



TRANSWARRANTY FINANCE LIMITED

TFL\SEC\2017\34

13/10/2017

The Manager,
Corporate Relations Dept.,
Bombay Stock Exchange Ltd.,
P.J. Towers,
Dalal Street, Fort
Mumbai- 400 001

The Manager
Listing Department
National Stock Exchange of India Ltd.
Bandra Kurla Complex
Bandra (East)
Mumbai

BSE Scrip Code : 532812

NSE Scrip Code : TFL

Dear Sir,

**Sub: Draft Scheme of Amalgamation under Regulation 37(6) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Please find attached herewith Draft Scheme of Amalgamation under Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved by the Board of Directors of our Company at its meeting held on 12/10/2017.

We request you to kindly take the same on record.

Thanking you

Yours faithfully,
For Transwarranty Finance Limited

Authorized Signatory



CIN : L65920MH1994PLC080220

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**SCHEME OF AMALGAMATION
OF
TRANSWARRANTY CONSULTANTS PRIVATE LIMITED ("TCPL" or
"THE TRANSFEROR COMPANY")
WITH
TRANSWARRANTY FINANCE LIMITED ("TFL" or
"THE TRANSFEREE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS**

(A) PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 for the amalgamation of Transwarranty Consultants Private Limited with Transwarranty Finance Limited. This Scheme of Amalgamation also provides for various other matters consequential to amalgamation or otherwise integrally connected herewith.

(B) RATIONALE OF THE SCHEME

The amalgamation of Transwarranty Consultants Private Limited with Transwarranty Finance Limited would have the following benefits:

- Simplification of Group Structure; and
- Rationalization of administrative costs

(C) PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part A** deals with the definitions and share capital;
- (ii) **Part B** deals with amalgamation of TCPL with TFL; and
- (iii) **Part C** deals with other terms and conditions applicable to this Scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **“Appointed Date”** means May 1, 2017;
- 1.3 **“Board of Directors” or “Board”** means the Board of Directors of TCPL and TFL as the case may be, and shall include a duly constituted committee thereof;
- 1.4 **“Effective Date”** means, for the purpose of this Scheme, the date on which all the conditions specified in Clause 15 are complied with and the Scheme shall become effective. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- 1.5 **“NCLT” or “Tribunal”** means the Mumbai Bench of National Company Law Tribunal;
- 1.6 **“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable;

1.7 **“TCPL” or “the Transferor Company”** means Transwarranty Consultants Private Limited, a company incorporated under the Companies Act, 2013, having its registered office at 403, Regent Chambers, Nariman Point, Mumbai- 400021;

1.8 **“TFL” or “the Transferee Company”** means Transwarranty Finance Limited, a company incorporated under the Companies Act, 1956 having its registered office at 403, Regent Chambers, Nariman Point, Mumbai- 400021;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, 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 TAKING EFFECT

The Scheme of Amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date, but shall be operative from the Effective Date and the amalgamation shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

3. SHARE CAPITAL

3.1 The Authorised, Issued, Subscribed and Paid-up share capital of TCPL as on 31st March, 2017 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
50,000 equity shares of Rs. 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Share Capital	
40,000 equity shares of Rs. 10/- each, fully paid up	4,00,000
Total	4,00,000

Subsequent to 31st March, 2017 and till the date of passing of resolution by the Board of Directors, there has been no change in the Authorized, Issued, Subscribed and Paid-up share capital of TCPL.

- 3.2 The Authorised, Issued, Subscribed and Paid-up share capital of TFL as on 31st March, 2017 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
3,10,00,000 equity shares of Rs. 10/- each	31,00,00,000
Total	31,00,00,000
Issued, Subscribed and Paid-up Share Capital	
2,44,60,568 equity shares of Rs. 10/- each, fully paid up	24,46,05,680
Total	24,46,05,680

Subsequent to 31st March, 2017 and till the date of passing of resolution by the Board of Directors, there has been no change in the Authorized, Issued, Subscribed and Paid-up share capital of TFL.

PART B

AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE

COMPANY

4. TRANSFER AND VESTING

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Transferor Company including all their properties and assets, Investments (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the debts, liabilities, duties and obligations of the Transferor Company

of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Company comprising amongst others all plant and machinery, investments, and business licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations. Approvals or powers of every kind and description, agreements shall, pursuant to the Order of the NCLT, as the case may be, pursuant to provisions of the Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- 4.2 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

- 4.3 In respect of any assets of the Transferor Company other than those mentioned in clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or value to be received from other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to NCLT, as the case may be, having sanctioned this Scheme between the Transferor Company and the Transferee Company under Sections 230 to 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.4 The transfer of assets pursuant to clause 4.1 above and the continuance of proceedings by the Transferee Company pursuant to clause 9 shall not affect any transaction or proceedings already concluded by Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself.
- 4.5 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the NCLT as may be applicable under Sections 230 to 232 and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be

transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

- 4.6 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.

5. CONSIDERATION

- 5.1 The entire issued, subscribed and paid-up equity share capital of the Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be issued or allotted in lieu or exchange of its holding in the Transferor Company and the equity share capital of the Transferor Company, as on Effective Date, shall stand cancelled.

6. ACCOUNTING TREATMENT

The amalgamation shall be accounted for in the books of account of the Transferee Company is as under:

- 6.1 All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values.

- 6.2 The identity of the reserves of the 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.
- 6.3 The investments in the equity share capital of the Transferor Company as appearing in the books of accounts of the Transferee Company, shall stand cancelled.
- 6.4 Inter-Company balances, loans and advances, if any, will stand cancelled.
- 6.5 Goodwill lying in the books of the Transferor Company shall be first adjusted against balance lying in Securities Premium Account, thereafter the balance of Goodwill post adjustment with Securities Premium Account shall be adjusted against balance lying in Capital Reserve Account and balance, if any, shall be debited to current year Profit and Loss Account of the Transferee Company. Such adjustments against the Securities Premium Account of the Transferee Company shall be effected as an integral part of this Scheme pursuant to Sections 230 to 232 read with Sections 52 of the Companies Act, 2013 and for giving effect to such adjustment, procedure under the Companies Act, 2013 would not have to be followed or complied with separately. Further, the adjustments do not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the relevant provisions of the Companies Act, 2013 are not applicable to the same.
- 6.6 The excess, if any, of the book value of assets over the book value of liabilities after considering adjustment in clause 6.2, 6.3, 6.4 and 6.5 above shall be reflected as 'Capital Reserve Account'.

- 6.7 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date shall be adjusted in Profit and Loss Account of the Transferee Company, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

7 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 7.1 The Transferor Company shall carry on and deemed to have carried on their business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 7.2 The Transferor Company shall carry on their business activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.
- 7.3 All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.

7.4 The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Effective Date.

7.5 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, registrations, permissions, licenses, approvals, sanctions etc. which the Transferee Company may require to carry on the business of the Transferor Company.

8 TREATMENT OF EMPLOYEES

8.1 All the employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

8.2 The services of such employees shall not be treated as being broken or interrupted for the purpose of Provident Fund or Gratuity Fund or Pension and/or

Superannuation Fund or any other fund and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

- 8.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.
- 8.4 With effect from the first of the dates of filing of this Scheme with NCLT and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with written consent of the Transferee Company.

9 LEGAL PROCEEDINGS

- 9.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in

any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company as if this Scheme had not been made.

- 9.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may / will be initiated or continued against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

10. CONTRACTS, DEEDS AND OTHER ENTITLEMENTS ETC.

- 10.1 On and from the Appointed Date and subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which the Transferor Company are 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 the Transferor Company, the Transferee Company had been a party thereto.

- 10.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or if necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company

and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

11 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under clause 4 above and the continuance of proceedings by or against the Transferor Company under clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

12 DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

PART C

OTHER TERMS AND CONDITIONS

13 APPLICATION TO THE TRIBUNAL OR SUCH OTHER COMPETENT AUTHORITY

The Transferee Company and the Transferor Company with all reasonable dispatch, shall make applications or petitions to the Tribunal or any competent authority, as may be applicable for sanctioning this Scheme under Sections 230 to 232 of the Act and all matters ancillary or incidental thereto including for dissolution of the Transferor Company without being wound up.

14 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the NCLT any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of the Transferor Company and the Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the NCLT or any other authorities under the applicable law.

15 CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- 15.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company required, if any, under the applicable provisions of Sections 230 to 232 of the Act subject to the directions issued by the NCLT, as the case may be.
- 15.2 The requisite consent, approval or permission of the NCLT, approval of other statutory or regulatory authorities under Sections 230 to 232 of the Act, required if any, which may be necessary for the implementation of this Scheme.

16 FILING THE SCHEME

The order of the NCLT sanctioning the Scheme shall be filed with the Registrar of Companies, Mumbai in Maharashtra by the Transferor Company and the Transferee Company within 30 (thirty) days of the receipt of the certified copy of the order in accordance with Section 232(5) of the Companies Act, 2013.

17 EFFECT OF NON-RECEIPT OF APPROVALS

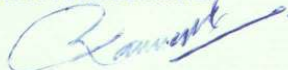
17.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by NCLT or such other competent authority and / or the Order not being passed as aforesaid before 31st December, 2018 or within such further period or periods as may be agreed upon between the respective Transferor Company and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

17.2 In the event of this Scheme failing to take effect or it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties to the Scheme or any of them.

18 COSTS, CHARGES & EXPENSES

All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

For TRANSWARRANTY FINANCE LIMITED


DIRECTOR