

HIGH COURT, BOMBAY

482741

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 706 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 686 OF 2015
ITI Capital Holdings Private Limited...Petitioner
AND
COMPANY SCHEME PETITION NO 707 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 687 OF 2015
ITI Securities Limited.....Petitioner

In the matter of the Companies Act,
1956 (1 of 1956);

AND

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

AND

In the matter of Scheme of
Amalgamation of ITI Capital Holdings
Private Limited and ITI Securities
Limited with Crest Ventures Limited
and their Respective Shareholders

Called for hearing

Mr. Hemant Sethi, i/b M/s Hemant Sethi & Co. Advocate for the
Petitioners

Mr. Anil D Yadav i/b Mr. A.A. Ansari for Regional Director in both the
Petitions.

Mr. S. Ramakantha, Official Liquidator Present

CORAM: S. C. Gupte, J.

DATE: 30th October, 2015

PC:

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1. Heard counsel for the parties. No objector has come before the court to oppose the Scheme of Amalgamation and nor any party has controverted any averments made in the Petition.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to the Scheme of Amalgamation of ITI Capital Holdings Private Limited and ITI Securities Limited with Crest Ventures Limited and their respective shareholders.
3. The learned Counsel for the Petitioners states that ITI Capital Holdings core activity is to make investments in group Companies. ITI Securities Limited was a registered stock broker with the National Stock Exchange & the Bombay Stock Exchange. Presently it has surrendered its membership with both the exchanges.
4. The Counsel for the Petitioners state that with a view to maintain a simple corporate structure and eliminate duplicate corporate procedures it is desirable to merge and amalgamate all the undertakings of ITI Capital Holdings Private Limited and ITI Securities Limited ('Transferor Companies') into Crest Ventures Limited ('Transferee Company'). The amalgamation of all undertakings of Transferor Companies into the Transferee Company shall facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative

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responsibilities and multiplicity of records and legal and regulatory compliances.

5. Learned Counsel for the Petitioners further states that the Board of Directors of the Petitioner Companies have approved the said Scheme of Amalgamation by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.
6. The Learned Counsel for the Petitioners further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction.
7. The Learned Counsel appearing on behalf of the Petitioners has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, the Petitioner Companies undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and rules made there under whichever is applicable. The said undertaking is accepted.
8. The Official Liquidator has filed his report on 29th October, 2015 stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved by this Court.

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9. The Regional Director has filed an Affidavit on 27th October, 2015 stating therein, save and except as stated in paragraphs 6 (a) to 6 (d) thereof, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 (a) to 6(d) of the said Affidavit, the Regional Director has stated that:-

6. That the Deponent further submits that,

(a) As the Transferee Company is a NBFC Company registered with the Reserve Bank of India, Transferee Company may be directed to file a copy of the Scheme along with the copy of this Hon'ble Court's order with the RBI within 30 days and shall also comply with the other applicable provisions of RBI Act.

(b) With respect to clause 11.6 of the Scheme, it is submitted that surplus if any, arising out of this Scheme be transferred to Capital Reserve Account and deficit if any be transferred to Goodwill Account of Transferee Company.

(c) Clause 7.4 & 11.4 of the Scheme provides for adjustment for differences in Accounting Policies between Transferor Company and Transferee Company. In this regard, it is submitted that in addition to the compliance of Accounting Standard-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting standard such AS -5 etc.

(d) That the Deponent further submits that the Tax issue, if any arising out of this Scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Petitioner Company after giving effect to the

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amalgamation . The decision of the Income Tax Authority is binding on the Petitioner Company.

10. As far as observations made in paragraph 6(a) of the Affidavit of Regional Director is concerned, the Transferee Company through their Counsel undertakes that it shall file a copy of the Scheme along with the copy of this Court's order with the RBI within 30 days from the date of receipt of the order and shall also comply with the other applicable provisions of RBI Act to the extent applicable.
11. In so far as observations made in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Transferee Company undertakes that surplus if any, arising out of this Scheme shall be transferred to Capital Reserve Account and deficit if any be transferred to Goodwill Account of Transferee Company.
12. As far as observations made in paragraph 6(c) of the Affidavit of Regional Director is concerned, the Transferee Company through their Counsel undertakes that in addition to the compliance of Accounting Standard-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting standard such AS -5.
13. As far as observations made in paragraph 6(d) of the Affidavit of Regional Director is concerned, the Petitioners clarifies that the approval of the Scheme by this Court will not deter the Income

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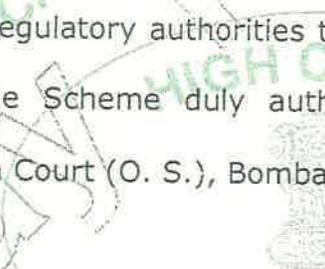
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Tax Authority to scrutinize the tax return filed by the Petitioner Companies after giving effect to the Scheme and all issues arising out of the Scheme will be met and answered in accordance with law.

14. The Learned Counsel for Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director, Legal in the Office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Petitioner Companies. The said undertakings given by the Petitioner Company are accepted.
15. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
16. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 706 of 2015 and 707 of 2015 are made absolute in terms of the prayer clause (a) of the respective Company Scheme Petition.
17. The Petitioner Companies are directed to lodge a copy of this order and Scheme duly authenticated by the Company Registrar, High Court, Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of Order.

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- 18. Petitioner is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act 1956 / 2013, whichever is applicable.
- 19. The Petitioners in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.
- 20. Filing and issuance of the drawn up order is dispensed with.
- 21. All concerned regulatory authorities to act on a copy of this order along with the Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.


 (S. C. Gupte, J.)
 AT BOMBAY

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of the original signed order.

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 (K. K. TRIVEDI)
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

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 Section Officer
 High Court, Appellate Side
 Bombay

**COMPOSITE SCHEME OF AMALGAMATION
BETWEEN
ITI CAPITAL HOLDINGS PRIVATE LIMITED
AND
ITI SECURITIES LIMITED
AND
CREST VENTURES LIMITED
And
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 391 TO 394 READ WITH APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956 (TO THE EXTENT APPLICABLE COMPANIES ACT, 2013))**

PREAMBLE

This Scheme provides for the Amalgamation under Sections 391 to 394 and other applicable provisions, if any, of the Companies Act 1956 (to the extent applicable Companies Act, 2013), for amalgamation of:

- a) ITI Securities Limited (Transferor Company 1 or ITI Securities) with ITI Capital Holdings Private Limited (Transferor Company 2 or ITI Capital Holdings)
- b) ITI Capital Holdings Private Limited (Transferor Company 2 or ITI Capital Holdings) with Crest Ventures Limited (Transferee Company or Crest Ventures)

as detailed in the Scheme of Amalgamation below:

Background

The background and circumstances which justify the said Amalgamation are inter- alia as follows:

- a. Crest Ventures Limited is a company, limited by shares, incorporated under the provisions of the Act (defined below) having its registered office at 4th Floor, Kalpataru Heritage, 127, M.G. Road, Fort, Mumbai 400001. The company was registered as Sharyans Resources Ltd and the name of the company was changed to Crest Ventures Limited with effect from September 1, 2014. Crest Ventures is a Non Banking Finance Company (NBFC), duly registered with RBI as NBFC with effect from 14th December, 2007 and listed on the Bombay Stock Exchange and the National Stock Exchange. Crest Ventures is presently engaged in the business of investment in shares and properties.
- b. ITI Capital Holdings Private Limited , a company limited by shares, incorporated under the provisions of the Act (defined below). The Company was registered as Intime Spectrum Finmart Private Limited and the name of the company was changed to ITI Capital Holdings Private Limited with effect from 31st December, 2010 having its registered office at 4th Floor, Kalpataru Heritage, 127, M.G. Road, Mumbai 400001. The Company is a 100% subsidiary of Crest Ventures. The company's core activity is to make investments in group companies;
- c. ITI Securities Limited is a Company, limited by shares, incorporated under the provisions of the

Act (defined below) having its registered office at 4th Floor, Kalpataru Heritage, 127, M.G. Road, Fort, Mumbai 400001. The company was registered as Oracle Stocks & Shares Limited and the company name was changed to Intime Spectrum Securities Limited with effect from 21st November, 2005. Further, the name was changed to ITI Securities Limited with effect from 13th January, 2011. The Company is a subsidiary of ITI Capital Holdings; ITI Securities was a registered stock broker with the National Stock Exchange & the Bombay Stock Exchange. Presently it has surrendered its membership with both the exchanges.

- d. ITI Capital Holdings is a direct subsidiary of Crest Ventures and ITI Securities is a subsidiary of ITI Capital Holdings and accordingly a step down subsidiary of Crest Ventures.
- e. With a view to maintain a simple corporate structure and eliminate duplicate corporate procedures it is desirable to merge and amalgamate all the undertakings of ITI Capital Holdings Private Limited and ITI Securities Limited ('Transferor Companies') into Crest Ventures Limited ("Transferee Company"). The amalgamation of all undertakings of Transferor Companies into the Transferee Company shall facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records & legal and regulatory compliances.
- f. Accordingly, this Scheme of Amalgamation ("Scheme") is being presented for amalgamation of the Transferor Companies with the Transferee Company and for various other matters consequential, supplemental and/ or otherwise integrally connected therewith pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (to the extent applicable Companies Act, 2013).

SECTION OF THE SCHEME

The Composite Scheme of Arrangement and Amalgamation is divided into the following sections:

- a. **SECTION I** which deals with the Definitions and Date of taking effect of the Scheme.
- b. **SECTION II** deals with Amalgamation of ITI Securities Limited with ITI Capital Holdings Private Limited
- c. **SECTION III** deals with Amalgamation of ITI Capital Holdings Private Ltd with Crest Ventures Limited
- d. **SECTION IV** deals with the Other Terms and Conditions.

SECTION I

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

I. DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the

following expressions shall have the following meaning:

- 1.1 **“Act”** means the Companies Act, 1956, or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the respective Board of Directors of the Transferor Companies and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 unless stated otherwise. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall unless a different intention appears, be construed as reference to the provisions so re-enacted.
- 1.2 **“Appointed Date 1”** for amalgamation of ITI Securities Limited with ITI Capital Holdings Private Limited means April 1, 2014 or such other date as may be approved by the Honorable High Court or any other appropriate authority
- 1.3 **“Appointed Date 2”** for amalgamation of ITI Capital Holdings Private Limited with Crest Ventures Limited means April 2, 2014 or such other date as may be approved by the Honorable High Court or any other appropriate authority
- 1.4 **“Amalgamation”** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.
- 1.5 **“Effective Date”** means the dates on which certified copies of the Orders of the Honorable High Court of Judicature at Mumbai or any other appropriate authority sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- 1.6 **“Crest Ventures” or “the Transferee Company”** means Crest Ventures Limited, an existing company under the Act and having its registered office at 4th Floor, Kalpataru Heritage, 127, M.G. Road, Fort, Mumbai 400001, Maharashtra.
- 1.7 **“Board”** means the Board of Directors of the Transferor Companies or, as the case may be, of the Transferee Company and shall include any Committee thereof duly constituted or appointed by the Board for this purpose.
- 1.8 **“ITI Capital Holdings or Transferor Company 2” or “Transferee Company for preview of Section II”** means ITI Capital Holdings Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 4th Floor, Kalpataru Heritage, 127, M.G. Road, Fort, Mumbai 400001.
- 1.9 **“ITI Securities or Transferor Company 1”** means ITI Securities Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 4th Floor, Kalpataru Heritage, 127, M.G. Road, Fort, Mumbai 400001.
- 1.10 **“Court or High Court”** means the Honorable High Court of Judicature at Mumbai exercising jurisdiction under section 391 to 394 and section 100 to 103 of the Companies Act, 1956 or the National Company Law Tribunal, if applicable.
- 1.11 **“Transferor Companies”** means Transferor Company 1 and Transferor Company 2.
- 1.12 **“Record Date 1” (For Amalgamation of ITI Securities with ITI Capital Holdings)** means the date to be fixed by the Board of Directors of the Transferor Company 2 i.e. ITI Capital Holdings Private Limited in consultation with the Board of Directors of the Transferor Company 1 i.e. ITI

Securities Limited for the purpose of reckoning names of the Shareholders of the Transferor Company 1, who shall be entitled to receive shares of ITI Capital Holdings, upon coming into effect, the amalgamation, of this Scheme.

- 1.13 **“Record Date 2” (For Amalgamation of ITI Capital Holdings with Crest Ventures Limited)** means the date to be fixed by the Board of Directors of the Transferee Company i.e. Crest Ventures Limited in consultation with the Board of Directors of ITI Capital Holdings Private Limited for the purpose of reckoning names of the Equity Shareholders of ITI Capital Holdings Private Limited, who shall be entitled to receive shares of the Transferee Company, upon coming into effect, the amalgamation, of this Scheme.
- 1.14 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form submitted to High Court or any other appropriate authority or with any modification(s) made under Para 15 of this Scheme.
- 1.15 **“Para”** means paragraph of this Scheme
- 1.16 **“The ITI Securities Undertaking”** shall mean and include the entire business and undertaking of the ITI Securities Limited as a going concern and shall include (without limitation):
- a. All the investments, assets and properties of the Transferor Company 1 as on the Appointed Date 1 (hereinafter referred to as “the said assets”);
 - b. All the debts, liabilities, duties and obligations of the Transferor Company 1 including contingent liabilities as on the Appointed Date 1 (hereinafter referred to as “the said liabilities”);
 - c. All permits, quotas, rights, entitlements and other licenses, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and any other exemptions as available under the Income Tax Act, 1961 (or any statutory modification or re-enactment thereof for the time being in force), all other rights including sales tax deferrals and exemptions and other benefits, receivables and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts, customer contracts, arrangements and all other interests in connection with or relating to the Transferor Company 1;
 - d. Without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Company 1 shall include the reserves, balances in the Profit and Loss Account, movable and immovable properties including land and building, furniture, fixtures, vehicles, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company 1, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, brands, sub-letting tenancy rights, goodwill, other intangibles, permits, authorizations, trademarks, trade names, copyrights, and other intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in

respect thereof, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax, unutilized deposits or credits, brought forward accumulated tax losses, unabsorbed depreciation, etc, and where so ever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company 1 as on the Appointed Date.

1.17 **“The ITI Capital Undertaking”** shall mean and include the entire business and undertaking of the Transferor Company 2 as a going concern and shall include (without limitation):

- a. All assets and liabilities transferred and recorded as per Section II of the Scheme; and
- b. All the investments, assets and properties of the Transferor Company 2 as on the Appointed Date 2 (hereinafter referred to as “the said assets”);
- c. All the debts, liabilities, duties and obligations of the Transferor Company 2 including contingent liabilities as on the Appointed Date 2 (hereinafter referred to as “the said liabilities”);
- d. All permits, rights, entitlements, and other licenses, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and any other exemptions as available under the Income Tax Act, 1961 (or any statutory modification or re-enactment thereof for the time being in force), all other rights including sales tax deferrals and exemptions and other benefits, receivables and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts, customer contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2;

Without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Company 2 shall include the reserves, balances in the Profit and Loss Account, movable and immovable properties including land and building, furniture, fixtures, vehicles, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company 2, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, brands, sub-letting tenancy rights, goodwill, other intangibles, permits, authorizations, trademarks, trade names, copyrights, and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in

respect thereof, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax, unutilized deposits or credits, brought forward accumulated tax losses, unabsorbed depreciation, etc; and where so ever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company 2 as on the Appointed Date.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be operative from the respective Appointed Date but shall be effective from the Effective Date.

3. SHARE CAPITAL

The Authorised, Issued, Subscribed and Paid up Share Capital of Crest Ventures Limited (Transferee Company) as per the latest Audited Balance Sheet as at March 31, 2014 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
17,500,000 Equity Shares of Rs.10/- each	175,000,000
Total	175,000,000
Issued, Subscribed and Fully Paid-Up	
17,370,000 Equity Shares of Rs.10/- each	173,700,000
Total	173,700,000

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

The Authorised, Issued, Subscribed and Paid up Share Capital of ITI Securities Limited (Transferor Company 1) as per the latest audited Balance Sheet as at March 31, 2014 is as under:

Particulars	(Amount in Rs)
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Authorised Share Capital	
50,00,000 Equity Shares of Rs.10/- each	50,000,000
12,00,000 3% Cumulative Redeemable Preference Shares of Rs 100/- each	120,000,000
Total	170,000,000
Issued, Subscribed and Fully Paid-Up Capital	
50,00,000 Equity Shares of Rs.10/- each paid up	50,000,000
12,00,000 3% Cumulative Redeemable Preference Shares of Rs 100/- each	120,000,000
Total	170,000,000

All the above issued preference shares are held by Crest Ventures Limited .

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

The Authorised, Issued, Subscribed and Paid up Share Capital of ITI Capital Holdings Private Limited (Transferor Company 2) as per the latest audited Balance Sheet as at March 31, 2014 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
60,00,000 Equity Shares of Rs.10/- each	60,000,000
9,00,000 5% Optionally Convertible Preference Shares of Rs. 100/- each	90,000,000
Total	150,000,000
Issued, Subscribed and Fully Paid-Up Capital	
4,50,000 Equity Shares of Rs.10/- each	4,500,000
Total	4,500,000

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

SECTION II

AMALGAMTION OF ITI SECURITIES LIMITED WITH ITI CAPITAL HOLDINGS PRIVATE LIMITED

4. TRANSFER AND VESTING OF THE ITI SECURITIES UNDERTAKING
 - 4.1 VESTING OF THE ITI SECURITIES UNDERTAKING
 - 4.1.1 With effect from the opening of business as on Appointed Date 1, the Undertaking of the Transferor Company 1 shall be transferred to and vested in or deemed to have been transferred to the Transferor Company 2 in accordance with the provisions of Section 2(1B) of the Income tax Act, 1961 in the following manner:
 - 4.1.2 With effect from the Appointed Date 1, the entire business and whole of the ITI Securities Undertaking, as defined hereinabove, of the Transferor Company 1 shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferor Company 2 so as to become the properties and assets of the Transferor Company 2. The benefit of all brands, copyrights, trademarks, actionable claims, all rights / title or interest in property (ies) by virtue of any court order / Decree, contractual arrangement, allotment, grant, possession or otherwise, statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to Transferor Company 2 pursuant to this Scheme.
 - 4.1.3 With effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company 1, whether or not provided in the books of the Transferor Company 1 shall be deemed to be the debts, liabilities, duties and obligations of the Transferor Company 2 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 arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
 - 4.1.4 In respect of all the movable assets of the Transferor Company 1 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 Transferor Company 2 and deemed to have been handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferor Company 2 to the end and intent that the property and benefit therein passes to the Transferor Company 2 with effect from the Appointed Date 1. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferor Company 1 and the Transferor Company 2.
 - 4.1.5 In respect of any moveable assets of the Transferor Company 1 other than those mentioned above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and

other authorities and bodies and customers, the Transferor Company 1 and the Transferor Company 2 shall, issue notices in such form as they deem fit and proper, stating that pursuant to the Honorable High Court having sanctioned the Scheme between the Transferor Company 1 and the Transferor Company 2 under Section 391 to 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferor Company 2, as the person entitled thereto, to the end and intent that the right of the Transferor Company 1 to recover or realize the same stands transferred to the Transferor Company 2 and that appropriate entries should be passed in their respective books to record the aforesaid changes.

4.2 STAFF, WORKMEN & EMPLOYEES

4.2.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company 1 in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferor Company 2 with effect from the Appointed Date 1 without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferor Company 2 shall not be less favorable than those applicable to them with reference to the Transferor Company 1 on the Effective Date.

4.2.2 It is expressly provided that, on the Scheme becoming effective, any Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company 1 shall be transferred to and shall get consolidated with the corresponding funds of the Transferor Company 2. Further the Transferor Company 2 shall have the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 1 in relation to such Fund or Funds shall become those of Transferor Company 2. It is clarified that the services of the staff, workmen and employees of the Transferor Company 1 will be treated as having been continuous for the purpose of the said Fund or Funds. Until such time that Transferor Company 2 creates/arranges for its own funds, Transferor Company 2 may, subject to necessary approvals and permissions if any, continue to make contributions pertaining to the employees of the Transferor Company 1 to the relevant fund of the Transferor Company 1. Such contributions and other balances pertaining to the employees of the Transferor Company 1 shall be transferred to the funds created by Transferor Company 2 on creation of relevant funds/arrangements by Transferor Company 2.

4.3 CONTRACT, DEEDS, ETC.

4.3.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company 1 is a party, subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favor of the Transferor Company 2 as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferor Company 2 has been a party thereto.

4.3.2 The Transferor Company 2 shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations, to which the Transferor Company 1 as the case may be will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the

Transferor Company 2 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company 1 and to implement or carry out all formalities required on the part of the Transferor Company 1 to give effect to the provisions of this Scheme.

4.4 TAXES / DUTIES

- 4.4.1 It is clarified that all taxes payable by the Transferor Company 1, relating to the transferred undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferor Company 2. Accordingly, upon the Scheme becoming effective, the Transferor Company 2 is expressly permitted to revise its Income tax returns, VAT and Sales tax returns, Excise & Modvat / Cenvat returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme, if any.
- 4.4.2 In accordance with the Modvat /Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods lying to the account of the Transferor Company 1, if any, shall be permitted to be transferred to the credit of the Transferor Company 2, as if all such unutilized credits were lying to the account of the Transferor Company 2. The Transferor Company 2 shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.
- 4.4.3 It is expressly provided that all benefits including but not limited to tax exemption, deduction, concession, subsidies, permits, rights, approvals under the Income tax Act, 1961 available and enjoyed by the Transferor Company 1, relating to the transferred undertaking, from the Appointed Date onwards be treated as tax exemption, deduction, concession, subsidies, permits, rights, approvals of the Transferor Company 2. Further subsequent to the Composite Scheme of Arrangement and Amalgamation, receipts, if any, including from Income tax Authorities on account of refund orders, etc. in the name of the Transferor Company 1 shall be credited to the account of the Transferor Company 2.

4.5 LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company 1 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, prosecuted and enforced by or against Transferor Company 2, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company 1 as if this Scheme had not been made.

5. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY 1 TILL EFFECTIVE DATE

5.1 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEROR COMPANY 2

With effect from the Appointed Date and up to the Effective Date:

- 5.1.1 The Transferor Company 1 shall carry on and shall be deemed to have carried on its business and

activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of the entire business Undertakings for and on account of and in trust for the Transferor Company 2.

- 5.1.2 All the profits or income accruing or arising to the Transferor Company 1 or expenditure or losses incurred by the Transferor Company 1 in respect of its business and activities shall for all purposes be treated and deemed to be the profits or income or expenditure or losses of the Transferor Company 2 as the case may be.
- 5.1.3 The Transferor Company 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions, which the Transferor Company 2 may require to carry on the business of the Transferor Company 1

5.2 CONDUCT OF BUSINESS

- 5.2.1 As and from the date of acceptance of this Scheme by the Board of Directors of the Transferor Company 1 and the Board of Directors of the Transferor Company 2 till the Effective Date:
- 5.2.2 The Transferor Company 1 shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto for and the Transferor Company 1 shall not alter or expand or make any material changes in business contracts except with the concurrence of the Transferor Company 2.
- 5.2.3 The Transferor Company 1 shall not, without the written concurrence of Board of Directors of the Transferor Company 2, increase their debt exposure, alienate, charge or encumber any of its properties referred above 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 respective Boards of Directors of the Transferor Company 1 and the Transferor Company 2.
- 5.2.4 The Transferor Company 1 shall not vary or alter, except in the ordinary course of its business and as may be required for Amalgamation, the terms and conditions of employment of any of its employees.
- 5.2.5 With effect from the Effective Date, the Transferor Company 2 shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company 1.

5.3 SAVING OF CONCLUDED TRANSACTIONS

The transfer of the entire business and the undertaking of the Transferor Company 1 to Transferor Company 2 and the continuance of all contracts or proceedings by or against the Transferor Company 1 shall not affect any contracts or proceedings already concluded by the Transferor Company 1 on or after the Appointed Date till the effective date, to the end and intent that Transferor Company 2 accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company 1 in regard thereto as having been done or executed on behalf of Transferor Company 2.

6. DISCHARGE OF CONSIDERATION

- 6.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking of the Transferor Company 1 in the Transferor Company 2 in terms of this Scheme, the Transferor Company 2 subject to the provisions of this Scheme shall issue and allot in the following manner:
- 6.1.1 Nil equity shares to the equity shareholders of the Transferor Company 1, and whose name appears in the Register of Members as on the Record Date 1, his/her heirs, executors, administrators or the successors-in-title, as the case may be,
- 6.2 The Transferee Company, without any further application or action deed, issue and allot to the Preference Shareholders or their successors 1(one) fully paid up 3% Cumulative Redeemable Preference Shares of Rs 100/- each in the Transferee Company or their successors for every 1 (one) 3% Cumulative Redeemable Preference of Rs100/- each held by them in the Transferor Company 1 on the same terms and conditions as the existing preference shares, as if the same were originally issued by the Transferee Company ("Preference Shares"). The Preference shares to be issued to the shareholders of the Transferor Company 1 by the Transferor Company 2 pursuant to Para 6.1 above, shall be issued in the physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Boards of Directors of the Transferor Company 2 or by a Committee created thereof.
- 6.3 Any fraction arising on issue of Preference shares as above will be rounded off to the nearest integer.
- 6.4 TRANSFER OF AUTHORISED CAPITAL OF TRANSFEROR COMPANY 1 TO THE CREDIT OF THE AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY 2:
- 6.4.1 Upon the Scheme being finally effective, the Authorised Capital of Transferor Company 1 will get merged with that of the Transferor Company 2 without payment of additional fees and duties as the said fees have already been paid and the Authorised Capital of the Transferor Company 2 will be increased to that effect by just filing requisite forms.
- 6.4.2 It is clarified that Transferor Company 2, for the purpose of amendment in the Authorised Share Capital and corresponding amendment in the Memorandum of Association and Articles of Association, shall not be required to pass a separate Resolution under Section 13, Section 14 or any other provisions of the Companies Act, 2013 and on the members of Transferor Company 2 approving the Scheme, it shall be deemed that the shareholders of Transferor Company 2 have given their consent for amendment of the Authorised Share Capital and amendment in Memorandum of Association and Articles of Association of Transferor Company 2 as required under Section 13, Section 14 and other applicable provisions of the Companies Act, 2013. The Preference shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferor Company 2.
- 6.4.3 As an integral part of this Scheme, and upon the sanction of this Scheme the authorised share capital of the Transferor Company 2 shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the equity shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting these amendments, and no further resolution(s) under Section 13, Section 14 or any other applicable provisions of the Companies Act, 2013 would be required to be separately passed.
- 6.4.4 Pursuant to the above Scheme becoming effective, the authorised share capital of the Transferor Company 2 will be increased and reclassified as under

Share Capital	Amount in Rs.
Authorised	
1,10,00,000 Equity Shares of Rs 10/- each	110,000,000
12,00,000 3% Cumulative Redeemable Preference Shares of Rs. 100/- each	120,000,000
9,00,000 5% Optionally Convertible Preference Shares of Rs. 100/-each	90,000,000
Total	320,000,000

6.4.5 Clause V of the Memorandum of Association shall stand substituted by virtue of the Scheme to read as follows:

“V. The Authorised Share Capital of the Company is Rs. 320,000,000 (Rupees Thirty Two Crores Only) consisting of 1,10,00,000 Equity Shares of Rs 10/- (Rupees Ten Only) each and 12,00,000 3% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred Only) each” and 9,00,000 5% Optionally Convertible Preference Shares of Rs. 100/-(Rupees Hundred Only) each.

- 6.4.6 Consent of the equity shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Transferee Company 1 as set out in Clause above as also for the issuance of the Preference Shares, and no further resolution under Section 13, 61 or any other applicable provision of the Companies Act, 2013 in this regard, would be required to be separately passed in connection with the increase and/or reclassification of Authorised Share Capital and consequent amendment to the Memorandum, or the issuance of Preference Shares by the Transferor Company 2.
- 6.5 Any Shares issued by the Transferor Company 1 and held by the Transferor Company 2, and / or vice versa, shall, unless sold or transferred by the Transferor Company 1 or the Transferor Company 2, as the case may be, at any time prior to the Record Date 1, stand cancelled as on the Record Date 1 and be of no effect, and the Transferor Company 1 or the Transferor Company 2, as the case may be, shall have no further obligation in that behalf.
- 6.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1, the Board of Directors or any committee thereof of the Transferor Company 2 shall be empowered in appropriate cases, prior or even subsequent to the

Record Date 1, to effectuate such a transfer in the Transferor Company 1 as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transfer of the shares in the Transferor Company 2 and in relation to the shares issued by the Transferor Company 2 after the effectiveness of this Scheme. The Board of Directors of the Transferor Company 2 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Transferor Company 2 on account difficulties faced in the transaction period.

6.7 The approval of this Scheme by the shareholders of the Transferor Company 2 shall be deemed to be due compliance of the provision of Section 62 and other relevant and applicable provision of the Companies Act, 2013 for the issue and allotment of Preference Shares by the Transferor Company 2 to the shareholder of the Transferor Company 1, as provided in this Scheme.

6.8 Unless otherwise determined by the Board of Directors or any committee thereof of the Transferor Company 2, allotment of Preference Shares in terms of Para 6.1 of this part shall be done within 4 months from the effective date.

6.9 The Transferor Company 2 shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Preference Shares to the members of ITI Securities Limited under the Scheme.

7. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY 2

7.1 The Transferor Company 2 shall follow pooling of interest method for accounting for the amalgamation as per Accounting Standard - 14 as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), subject to the following:

7.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Assets and Liabilities (includes reserves if any) of the Transferor Company 1 shall be recorded in the books of the Transferor Company 2 at their respective book values as recorded in the books of the Transferor Company 1 subject to such corrections and adjustments, if any, as may in the opinion of the Board of Directors of the Transferor Company 2 be necessary or required and to the extent permissible in law.

7.3 It is clarified that the balance in the Reserves account including Statement of Profit and Loss of the Transferor Company 1 as on the Appointed Date, shall be transferred to and aggregated with the corresponding Reserves in the books of the Transferor Company 2. It is clarified that identity of Reserves of the Transferor Company 1 shall be preserved upon transfer thereof to the Transferor Company 2.

7.4 In case of any difference in the accounting policy of the Transferor Company 1 and that of the Transferor Company 2, the impact thereof shall be quantified and adjusted in the Reserves of the Transferor Company 2 to ensure that the financial statements of the Transferor Company 2 reflect the financial position on the basis of the consistent accounting policy.

7.5 Upon coming into effect of this Scheme, to the extent that there are inter-company investments, loans, advances, investment, deposit balances or other obligations as between the Transferor Company 1 and the Transferor Company 2, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferor



Company 2 for the reduction of any assets or liabilities, as the case may be.

- 7.6 The face value of preference shares issued by the Transferor Company 2 to the shareholders of the Transferor Company 1 will be recorded as preference share capital of the Transferor Company 2. The excess of, or deficit, in the amount recorded as preference share capital issued by the Transferor Company 2 over the amount of share capital of the Transferor Company 1 will be reduced from the General Reserve Account / credited to the Capital Reserve Account as the case may be.
- 7.7 Notwithstanding the method of accounting adopted by the Transferor Company 2, the losses / depreciation of the Transferor Company 1 will be allowed to be taken over by the Transferor Company 2 as it is for the purpose of computing "book profit" as per the provisions of section 115JB of the Income tax Act, 1961 or any other applicable provisions introduced by any Finance Act.

SECTION III

AMALGAMTION OF ITI CAPITAL HOLDINGS PRIVATE LIMITED WITH CREST VENTURES LIMITED

8. TRANSFER AND VESTING OF UNDERTAKINGS

8.1 VESTING OF THE ITI CAPITAL HOLDINGS UNDERTAKING

- 8.1.1 With effect from the opening of business as on Appointed Date 2, the Undertaking of the Transferor Company 2 shall be transferred to and vested in or deemed to have been transferred to the Transferee Company in accordance with the provisions of Section 2(1B) of the Income tax Act, 1961 in the following manner:
- 8.1.2 With effect from the Appointed Date 2, the entire business and whole of the undertaking, as defined hereinabove, of the Transferor Company 2 shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company. The benefit of all brands, copyrights, trademarks, actionable claims, all rights / title or interest in property (ies) by virtue of any court order / Decree, contractual arrangement, allotment, grant, possession or otherwise, statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to Transferee Company pursuant to this Scheme.
- 8.1.3 With effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company 2, whether or not provided in the books of the Transferor Company 2 shall be deemed to be 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 arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

- 8.1.4 In respect of all the movable assets of the Transferor Company 2 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 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 2. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferor Company 2 and the Transferee Company.
- 8.1.5 In respect of any moveable assets of the Transferor Company 2 other than those mentioned above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company 2 and the Transferee Company shall, issue notices in such form as they deem fit and proper, stating that pursuant to the Honorable High Court having sanctioned the Scheme between the Transferor Company 2 and the Transferee Company under Section 391 to 394 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 2 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.

8.2 STAFF, WORKMEN & EMPLOYEES

- 8.2.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company 2 in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date 2 without any break in their service 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 the Transferor Company 2 on the Effective Date.
- 8.2.2 It is expressly provided that, on the Scheme becoming effective, any Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company 2 shall be transferred to and shall get consolidated with the corresponding funds of the Transferee Company. Further the Transferee Company shall have the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 2 in relation to such Fund or Funds shall become those of Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company 2 will be treated as having been continuous for the purpose of the said Fund or Funds. Until such time that Transferee Company creates/arranges for its own funds, Transferee Company may, subject to necessary approvals and permissions if any, continue to make contributions pertaining to the employees of the Transferor Company 2 to the relevant fund of the Transferor Company 2. Such contributions and other balances pertaining to the employees of the Transferor Company 2 shall be transferred to the funds created by Transferee Company on creation of relevant funds/arrangements by Transferee Company.

8.3 CONTRACT, DEEDS, ETC.

- 8.3.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company 2 is a party, subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favor of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company has been a party thereto.
- 8.3.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations, to which the Transferor Company 2 as the case may be will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company 2 and to implement or carry out all formalities required on the part of the Transferor Company 2 to give effect to the provisions of this Scheme.

8.4 TAXES / DUTIES

- 8.4.1 It is clarified that all taxes payable by the Transferor Company 2, relating to the transferred undertaking, from the Appointed Date 2 onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its Income tax returns, VAT and Sales tax returns, Excise & Modvat / Cenvat returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme, if any.

- 8.4.2 In accordance with the Modvat /Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods lying to the account of the Transferor Company 2, if any, shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.

- 8.4.3 It is expressly provided that all benefits including but not limited to tax exemption, deduction, concession, subsidies, permits, rights, approvals under the Income tax Act, 1961 available / enjoyed by the Transferor Company 2, relating to the transferred undertaking, from the Appointed Date 2 onwards be treated as tax exemption, deduction, concession, subsidies, permits, rights, approvals of the Transferee Company. Further subsequent to the Composite Scheme of Arrangement and Amalgamation, receipts, if any, including from Income tax Authorities on account of refund orders, etc. in the name of the Transferor Company 2 shall be credited to the account of the Transferee Company.

8.5 LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company 2 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, prosecuted and enforced by or against Transferee Company, as



the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company 2 as if this Scheme had not been made.

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY 2 TILL EFFECTIVE DATE

9.1 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEREE COMPANY

With effect from the Appointed Date 2 and up to the Effective Date:

- 9.1.1 The Transferor Company 2 shall carry on and shall be deemed to have carried on its business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of the entire business and Equity Undertakings for and on account of and in trust for the Transferee Company.
- 9.1.2 All the profits or income accruing or arising to the Transferor Company 2 or expenditure or losses incurred by the Transferor Company 2 in respect of its business and activities shall for all purposes be treated and deemed to be the profits or income or expenditure or losses of the Transferee Company as the case may be.
- 9.1.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of the Transferor Company 2

9.2 CONDUCT OF BUSINESS

- 9.2.1 As and from the date of acceptance of this Scheme by the Board of Directors of the Transferor Company 2 and the Board of Directors of the Transferee Company till the Effective Date:
- 9.2.2 The Transferor Company 2 shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto for and the Transferor Company 2 shall not alter or expand or make any material changes in business contracts except with the concurrence of the Transferee Company.
- 9.2.3 The Transferor Company 2 shall not, without the written concurrence of Board of Directors of the Transferee Company, increase their debt exposure, alienate, charge or encumber any of its properties referred above 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 respective Boards of Directors of the Transferor Company 2 and the Transferee Company.
- 9.2.4 The Transferor Company 2 shall not vary or alter, except in the ordinary course of its business and as may be required for Amalgamation, the terms and conditions of employment of any of its employees.
- 9.2.5 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company 2.

9.3 SAVING OF CONCLUDED TRANSACTIONS

The transfer of the entire business and the undertaking of the Transferor Company 2 to Transferee Company and the continuance of all contracts or proceedings by or against the Transferor



Company 2 shall not affect any contracts or proceedings already concluded by the Transferor Company 2 on or after the Appointed Date 2 till the effective date, to the end and intent that Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company 2 in regard thereto as having been done or executed on behalf of Transferee Company.

10. DISCHARGE OF CONSIDERATION

10.1 NO ISSUE OF SHARES

10.2 As Transferor Company 2 is a wholly-owned subsidiary of the Transferee Company, no shares shall be issued pursuant to the merger of Transferor Companies into the Transferee Company and the investments made by the Transferee Company in the Equity Shares / Preference share capital of the Transferor Companies would stand cancelled.

10.3 TRANSFER OF AUTHORISED CAPITAL OF TRANSFEROR COMPANY 2 TO THE CREDIT OF THE AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY:

10.3.1 Upon the Scheme being finally effective, the Authorised Capital of Transferor Company 2 will get merged with that of the Transferee Company without payment of additional fees and duties as the said fees have already been paid and the Authorised Capital of the Transferee Company will be increased to that effect by just filing requisite forms. Accordingly, Clause 5 of the Memorandum of Association of Crest Ventures Limited shall, without any further act, instrument or deed, stand modified and reclassified as necessary and be substituted by the following:

10.3.2 'The Authorised Share Capital of the Company is Rs. 49,50,00,000/- (Rupees Forty Nine Crores Fifty Lakhs Only) divided into 2,85,00,000 (Two Crores Eighty Five Lakhs) equity shares of Rs 10/- (Rupees Ten Only) each, 9,00,000 (Nine lakhs) 5% Optionally Convertible Preference Shares of Rs. 100/- (Rupees Hundred Only) each and 12,00,000 (Twelve lakhs) 3% Cumulative Redeemable Preference Shares of Rs. 100/- each (Rupees Hundred only)'

10.3.3 Further, Clause 4 of the Articles of Association of Crest Ventures Limited shall, without any further act, instrument or deed, stand modified and reclassified as necessary and be substituted by the following:

10.3.4 '4. The Authorised Share Capital of the Company is Rs.49,50,00,000/- (Rupees Forty Nine Crores Fifty Lakhs Only)) divided into 2,85,00,000 (Two Crore Eighty Five Lakhs) Equity Shares of Rs. 10/- (Rupees ten Only) each , 9,00,000 (Nine lakhs) 5% Optionally Convertible Preference Shares of Rs. 100/- (Rupees Hundred Only) each and 12,00,000 (Twelve lakhs) 3% Cumulative Redeemable Preference Shares of Rs. 100/- each (Rupees Hundred only)'. The Company has power from time to time to increase its capital and to divide the shares in the capital for the time being into several other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the law.'

10.4 It is clarified that for the purpose of amendment in the Authorised Share Capital and Object Clause and corresponding amendment in the Memorandum of Association and Articles of

Association, the transferee company shall not be required to pass a separate resolution under Section 16, Section 31 (corresponding Section 30 Section 40 of the Companies Act, 2013) or any other provisions of the Act, and on the members of the transferee company approving the Scheme, it shall be deemed that they have given their consent for amendment of the Authorised Share Capital and Addition of Objects of the transferor company and consequent amendment in Memorandum of Association and Articles of Association of the transferee company as required under Section 16, Section 31 (corresponding Section 30 Section 40 of the Companies Act, 2013) and other applicable provisions of the Act.

10.5 Any Equity Shares / Preference Shares issued by the Transferor Company 2 and held by the Transferee Company, and / or vice versa, shall, unless sold or transferred by the Transferor Company 2 or the Transferee Company, as the case may be, at any time prior to the Record Date 2, stand cancelled as on the Record Date 2 and be of no effect, and the Transferor Company 2 or the Transferee Company, as the case may be, shall have no further obligation in that behalf.

11. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

11.1 The Transferee Company shall follow pooling of interest method for accounting for the amalgamation as per Accounting Standard - 14 as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), subject to the following:

11.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, all Assets and Liabilities (includes reserves if any) of the Transferor Company 2 shall be recorded in the books of the Transferee Company at their respective book values as recorded in the books of the Transferor Company 2 subject to such corrections and adjustments, if any, as may in the opinion of the Board of Directors of the Transferee Company be necessary or required and to the extent permissible in law.

11.3 It is clarified that the balance in the Reserves account including Statement of Profit and Loss of the Transferor Company 2 as on the Appointed Date, shall be transferred to and aggregated with the corresponding Reserves in the books of the Transferee Company. It is clarified that identity of Reserves of the Transferor Company 2 shall be preserved upon transfer thereof to the Transferee Company.

11.4 In case of any difference in the accounting policy of the Transferor Company 2 and that of the Transferee Company, the impact thereof shall be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of the consistent accounting policy.

11.5 Upon coming into effect of this Scheme, to the extent that there are inter-company investments, loans, advances, investment, deposit balances or other obligations as between the Transferor Company 2 and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

11.6 The difference between the amount recorded as share capital issued and the amount of share capital of the Transferor Company 2 shall be adjusted in reserves in the financial statements of the Transferee Company.

- 11.7 Notwithstanding the method of accounting adopted by the Transferee Company, the losses /depreciation of the Transferor Company 2 will be allowed to be taken over by the Transferee Company as it is for the purpose of computing "book profit" as per the provisions of section 115JB of the Income tax Act, 1961 or any other applicable provisions introduced by any Finance Act.

SECTION IV

OTHER TERMS AND CONDITIONS

12. DIVIDENDS, PROFITS, BONUS/RIGHT/PREFERENTIAL ISSUE OF SHARES

- 12.1 For the avoidance of doubt it is hereby cleared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividends, if any, declared by the Transferee Company prior to the effective date.

- 12.2 On and from the earlier of the dates of filing this Scheme with High Court and until the effective date, the Transferor Companies shall declare dividend only after prior consultation with the Transferee Company.

- 12.3 After filing the Scheme and up to the Effective Date, the Transferor Companies shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferee Company. Similarly, the Transferee Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferor Companies.

- 12.4 The holders of the shares of the Transferor Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including right to receive the dividends.

- 12.5 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 the Transferor Companies to demand or claim any dividend which, subject to the provisions of the said Act, shall be entirely at the discretion of the said Company and subject to approval of the shareholders of the said Company.

13. WINDING UP

On this Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up.

14. APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company (if required) shall, with all reasonable dispatch, make applications to the High Court under whose jurisdiction the registered offices of the Transferor Companies and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act and for dissolution of the Transferor Companies without



being wound up.

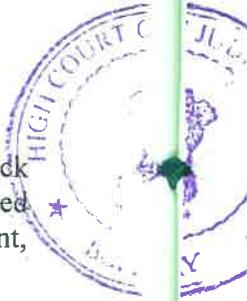
15. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 15.1 Subject to approval of High Court, the Transferee Company shall by its Board may assent to any modifications/ amendments to the Scheme or agree to any terms and/ or conditions that the High Court or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.
- 15.2 Subject to approval of High Court, the Transferee Company shall, by its Board may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to any of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith.
- 15.3 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board or any committees thereof, affect the adoption or validity or interpretation of the other parts and/ or provisions of this Scheme.
- 15.4 In the event of any of the conditions that may be imposed by the High Court or other authorities is unacceptable for any reason by the Transferor Companies or the Transferee Company, then the Transferor Companies and the Transferee Company is at liberty to withdraw the Scheme.

16. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

- 16.1 The consent, approval, sanction, etc., under any law, of the Central Government, or Stock Exchanges or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters provided for in, or relating to, the Scheme for which such consent, approval, sanction, etc., is required;
- 16.2 Approval of the Scheme by the public shareholders of the Transferee Company in accordance with the provisions of SEBI Circulars. Such approval will be obtained through resolution pass through postal ballot and the Scheme shall be acted only if the votes casted by public shareholders in favor of the proposal are more than the number of votes casted by public shareholders against it;
- 16.3 Approval of the Scheme, by the Stock Exchange, pursuant to clause 24(f) of the Listing Agreement between such Stock Exchanges and the Transferee Company;
- 16.4 Approval of the Scheme by SEBI in terms of SEBI Circulars ;
- 16.5 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 Companies and the Transferee Company.
- 16.6 The requisite resolutions under the applicable provisions of the said Act being passed by shareholders of the Transferor Company / Transferee Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable.
- 16.7 The sanction of the High Court under Sections 391 to 394 of the Companies Act, 1956 read alongwith section 100 to 104 of the said Act in favour of the Transferor Company and the Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.



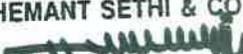
16.8 Certified or authenticated copies of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Mumbai Maharashtra.

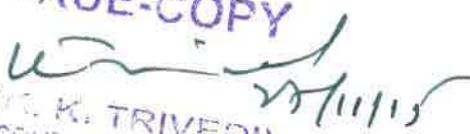
17. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority by December 31, 2015 or within such further period or periods as may be agreed upon between the Transferor Companies and Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and will be null and void, 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. Each party shall equally bear and pay costs, charges and expenses for and / or in connection with the Scheme.

18. COST, CHARGES AND EXPENSES

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the respective companies only.

CERTIFIED TRUE COPY
For HEMANT SETHI & CO.

ADVOCATES

TRUE-COPY

(V. K. TRIVEDI)
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 706 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 686 OF 2015

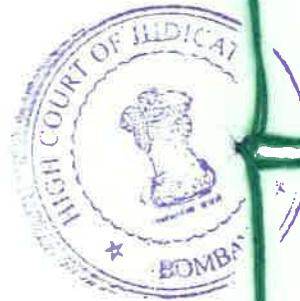
In the matter of the Companies Act,
1956 (1 of 1956);

AND

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

AND

In the matter of Scheme of
Amalgamation of ITI Capital Holdings
Private Limited and ITI Securities
Limited with Crest Ventures Limited
and their Respective Shareholders
ITI Capital Holdings Private Limited
.....Petitioner



**AUTHENTICATED COPY OF ORDER
DATED 30th DAY OF OCTOBER 2015
AND THE SCHEME ANNEXED TO THE
PETITION**

Applied for authenticated copies on... 20/10/2015
Authenticated copies submitted on... 16/11/2015
Engrossed on... 26/11/2015
Examined by... [Signature]
Compared with... [Signature]
Ready on... 27 NOV 2015
Delivered on... 30 NOV 2015

HS

HEMANT SETHI & CO
ADVOCATES FOR PETITIONER
Ph No. 9820244453