companies, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.



8. LEGAL PROCEEDINGS

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

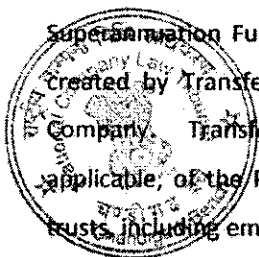
9. CONTRACTS AND DEEDS

Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies, schemes, licenses, arrangements and other instruments, if any, of whatsoever nature to which Transferor Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of Transferor Companies and to implement or carry out all formalities required on the part of Transferor Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts among and between Transferor Companies and the Transferee Company as on the Effective Date shall stand cancelled and cease to operate in the Transferee Company.

10. STAFF AND EMPLOYEES

10.1 On the Scheme coming into effect, all staff and employees of Transferor Companies in service on such date shall be deemed to have become staff and employees of the Transferee Company without any break or interruption in their service as a result of the transfer for the purpose of any payment on any retrenchment, compensation or other benefits, and on the basis of continuity of service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to Transferor Companies on the Effective Date.

10.2 Upon the Scheme coming into effect, the existing Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, if any, created by Transferor Companies for its employees shall be transferred to the Transferee Company. Transferor Companies shall take all steps necessary for the transfer, where applicable, of the Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to the Transferee Company.

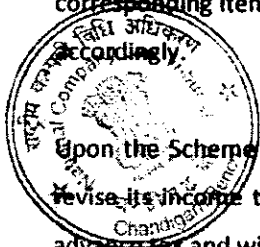


All obligations of Transferor Companies with regard to the said fund or funds as defined in the respective trust deed and rules shall be taken over by the Transferee Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in Transferor Companies under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of Transferor Companies will be treated as having been continuous without any break, discontinuance or interruption for the purpose of membership or application of the rules or bye-laws for the purpose of the said Fund or Funds.

11 TREATMENT OF TAXES

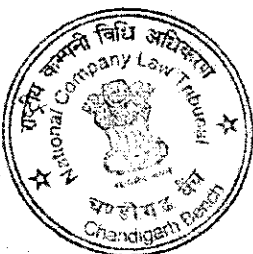
11.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, Service Tax, Sales Tax laws, Goods and Services Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, MAT and withholding tax as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company. Any refund under the Tax Laws due to Transferor Companies consequent to the assessments made on Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

11.2 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, GST etc) paid or payable by Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, GST, service tax, VAT etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by Transferor Companies in respect of the profits or activities or operation of the 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, Upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax returns and other returns filed under the tax laws and to claim refunds, advance tax and withholding tax credits, etc, pursuant to the provisions of this Scheme.

- 11.3 Any tax incentives, benefits [including MAT credits etc], advantages, privileges, exemptions, credits, tax holidays which would have been available to any of the Transferor Companies shall be available to the Transferee Company.
- 11.4 All compliances w.r.t. taxes between the Appointed Date and the Effective Date, undertaken by any of the Transferor Company shall upon effectiveness of this scheme, be deemed to have been complied with, by the Transferee Company. Any Taxes deducted by the Transferee Company from payments made to the Transferor Companies shall be deemed to be advance tax paid by the Transferee Company.



SECTION D - ISSUE OF SHARES AND ACCOUNTING TREATMENT

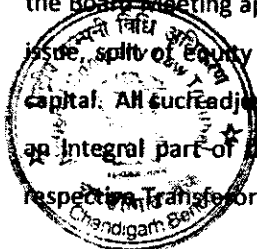
12 ISSUE OF SHARES

12.1 Upon coming into effect of this Scheme, in consideration of the amalgamation of the Transferor Companies into the Transferee Company pursuant to this Scheme, the Transferee Company, shall, without any further act or deed and without any further payment, issue and allot fully paid up equity shares (hereinafter also referred to as the "Equity shares on Amalgamation"), to the shareholders of Transferor Companies [except where the shareholder is/ are the Transferor Company(ies) itself or the Transferee Company] whose name is recorded in the register of members /depositories of respective Transferor Companies as holding equity shares on the Specified Date or whose names appear as the beneficial owners in the records of the depositories/register of members on the Specified Date, in the following ratio:

- For merger of BSP into the Transferee Company: 89 equity shares of Rs 10/- each (face value per share) of the Transferee Company be issued for every 10,000 equity shares of Rs 10/- each (face value per share) of BSP.
- For merger of DBHIN into the Transferee Company: 8 equity shares of Rs 10/- each (face value per share) of the Transferee Company be issued for every 10,000 equity shares of Rs 100/- each (face value per share) of DBHIN.
- For merger of DBHI into the Transferee Company: 861 equity shares of Rs 10/- each (face value per share) of the Transferee Company be issued for every 10,000 equity shares of Rs 10/- each (face value per share) of DBHI.

12.2 The Equity Shares on Amalgamation to be issued and allotted pursuant to Clause 12.1 shall in all respects, rank *pari passu* with the existing equity shares of the Transferee Company, if any, for dividend and all other benefits and on all respects with effect from the date of their allotment except that, in respect of dividend that may be declared, such equity shares will be entitled for such dividend from the Appointed Date.

12.3 The share entitlement specified in Clause 12.1 shall be suitably adjusted for changes in the capital structure of either the Transferor Companies or the Transferee Company post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of equity shares, consolidation of equity shares and any increase in paid up share capital. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the respective Transferor Companies and the Transferee Company.

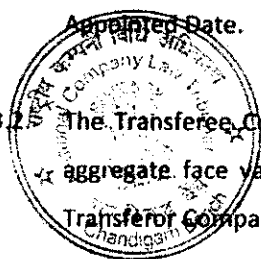


- 12.4 In case any shareholder's holding in Transferor Companies is such that the shareholder becomes entitled to a fraction of a share in the Transferee Company, the number of equity shares to be issued to such shareholder shall be rounded off to next immediate whole number and the Transferee Company shall not issue such fractional portion.
- 12.5 The Equity Shares on Amalgamation to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of the Transferee Company.
- 12.6 Upon coming into effect of this Scheme and subject to the above provisions, the shareholders of Transferor Companies as on the Specified Date shall receive new share certificates reflecting the equity shares held by each member in the Transferee Company and the equity shares or the share certificates of Transferor Companies in relation to the equity shares held by its shareholders shall, without any further application, act, instrument, deed, be deemed to have been automatically cancelled and be of no effect on and from the Specified Date. The new shares can be issued in dematerialized form by the Transferee Company, provided that the details of depository accounts of the members of the Transferor Companies are made available to the Transferee Company
- 12.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of Transferor Companies, the Board of Directors or any committee thereof of the Transferee Company, shall be empowered in appropriate cases, even subsequent to the Specified Date, to effectuate such a transfer in the Transferor Companies, as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to the Transferor Companies / the Transferee Company.
- 12.8 Upon the issue of Equity Shares on Amalgamation in terms of Clause 12.1, the provisions of Section 62 read with Section 42 of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme.

13 ACCOUNTING TREATMENT

- 13.1 The Transferee Company shall, upon the coming into effect of this Scheme, record the assets, reserves and liabilities of Transferor Companies vested in it pursuant to this Scheme, at the respective book values thereof, at the close of business of the day immediately preceding the Appointed Date.

- 13.2 The Transferee Company shall credit to its share capital account in its books of account the aggregate face value of Equity Shares on Amalgamation issued by it to the shareholders of Transferor Companies, pursuant to this Scheme.

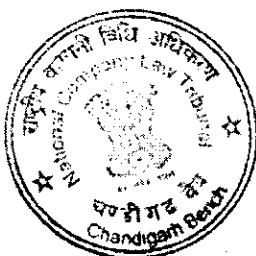


- 13.3. Upon the coming into effect of this Scheme, any inter Company investment in the books of Transferor Companies and the Transferee Company, representing shares of Transferor Companies and/ or the Transferee Company will stand cancelled and no shares or consideration shall be issued by the Transferee Company in respect of such cancelled equity shares.
- 13.4. The excess/ deficit of the value of the assets over the value of the liabilities of Transferor Companies vested in the Transferee Company pursuant to this Scheme, and as recorded in the books of account of the Transferee Company shall, after adjusting the amount recorded in Clause 13.2, Clause 13.3 and Clause 13.6 and 'Expenses of Scheme', be treated in the balance sheet of the Transferee Company in accordance with the prescribed Accounting Standard issued by The Institute of Chartered Accountants of India. The reduction, if any, in the share capital/ securities premium account of any Transferor Companies and/ or Transferee Company shall be effected as an integral part of the Scheme under Section 230 of the Act and the Order of the NCLT approving the scheme shall be deemed to be the Order confirming such capital reduction and the same shall also be considered as due compliance of Section 66 read with Section 52 of the Act. Further, the Transferee Company shall not be required to add the words "and reduced" as a suffix to its name post the reduction.
- 13.5. In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and directly adjusted in profit and loss account appearing in the balance sheet of the Transferee Company, to ensure that upon the coming into effect of this Scheme, the financial statements of the Transferee Company reflect the financial position on the basis of a consistent accounting policy.
- 13.6. To the extent that there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 13.7. Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its Statutory Auditors, is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles.



14 MERGER OF AUTHORIZED SHARE CAPITAL

- 14.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Companies shall stand transferred to and be amalgamated with the authorized share capital of the Transferee Company, without any liability for payment of any additional fees (including registrar of companies' fees) or stamp duty. Consequently, clause V of the Memorandum of Association of the Transferee Company shall without any further act or deed shall stand altered, modified and amended accordingly.
- 14.2 It is hereby clarified that the consent of the shareholders of the Transferor Companies and the Transferee Company to this Scheme shall be sufficient for the purposes of effecting this amendment in the Memorandum and Articles of Association of the Transferee Company and that no further resolution(s) under Section 13 and Sections 61 and 64 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional registration fee, stamp duty etc, be payable by the Transferee Company.



SECTION E – MISCELLANEOUS PROVISIONS

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 5 and the continuance of legal proceedings by or against the Transferee Company under Clause 8 shall not affect any transaction or proceedings already concluded by Transferor Companies on or before the date when Transferor Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Companies in respect thereto as done and executed on behalf of itself.

16. CHANGE IN THE CAPITAL STRUCTURE

From the date of acceptance of the present Scheme by the respective Board of Directors of Transferor Companies and the Transferee Company, the Transferor Companies and the Transferee Company are expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by their Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever.

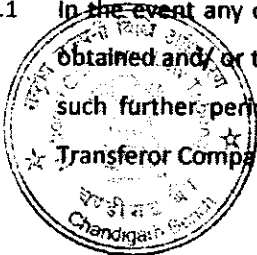
17. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

- a. the Scheme being approved by the NCLT;
- b. consents of the respective majorities of the shareholders and creditors of the Transferor Companies and the Transferee Company;
- c. such other sanctions and approvals including sanctions of any statutory or regulatory authority (including approval of RBI and any Informal Guidance/ No action letter from Securities & Exchange Board of India for exemption under Regulation 10[1][d][iii] of Securities Exchange Board of India [Substantial Acquisition of Shares and Takeover] Regulations, 2011 [as amended] as may be required in respect of the Scheme, being obtained) and
- d. filing by Transferor Companies and the Transferee Company of the certified copies of the Order of the NCLT sanctioning the Scheme with the respective jurisdictional Registrar of Companies

18. EFFECT OF NON-APPROVALS

- 18.1 In the event any of the said sanctions and approvals referred to in Clause 17 above not being obtained and/or the Scheme not being passed as aforesaid before December 31, 2020 or within such further period or periods as may be agreed upon between the Board of Directors of Transferor Companies and the Transferee Company, this Scheme shall stand revoked, cancelled



and be of no effect and null and void 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 as may otherwise arise in law and in such event each party shall bear their respective costs, charges and expenses in connection with the Scheme.

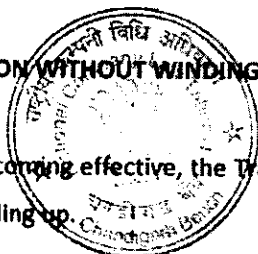
- 18.2 If any part or section of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of Transferor Companies and the Transferee Company, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme. It is hereby clarified that the Board of Directors of Transferor Companies and the Transferee Company, as the case may be, may in their absolute discretion, adopt any part of this Scheme or declare the entire Scheme to be null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case, the Transferor Companies and the Transferee Company shall bear its own cost or bear costs as may be mutually agreed. Such decisions shall not have an effect on the company that is not a part of such decision. The Board of Directors of the Transferee company will have the power to resolve the differences, if any.

19. MODIFICATION OR AMENDMENT

The Board of Directors of Transferor Companies and the Transferee Company reserves the right to withdraw the Scheme at any time before the 'Effective Date' and may assent to any modification(s) or amendment(s) in this Scheme which the NCLT and/ or any other authorities 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 the Board of Directors of Transferor Companies and the Transferee Company and after the dissolution of Transferor Companies, the Board of Directors of the Transferee Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any Order of the NCLT or of any directive or Orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith.

20. DISSOLUTION WITHOUT WINDING UP

On the Scheme becoming effective, the Transferor Companies shall be dissolved without going through the process of winding up.



21. COSTS, CHARGES AND EXPENSES

Except in the circumstances mentioned in Clause 18 above or withdrawal of Scheme as per Clause 19 above, all costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company. All the aforesaid expenses shall be referred to as 'Expenses of Scheme'.





**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

General Manager

Corporation Finance Department

Division of Corporate Restructuring

E-mail: rajeshg@sebi.gov.in

Phone: 022-2644 1232

CFD/DCR1/OW/P/2019/14383/1

June 06, 2019

Karun Carpets Pvt. Ltd.

801-803, Tower-B,

Global Business Park, M.G. Road,

Gurugram-122002, Haryana

Kind Attention: Ms. Shalimi Chawla,

Dear Sir,

Sub: Request for informal guidance by way of "no action letter" under the SEBI (Informal Guidance) Scheme, 2003 with respect to Regulation 10(1)(d)(iii) of SEBI (SAST) Regulations, 2011 ("SAST") in relation to the proposed merger of promoter group entities of Greaves Cotton Ltd.

1. This has reference to your letter dated April 02, 2019 and also your subsequent e-mail dated May 17, 2019 on the captioned subject
2. You have, *inter alia*, represented as under:
 - i. Karun Carpets Pvt. Ltd. (**KCPL**), DBHI International Pvt. Ltd. (**DBHI**) and Bharat Starch Products Pvt. Ltd. (**BSP**) holds respectively 5.82%, 40.44% and 5.64% shares of Greaves Cotton Ltd. (**GCL** / **Target Company**). All these companies are classified as 'Promoter' for over 3 years and their aggregate shareholding in Target Company is 51.90%.
 - ii. In KCPL, Mr. Karan Thapar holds 89% shares, Ms. Devika Thapar (d/o Mr. Karan Thapar) holds 4.56% shares and Mr. Karam Thapar (s/o Mr. Karan Thapar) holds 5.55% and remaining 0.89% are holds by DBHI.
 - iii. In DBHI, DBH Global Holdings Limited (**DBHG**) holds 48.34% shares and KCLP holds 49.85% shares and remaining 2.81% shares are held by Mr. Karan Thapar, Mr. Karam Thapar and BSP. Mr. Karan Thapar holds 100% shares of DBHG.
 - iv. In BSP, DBHI holds 60.14% shares and KCPL olds 39.86% shares.

Page 1 of 4

सेबी भवन, प्लॉट नं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.सी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhawan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



अनुवर्ती:
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
**Securities and Exchange
Board of India**

- v. In a nutshell, DBHI, BSP and KCPL and their shareholders are directly or indirectly promoters of GCL.
- vi. With a view to consolidate the entities so as to eliminate the cross-holdings and attain a leaner and efficient structure from long term perspective, it is proposed to amalgamate DBHI, BSP and DSHI Investments Private Limited ["DSHIN"] [hereinafter collectively referred to as the "**Transferor Companies**" into KCPL (**Transferee Company**) through a Scheme of Amalgamation [hereinafter referred to as "**Scheme**"] u/s 230-232 of the Companies Act, 2013 read with applicable provisions of the Act.
- vii. It is also informed that the Scheme has been filed with the National Company law Tribunal, Chandigarh on March 27, 2019 and we are awaiting the hearing in the matter for obtaining directions for dispensing/convening of meetings of shareholders / creditors of the Transferor Companies and KCPL.
- viii. Pursuant to the Scheme, investment of DBHI of 40.44% shares in GCL and investment of BSP of 5.64% in GCL would get consolidated in KCPL and same will result in an increase in the investment of KCPL in GCL from 5.82% to 51.90%.
- ix. The entire consideration paid for the amalgamation would be discharged by KCPL by issue of its shares. No portion of the consideration would be discharged in the form of cash/cash equivalents. Hence, the first condition stands fulfilled.
- x. The shareholders holding 100% stake in KCPL, directly & indirectly, pre-merger, will continue to hold more than 33% stake, directly & indirectly post-merger. It is pertinent to mention that Mr. Karan Thapar and his family are the ultimate shareholders of the entire promoter & promoter group along with few nominal shareholders. Pursuant to cancellation of cross-holdings on account of merger, those individual shareholders along with DBHIG [which is again 100% owned and controlled by Mr. Karan Thapar] becomes the direct shareholder of KCPL.
- xi. The entire consideration paid for the amalgamation would be discharged by KCPL by issue of its shares. No portion of the consideration would be discharged in the form of cash/cash equivalents. Hence, the first condition stands fulfilled.
- xii. The shareholders holding 100% stake in KCPL, directly & indirectly, pre-merger, will continue to hold more than 33% stake, directly & indirectly post-merger. It is pertinent to mention that Mr. Karan Thapar and his family are the ultimate shareholders of the entire promoter & promoter group along with few nominal shareholders. Pursuant to cancellation of cross-holdings on account of merger, those individual shareholders along with DBHIG [which is again 100% owned and controlled by Mr. Karan Thapar] becomes the direct shareholder of KCPL.
- xiii. Hence, we understand that the present case of acquisition of shares by KCPL in GCL would squarely fall under the exemption provided under Regulations 10(1)(d)(iii) of the SAST Regulations.
- xiv. We understand that similar guidance has been given by your good office in the matter of Force Motors Limited and in the matter of Saldhar Investments and Trading Company Private Limited.



अनुवर्ती:
Continuation :

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3. In view of the above, you have sought a 'no action letter' with respect to confirmation that the transfer and vesting of shares transfer and vesting of shares of GCL, pursuant to the Scheme of BSP, DBHI and DBHIN into KCPL, would be exempt from open offer obligations by virtue of Regulation 10 [1][d][iii] of SAST Regulations.
4. We have considered the submissions made by you and without necessarily agreeing with your analysis, we are issuing a no-action letter as under:
- i. As per Regulation 10(1) (d) (iii) of the SEBI SAST Regulations, 2011, any acquisition pursuant to a scheme of arrangement not directly involving the target company as a transferor company or as a transferee company, or reconstruction not involving the target company's undertaking, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign, would be exempt only if the following conditions are complied –
- A. *The component of cash and cash equivalent is less than 25% of the total consideration paid in the scheme and,*
- B. *Where after implementation of the scheme of arrangement, persons directly or indirectly holding at least thirty-three per cent of the voting rights in the combined entity are the same as the persons who held the entire voting rights before the implementation of the scheme.*
- ii. You have represented that the entire consideration for the said transaction would be discharged by way of issue of equity shares of Transferee Company to the shareholders of Transferor Companies and hence, there is no involvement of cash or cash equivalents in the aforementioned transactions.
- iii. From the application it is gathered that Mr. Karan Thapar along with family members have sole control over the KCPL, DBHI and BSP, which holds 51.90% of shares Target Company and there will be no change in the indirect control over the 51.90% shares of Target Company pursuant to the proposed amalgamation scheme. You have also represented that the Transferor Company-3, viz. DBHIN is also held indirectly by Mr. Karan Thapar through DBHI and KCPL. Further, you have also confirmed vide your e-mail dated May 17, 2019 that there shall be no change in control of Mr. Karan Thapar in Target Company pursuant to the Scheme of Amalgamation.
5. In view of the above, as represented by you, it appears that the aforementioned two conditions of Regulation 10(1)(d)(iii) (A) and (B) of the SEBI SAST Regulations, 2011 would be complied by the entities. Therefore, transfer and vesting of shares of the Target Company, Greaves Cotton Limited,



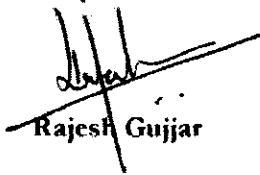
अनुवर्ती:
Continuation :

**भारतीय प्रतिभूति
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Securities and Exchange
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by the Transferor Companies (DBHI, BSP and DBHIN) with the transferee company (KCPI) would be exempt from the open offer obligations by virtue of Regulation 10(1)(d)(iii) of SAST Regulations, subject to the approval of the Scheme of Amalgamation by the NCLT and other conditions to be complied under Regulation 10 of the SEBI (SAST) Regulations, 2011.

6. Vide your aforesaid letter, you have requested for confidentiality in respect of your application. Accordingly, it has been decided that the no-action letter issued to you in this matter will not be made public for a period of 90 days from the date of issuance of this letter.
7. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
8. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,


Rajesh Gujjar

KARUN CARPETS PVT. LTD.

(CIN : U65100PB1985PTC049210)

Corp. Office :

801-803, Tower-B,
Global Business Park,
M.G. Road,
Gurugram 122 002, Haryana
Phone : 0124-2803379 upto 83
Email : sect@eicl.in

Format for Disclosures under Regulation 10(6) -Report to Stock Exchanges in respect of any acquisition made in reliance upon exemption provided for in Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

1.	Name of the Target Company (TC)	Greaves Cotton Limited ('GCL')	
2.	Name of the acquirer(s)	Karun Carpets Private Limited ('KCPL')	
3.	Name of the stock exchange where	BSE Limited and National Stock Exchange of India Limited	
4.	Details of the transaction including rationale, if any, for the transfer/acquisition of shares.	KCPL acquired shares in TC held by other two promoter entities viz. Bharat Starch Products Private Limited ('BSPPL'), D B H International Private Limited ('DIPL') pursuant to Scheme of Amalgamation between BSSPL, DIPL, DBH Investments Private Limited (Transferor companies) and KCPL (Transferee company) approved by Hon'ble National Company Law Tribunal, Chandigarh (NCLT) on December 4, 2020. Order of NCLT along with Scheme of Amalgamation is enclosed as Annexure A.	
5.	Relevant regulation under which the acquirer is exempted from making	Regulation 10(1)(d)(iii)	
6.	Whether disclosure of proposed acquisition was required to be made under regulation 10 (5) and if so, - whether disclosure was made and whether it was made within the timeline specified under the regulations. - date of filing with the stock exchange.	Not Applicable as the acquisition is covered under Reg. 10 (1) (d) (iii)	
7.	Details of acquisition	Disclosures required to be made under Regulation 10(5)	Whether the disclosures under Regulation 10(5) are actually made
	a. Name of the transferor / seller	Not applicable	Not applicable
	b. Date of acquisition	Not applicable	Not applicable



Regd. Office: Flat No.J-3/602, The Views, Mohali Hills, Sector-105, SAS Nagar, Mohali, Punjab - 140 306

KARUN CARPETS PVT. LTD.

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Corp. Office :

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Phone : 0124-2803379 upto 83
Email : sect@eicl.in

	c.	Number of shares/ voting rights in respect of the acquisitions from each person mentioned in 7(a)	Not applicable		Not applicable	
	d.	Total shares proposed to be acquired / actually acquired as a % of diluted share capital of TC	Not applicable		Not applicable	
	e.	Price at which shares are proposed to be acquired / actually acquired	Not applicable		Not applicable	
8.	Shareholding details		Pre-Transaction		Post-Transaction	
			No. of shares held	% w.r.t total share capital of TC	No. of shares held	% w.r.t total share capital of TC
	a	Each Acquirer / Transferee				
		Karun Carpets Private Limited	1,47,09,247	6.36%	12,86,14,955	55.63%
	b	Each Seller / Transferor				
		Bharat Starch Products Private	1,37,75,865	5.96%	Nil	Nil
		D B H International Private Limited	1,00,129,843	43.31%	Nil	Nil

Note: The changes as mentioned in the form above are only technical in nature arising as a result of consolidation of entities owned and controlled by Mr. Karan Thapar without any change in the total shareholding or control.

Place: Gurugram

Date : 12-03-2021



Karun Carpets Private Limited

Suresh Kumar Jain

Director

(DIN : 00003500)

Regd. Office: Flat No.-J-3/602, The Views, Mohali Hills, Sector-105, SAS Nagar, Mohali, Punjab - 140 306