



# B.N. RATHI SECURITIES LIMITED

CIN : L65993TG1985PLC005838

Corporate Member : NSE & BSE

Depository Participant of Central Depository Service (I) Ltd.

REGISTERED OFFICE : # 6-3-652, IV Floor, "Kautilya"  
Amrutha Estates, Somajiguda, Hyderabad - 500 082  
Tel. : 040 - 30527777, 30727777, Fax : 040-30526283  
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Date: 10.01.2018

To  
The Deputy Manager,  
Corporate Relations Department,  
BSE Limited,  
P.J.Towers, Dalal Street,  
Mumbai-400001.

Respected Sir,

**Sub:** Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") – Scheme of Amalgamation  
**Ref:** Our Company Scrip Code – 523019

The Board of Directors of M/s B.N. Rathi Securities Limited ("Company") at its meeting held on today i.e., 10<sup>th</sup> Jan, 2018, has considered and approved a Scheme of Amalgamation for merger of M/s B N Rathi Comtrade Private Limited, a wholly owned subsidiary of the Company, with the Company under section 230-232 of the Companies Act, 2013 ("Scheme").

The Scheme is subject to necessary statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal bench, Hyderabad and the respective Shareholders and Creditors, if any of each Companies involved in the Scheme.

The Draft Scheme as approved by Board of Directors pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CFD/DIL3/CIR/2018/2 dated January 03, 2018 is enclosed herewith.

The meeting of the Board of Directors commenced at 03.30 P.M (IST) and concluded at 4.40 P.M (IST)

We request you to take the same on record.

Thanking you.

Yours faithfully,

For **B.N.Rathi Securities Limited**

  
**Hari Narayan Rathi**  
Managing Director



**SCHEME OF AMALGAMATION  
UNDER SECTION 230 AND 232 OF THE COMPANIES ACT, 2013  
BETWEEN**

**B.N. RATHI COMTRADE PRIVATE LIMITED  
(TRANSFEROR COMPANY)**

**AND**

**B.N. RATHI SECURITIES LIMITED  
(TRANSFeree COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**A. PREAMBLE OF THE SCHEME**

This Scheme of Amalgamation is presented under Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and it provides for the Amalgamation of M/s. B.N. Rathi Comtrade Private Limited (i.e BNRCP- Transferor Company) with M/s. B.N. Rathi Securities Limited (i.e BNRSL - Transferee Company).

The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

**B. DESCRIPTION OF THE COMPANIES**

**1. B.N. Rathi Comtrade Private Limited (BNRCPL) (Transferor Company)** was incorporated as a Private Limited Company under the name and style of "**B.N. Rathi Comtrade Private Limited**" in the erstwhile state of Andhra Pradesh (present State of Telangana) on 10.07.2008, under the provisions of Companies Act, 1956, vide Certificate of Incorporation 2008-09, issued by the Registrar of Companies, Andhra Pradesh. The Present Corporate Identity Number (CIN) of the Company is **U74900TG2008PTC060088**. The PAN of the Company is **AADCB5190J** (hereinafter referred to as the "**Transferor Company**").

**The Registered Office of the Transferor Company** is presently situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana- 500082 .



**The present main objects of the Transferor Company are as follows:**

- 1) To become a corporate member of recognised Commodity Stock Exchanges or any other recognised trading Exchanges and to act as Trading and Clearing members or brokers or dealers for all kinds of commodities and render consultancy services to all persons including traders, processors, corporate, regional trading centres, importers, exporters, co-operatives, industry associations in respect of all types of commodities whether in India or abroad. Subject to provisions contained in Forward Contracts (Regulation) Act, 1952 and Forward Contracts (Regulation) Rules 1952 and necessary approvals/permission from appropriate authorities from time to time.
- 2) To carry on the business of trading in agricultural products, metals including precious metals precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities.
- 3) To carry on the business as brokers, sub-brokers, market makers, arbitrageurs, investors and/or hedgers in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities permitted under the laws of India.

**The authorised, issued, subscribed and paid-up capital of the Transferor Company as on 31.03.2017 is as follows:**

<b>Share Capital</b>	<b>Amount in Rs.</b>
<b>Authorised Capital</b>	
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>	
10,00,000 equity shares of Rs. 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>





The Shareholding Pattern of the Transferor Company as on 31.03.2017 is as follows:

S. No	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	% of shareholding
<b>1.</b>	<b>Promoter</b>			
a)	B.N. Rathi Securities Limited*	1	9,99,980	99.998
b)	Hari Narayan Rathi <i>(the beneficial interest is held for and on behalf of B.N. Rathi Securities Limited)</i>	1	10	0.001
c.)	Chetan Rathi <i>(the beneficial interest is held for and on behalf of B.N. Rathi Securities Limited)</i>	1	10	0.001
<b>2.</b>	<b>Public</b>	-	-	-
<b>3.</b>	<b>Non-Promoter-Non Public</b>	-	-	-
	<b>Grand Total</b>	<b>3</b>	<b>10,00,000</b>	<b>100</b>

Subsequent to 31.03.2017 and till the date of approving of the resolution (10.01.2018) for the scheme of Amalgamation by the Board of Directors of the Transferor Company, there has been no change in the capital structure of the company.

The Transferor Company (BNRCPL) is the wholly-owned Subsidiary of the Transferee Company (BNRSL) and the entire paid up capital of the Transferor Company (BNRCPL) is held by the Transferee Company (BNRSL).

*\*As per the declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.*

**2. B.N. Rathi Securities Limited (BNRSL) (Transferee Company)** was incorporated as Lark Leasing Limited, under the Companies Act, 1956 vide Certificate of Incorporation dated 30th September, 1985 with Registration No. 5838 of 1985-86 in the erstwhile State of Andhra Pradesh (present State of Telangana). The Certificate of Commencement of Business was issued by the Registrar of Companies, Andhra Pradesh on 14th October, 1985. The name of the Company was then changed to B.N. Rathi Securities Limited and fresh Certificate of Incorporation was issued by the Registrar of Companies, Andhra Pradesh on 15th September, 1994. The Present Corporate



Identity Number (CIN) of the Company is **L65993TG1985PLC005838** and the PAN of the Company is **AABCB6140Q** (Hereinafter referred to as the "Transferee Company")

**The Registered Office of the Transferee Company** is situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082

**The present main objects of the Transferee Company are as follows:**

- 1) To carry on and undertake the business of finance, investment, hire purchase, leasing and to finance lease operations of all kinds, purchasing and selling, hiring or letting on hire all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description and to purchase or otherwise deal in all forms of immovable and movable property including lands and buildings, plant and machinery equipment, ship, aircrafts, automobiles, computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased and leased be new and or used.
- 2) To invest in and acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stocks, bonds obligations and securities, issued or guaranteed by any Government, state, dominion, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise whether in India or elsewhere and to guarantee the subscription thereof and exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
- 3) To advance, deposit or lend money, on securities and properties to or with any company, body corporate, firm, person or association so as to enable them to commence or expand any industrial or commercial activity or for their business purposes, with or without security and on such terms as may be determined from time to time and to discount, buy, sell or deal in bills, notes, warrants, coupons and others negotiable or transferable securities or documents and to guarantee the performance of any contract of any such person. However the Company shall not carry on the business of Banking within the meaning of the Banking Regulation Act 1949.
- 4) To setup incorporate and manage, provide and / or participate in providing venture capital, technology funds, underwriting fund or any other funds for seed capital, risk capital foundation, including giving guarantees or such other financial assistance as may be conducive for development of existing and new technology, to identify projects, project ideas, to prepare project profiles, project reports, marketer search, feasibility studies and reports, pre investment studies and investigation of industries in micro and macro level, to undertake appropriate service to identify scopes or potential for economic and industrial development in any particular





geographical area or location in India or abroad, to act as lead managers in respect of project assignment by undertaking follow up supervision and coordination work at the instance, behest or on behalf of banks, financial institutions, companies, bodies corporate and to monitor the same to the participants, to act as an professions systems and by introducing modern methods and techniques and systems and render all assistance as may be necessary including acting as agents for recruitment of personnel, technical, skilled, un-skilled, supervisory, managerial and otherwise and to act as an advisor in the selection of technical process, economic size source of plant and machinery and other utilities for business entrepreneurs.

- 5) To act administrators or managers of any investment trusts of funds including any growth funds income or capital funds, taxable or tax exemption funds, provident funds, pension funds, gratuity funds, superannuation funds, charitable funds and unit trusts or consortium to act as trustees for bond holders, debenture holders and other purposes herein mentioned and to manage investment pools, mutual funds, issue of shares, securities, bonds and other negotiable instruments and securities and to carry on the business of finance, trust, legal trust and to finance industrial organization and to promote companies engaged in industrial and trading business.
- 6) To carry on the business of merchant banking in all aspects, to act as manages to issues and offers, whether by way of public offer or otherwise, of shares, debentures, bonds, units, participation certificates, deposit certificates, notes, bills warrants or any other, instrument whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the "Securities") to act as agents of and / or dealers in the securities in the course of merchant banking business, to act as financial consultants, join manages, lead managers, co-managers, advisors stand by or procurement arrangement, to issue guarantees or it give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to manage portfolio investments, to provide financial and investment assistance for the purpose herein, to act as issue house, registrars to issue, transfer agents, to manage and administer computer centres and clearing house for securities to form syndicates or consortia of managers, agents and purchasers for or any of the securities, to acquire and hold one or more membership in stock /securities exchange, trade association, commodity exchanges, clearing houses or associations or otherwise in India or any part of the world to act as brokers, dealers and agents in connections with the securities, bullions and precious metals or others, to syndicate any financial arrangements whether in domestic market or in international market and whether by way of loans or guarantees or export and yard credit, and to acquire and hold membership in any association of bankers, security dealers or commodity dealers or commodity dealers or any other associations, membership of which will is likely in any way to facilitate the conduct of the companies business, to undertake the work of factoring of bills and other commercial papers, and to arrange and / or co-ordinate documentation and negotiation in this regard.
- 7) To carry on business as underwriters and brokers of stock shares, debentures stock, Government Bonds, Units of Unit Trust, National Savings Certificates, capitalists and financiers and to



undertake depository participants activities and for that purpose to obtain the membership of the Depositories under the Depositories act, 1996 by registering with the Central Depository Services (India) Limited and/or National Securities Depository Limited or such other entity as may be recognized in this behalf and provide services such as demat account opening and maintenance, dematerialization and rematerialization of shares and other applicable securities, provision of transaction statements, transaction execution, creation and cancellation of pledge of securities, facilitating settlement of trades through market transactions, off-market transfers and inter-depository transfers, distribution of non-cash corporate sections, nomination / transmission and other demat related services.

The authorised, issued, subscribed and paid-up capital of the Transferee Company as on 31.03.2017 is as follows:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
60,00,000 equity shares of Rs. 10/- each	6,00,00,000
<b>Total</b>	<b>6,00,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>	
50,40,000 equity shares of Rs. 10/- each	5,04,00,000
<b>Total</b>	<b>5,04,00,000</b>

The Shareholding Pattern of the Transferee Company as on 31.03.2017 is as follows:

S. No	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	% of shareholding
1.	Promoter	4	23,08,954	45.81
2.	Public	4,125	2731046	54.19
3.	Non-Promoter-Non Public	-	-	-
	<b>Grand Total</b>	<b>4,129</b>	<b>50,40,000</b>	<b>100</b>

\* The Transferee Company (BNRSL) is public company listed on the Bombay Stock Exchange vide scrip code 523019 whose 54.19% of paid-up share capital is held by public at large and 45.81% by the promoters of the company.





Subsequent to 31.03.2017 and till the date of approving of the resolution (10.01.2018) for the scheme of Merger / Amalgamation by the Board of Directors of the Transferee Company, there has been no change in the capital structure of the Transferee Company.

### C. RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME

a) M/s. B. N. Rathi Securities Limited (“**Transferee Company**”) is a registered stock broker under the Securities and Exchange Board of India (Stock Brokers and Sub-brokers Regulations) 1992 (“**Broking Regulations**”) and is a member of the National Stock Exchange of India Ltd., BSE Limited and a depository participant with Central Depository Services (India) Ltd.

b) Likewise, B. N. Rathi Comtrade Private Limited (“**Transferor Company**”) is a registered commodities broker under the applicable rules with National Commodities and Derivatives Exchange Limited and Multi Commodity Exchange.

c) The transferee company (BNRSL) carries on the business of commodity broking services through its wholly-owned subsidiary (“**transferor company**”) since the Broking Regulations until recently required segregation of the stock broking and commodity broking businesses by virtue of Rule (8) (1)(f) of SEBI Securities Contracts (Regulations) Rules, 1957, which restricted stock brokers dealing in securities to deal in commodity derivatives.

d) However, pursuant to the merger of Forward Market Commission (FMC) (regulator of commodity derivatives) with Securities Exchange Board of India (SEBI) (regulator of securities market) and notification no. G.S.R. 664(E) dated June 27, 2017 published in the official gazette where such restriction on the stock brokers has been omitted, the company proposes to amalgamate both the businesses of securities and commodity derivatives trading under one entity.

e) Since the transferor company and the transferee company are managed/run by the same management, the proposed merger would prove beneficial in the following ways :-

- With the inclusion of unutilised paid – up capital and reserves of Transferor Company would provide for a stronger balance sheet and net worth to meet capital needs of company for future growth and expansion.
- Exposure of shareholders of the Transferee Company to the larger business activities of the flagship broking and related business activities of the Group.
- Cost savings through legal entity rationalisation and elimination of intra group transactions.
- The compliances involved would reduce to a significant extent, enabling management of the transferee company to focus on the business.
- Board of Transferee Company to have greater oversight over the consolidated business operations of company.
- Reduction in operating expenses
- Reduction in maintenance cost
- Achieving business and administrative synergies





**SCOPE OF THE SCHEME**

The Scheme of Amalgamation provides for:

1. Amalgamation of Transferor Company and/ with the Transferee Company.
2. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
3. This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:
  - a) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.
  - b) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

**D. PARTS OF THE SCHEME:**

This Scheme of Amalgamation is explained by dividing it into the following parts:

**PARTA:** Deals with Definitions, Effective and Operative Dates.

**PARTB:** Deals with the Amalgamation of Transferor Company and Transferee Company.

**PART C:** Deals with General Terms and Conditions.



**PART-A****DEFINITIONS, EFFECTIVE AND OPERATIVE DATES****1. DEFINITIONS**

**1.1 "Act" or "the Act"** means the Companies Act, 2013 and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.

**1.2 "Applicable Law(s)"** means any statute, notification, bye-laws, rules, regulations, guidelines, or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

**1.3 "Amalgamating Undertaking"** shall mean:

- a) All the assets and properties of the Transferor Company as on the Appointed Date.
- b) All the secured and unsecured debts, liabilities, whether short term or long term contingent liabilities or duties and obligations of the Transferor Company, if any, as on the Appointed Date.
- c) Without prejudice to the generality of sub clause (a) above, the Undertaking of the Transferor Company shall include all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, capital work in progress, current assets, investments, reserves, provisions, funds, licenses, franchises, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to sales tax concessions, GST, excise duty, services tax or customs, value added tax and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trademarks, track record, good-will and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, leave and license agreements, software licenses, software agreements, service level agreements, tenancy rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, website designing equipments, software development equipments and





installations and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits, whether granted by state government or central government or any such other authority, (including but not limited to credits in respect of income-tax, tax on book profits, value added tax, sales tax, service tax, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

d) All statutory licenses, franchises, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of the Transferor Company's on the Appointed Date.

e) All staff, workmen and employees engaged in the Transferor Company.

f) All records, files, papers, information, computer programs, software applications, manuals, data, catalogues, quotations, advertising materials, lists of present and former customers, pricing information and other records, whether in physical form or electronic form of the Transferor Company.

**1.4 "Appointed date"** means **01.04.2018 (First of April Two Thousand Eighteen)** or such other date as may be approved by the Hon'ble NCLT at Hyderabad or such other competent authority having jurisdiction to sanction the Scheme.

**1.5 "Board of Directors" or "Board"** in relation to Transferor Company and Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, includes any Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.



**1.6 "Effective Date"** shall be the last of the following dates or such other dates by the Hon'ble National Company Law Tribunal Bench, Hyderabad, may direct namely:

The date on which certified copies of the order of the Hon'ble National Company Law Tribunal Bench, Hyderabad, under section 232(5) of the Act is filed with the Registrar of Companies, Telangana and Andhra Pradesh or the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in paragraph 17 of this Scheme have been obtained, whichever is later.

**1.7 "Registrar of Companies"** means the Registrar of Companies at Hyderabad for the State of Telangana and Andhra Pradesh.

**1.8 "Regional Director"** means the office of the Regional Director of the south East Region at Hyderabad.

**1.9 "NCLT"** means Hon'ble National Company Law Tribunal Bench, Hyderabad

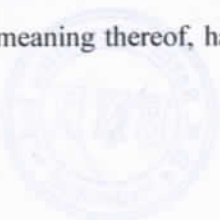
**1.10 "Scheme of Amalgamation" or "Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any modifications, imposed or approved or directed by the Board of Directors of Transferee Company and/ or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by any other appropriate authority.

**1.11 "Shareholders"** means respectively the persons registered as holders of Equity Shares of the Company concerned.

**1.12 "Transferee Company"** means B.N. Rathi Securities Limited (BNRSL), a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number (CIN) L65993TG1985PLC005838 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082.

**1.13 "Transferor Company"** means B.N. Rathi Comtrade Private Limited (BNRCPL), a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number (CIN) U74900TG2008PTC060088 and having its registered office situated at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana -500082

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribe to them under the Act, the Income-tax Act,





1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## **2. EFFECTIVE DATE AND OPERATIVE DATE**

The Scheme set out herein in its present form is subject to any modification(s) approved or imposed or directed by the Board of Directors of Transferee Company and / or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by NCLT or by any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the Effective Date.

## **PART-B**

### **AMALGAMATION OF TRANSFEROR COMPANY AND TRANSFEE COMPANY**

#### **SECTION I: TRANSFER & VESTING OF AMALGAMATING UNDERTAKING**

### **3. Transfer of assets, properties, estates, claims, refunds, debts, duties, liabilities, obligations etc.,**

**3.1** Subject to the provisions of this Scheme as specified herein and with effect from the appointed date, the entire amalgamating undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- a) The Amalgamating Undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 230 and 232 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub clauses (b) (c) and (d) below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.
- b) All the Immovable properties of the Transferor Company shall under the provisions of Sections 230 and 232 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Properties of the Transferee Company.



c) All the movable assets including but not limited to computers and equipment, office equipment, machineries, software's, products, websites, portals, capital work in progress, cash in hand of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.

d) In respect of movables other than those specified in sub clause (c) above, including, outstanding loans and advances, Investments (whether current or non - current), trade receivables, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and for be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 and 232 of the Companies Act, 2013.

e) In relation to all licenses, franchises, permissions, approvals, consents, entitlements, sanctions, permits, rights, privileges and licenses including rights arising from contracts, deeds, license instruments and agreements, if any, belonging to the Transferor Company, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case maybe, as and when required.

f) All secured and/or unsecured debts, if any, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Sections 233 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

It is clarified that unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the borrowings/debts and assets comprising the Transferor Company are concerned:

- a. the security or charge, if any existing or created in future before the effective date, for the loans or borrowings of the Transferor Company shall, without any further act or deed continue to relate to the said assets after the Effective Date; and





b. the assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company;

g) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any government body, local authority or by any other person and availed by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

**3.2** The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

**3.3** All the properties or assets of the Transferor Company whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall, upon the scheme becoming effective, be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/mutation records in case of immovable properties by such appropriate authorities.

**3.4** Any tax liabilities under the Income-tax Act, 1961, service tax laws/GST, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.

**3.5** Any refund under the Income-tax Act, 1961, service tax laws/GST or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company 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.

**3.6** On or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Company under the Income-tax Act, 1961, service tax laws/GST and other laws, and to claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company.

**3.7** All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date against the Transferor Company and



from the Effective Date, the same 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 the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

**3.8** All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 Service Tax law, GST and other laws) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company 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. Further, any tax deducted at source by Transferor Company on transactions with the Transferee Company, if any (from Appointed Date till Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

**3.9** Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

**3.10** This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961.

#### **4. Legal Proceedings**

**4.1** Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature, if any, by or against the Transferor Company pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the manner and to the same extent as it would have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may,





if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as it would or might have been initiated by the Transferor Company.

**4.2** After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

#### **5. Contracts, deeds and other instruments**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, leave and license agreements, licenses, engagements, certificates, benefits, privileges, entitlements, grants, sanctions, permissions, consents, approvals, concessions, any schemes under which the Transferor Company are registered with the government or any other authorities and incentives (including but not limited to benefits under the Income-Tax Act, 1961, service tax, GST and other laws), remissions, remedies, subsidies, guarantees, licenses and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force, and be effective 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. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite restructurings, 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 so considered 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.

#### **6. Saving of concluded transactions**

The transfer of Amalgamating Undertaking under clause 3 above and the continuation of proceedings by or against the Transferee Company under clause 4 above and the effectiveness of the contracts and deeds under clause 5 shall not affect any transactions and proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all such acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.



## **7. Staff, workmen and employees**

7.1 On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.

7.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Superannuation Fund, if applicable, Employee's State Insurance Corporation Contribution, Labour Welfare Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Company under such Funds and Trusts shall be 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 Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7.3 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund, if applicable, or other Special Scheme(s) Fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of Transferor Company, in the said funds as on the Effective Date shall stand transferred from the trusts / funds of the Transferor Company to the corresponding trusts funds set up by the Transferee Company.

## **8. Clubbing of authorized share capital of Transferor Company with the authorized share capital of Transferee Company**

8.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company





amounting to Rs.7,00,00,000/- (Rupees Seven Crores Only) comprising 70,00,000 (Seventy Lakhs Only) equity shares of Rs.10/- (Rupees Ten only) each.

**8.2** For the purpose of sub clause 8.1 above, the stamp duties and fees paid on the authorized share capital of the Transferor Company by the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for clubbing the authorized share capital of the Transferor Company to that extent.

**8.3** The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting sub-clause 8.1 no further resolution(s) under Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act would be required to be separately passed.

**8.4** Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:-

"The Authorized Share Capital of the Company is Rs.7,00,00,000/- (Rupees Seven Crores Only) comprising 70,00,000 (Seventy Lakhs Only) equity shares of Rs.10/- (Ten Rupees) each. The Share Capital of the Company (whether original, increased or reduced) may be sub-divided, consolidated or divided into such classes of shares as may be allowed under law for the time being in force relating to companies with such privileges or rights as may be attached and to be held upon such terms as may be prescribed by the regulations of the Company".

## **SECTION 2: CONDUCT OF BUSINESS**

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

**9.1** The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of Amalgamating Undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company,

**9.2** Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes incurred by the Transferor Company 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.

**9.3** All liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

**9.4** The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.

**9.5** It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent of approval also to the ancillary and incidental alterations, if any, to be carried out to the Memorandum of Association of the Company as may be required under the Act and there would be no further requirement of obtaining the members approval for such alterations arising pursuant to the sanctioned Scheme.

### **SECTION 3: CONSIDERATION**

**10.** In view of the fact that the Transferor Company is a wholly owned subsidiary company of Transferee Company, upon the Scheme becoming effective, no shares will be issued / allotted under the Scheme by the Transferee Company to any person.

**10.1** Further, upon the Scheme becoming effective, all the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the investments of Transferee Company, as appearing on the Asset side of the Balance Sheet of Transferee Company, shall stand cancelled to the extent of book value of the equity shares of the Transferor Company.

**10.2** On completion of the scheme, all equity shares of the Transferor Company held by Transferee Company shall stand cancelled and the share certificates held by Transferee Company shall be destroyed.





**SECTION 4: ACCOUNTING TREATMENT****11. Accounting Treatment in the Books of the Transferee Company**

Upon this scheme becoming effective, the Transferee Company shall account for the amalgamation/merger in the books as on appointed date, as per "Purchase Method" under the Accounting standard 14 – "Accounting for Amalgamation."

**11.1** All the assets and liabilities in the books of the Transferor Company stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Company and adjustments shall be made wherever necessary to confirm to the accounting policies and methods adopted by the Transferee Company.

**11.2** The excess, if any, of the amount of the investment in the Transferor Company held by the Transferee Company as appearing in the books of the Transferee Company, as on appointed date over the value of the net assets (after considering the value of the assets and liabilities as arrived at under clause 11.1 above) of the Transferor Company acquired by the Transferee Company upon their transfer to and vesting in the Transferee Company under the scheme shall be debited to "Goodwill Account".

**11.3** The excess, if any, of the aggregate value of the net assets (after considering the values of the assets and liabilities as arrived at under clause 11.1 above) of the Transferor Company acquired by the Transferee Company upon their transfer to and vesting in the Transferee Company under scheme over the amount of investment in the Transferor Company held by the Transferee Company as appearing in the books of the Transferee Company as on the Appointed Date shall be credited to "Capital Reserve Account".

**11.4** Goodwill Account, if any, (net of Capital Reserve Account, if any), as per clauses 11.2 and 11.3 above, shall be written off in accordance with the Accounting standard -14 "Accounting for Amalgamation".

**12. Dissolution of the Transferor Company**

On the Scheme coming into effect, the Transferor Company, i.e. M/s. B.N. Rathi Comtrade Private Limited shall, without any further act or deed, stand dissolved without going through the process of winding up.



**PART—C**  
**GENERAL TERMS AND CONDITIONS**

**13. Impact of the Scheme on creditors**

This Scheme of Amalgamation, if approved by the appropriate authorities, shall not have any adverse impact on the creditors whether secured or unsecured, of Transferee Company and / or Transferor Company.

**14. Dividends**

**14.1** Nothing contained in this Scheme shall be construed as restricting or restraining any of the Companies from being entitled to declare and pay dividends, whether interim or Final, to their respective equity shareholders, whether during the pendency of the Scheme or otherwise.

**14.2** The holders of the Shares of respective Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of the respective Companies concerned including the right to receive dividends.

**14.3** It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of any Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Boards of Directors of the respective Companies and subject to the approval of the shareholders of the respective Companies.

**15. Filing of applications/petitions with NCLT**

The Transferee Company and the Transferor Company shall, jointly or severally, with all reasonable diligence, make and file all necessary applications, affidavits, petitions etc., before Hon'ble NCLT for obtaining the sanction to this Scheme of Amalgamation under Section 230 and 232 of the Companies Act, 2013 and each of them shall apply for all necessary approvals as may be required under law.

**16. Modification to the Scheme**

**16.1** The Transferee Company and Transferor Company by their respective Board of Directors or any Committee thereof or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the Regional Director, Registrar of Companies or Official liquidator or any appropriate authority (ies) under law may deem fit to approve or impose and which Transferee Company and Transferor





Company may in their discretion accept or such modifications or amendments or additions as Transferee Company and Transferor Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise for carrying out this Scheme, and Transferee Company and Transferor Company by their respective Boards of Directors or Delegates are hereby authorised to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by any authorities, which Transferee Company and Transferor Company find unacceptable for any reason, then Transferee Company and Transferor Company shall be at liberty to withdraw the Scheme. The aforesaid powers of Transferee Company and Transferor Company may be exercised by their respective Delegates.

**16.2** For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of Transferee Company and Transferor Company may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective Companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).

### **17. Scheme Conditional Upon**

**17.1** This Scheme is conditional upon and subject to:

- a)** it being agreed to by the respective requisite majorities of the members and various classes of creditors (if any) of the Transferor Company and the Transferee Company as required under the Act and the required consent of Hon'ble NCLT bench, Hyderabad being obtained.
- b)** the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained; and

**17.2** In the event of this Scheme failing to take effect before 31.03.2019 or such later date as may be agreed by the respective Boards of Directors of Transferee Company and Transferor Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to



or be incurred inter-se by the Companies or their shareholders or creditors or employees or any other person. In such case, both the Companies shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

#### **18. Validity of existing resolutions, etc. in respect of the prior acts**

Upon this Scheme becoming effective, the resolutions passed by the Transferor Company, as are considered necessary by the Board of the Transferee Company and which are valid and subsisting on the date of this Scheme becoming effective, shall continue to be valid and subsisting in respect of the relative acts performed steps taken prior to the date of this Scheme becoming effective and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **19. Effect of non-receipt of approvals**

In the event of any of the said sanctions and approvals referred to in clause 17 above not being obtained (unless otherwise decided by the Board of Directors) and / or the consent of the Hon'ble NCLT bench, Hyderabad is not obtained, this Scheme shall stand revoked, cancelled 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 rights and / or liabilities which might 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.

#### **20. Costs, charges, etc.**

All costs, charges, levies and expenses (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by Transferee Company.

