

## SCHEME OF AMALGAMATION

By way of Merger Absorption

GRETEX INDUSTRIES LIMITED	-	Transferee Company
APSARA SELECTIONS LIMITED	-	Transferor Company
SANKHU MERCHANDISE PRIVATE LIMITED	-	Transferor Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

### A. Description of Parties

- 1. APSARA SELECTIONS LIMITED** is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number U52190MH2011PLC269248 and having its registered office at Office No. 13, 1<sup>st</sup> Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15 Homi Modi Street, Fort, Mumbai - 400023, Maharashtra, India) (hereinafter referred to as the “**Transferor Company no. 1**”).

The Transferor Company no. 1 is primarily engaged in the business of retailer of Fancy Sarees.

**SANKHU MERCHANDISE PRIVATE LIMITED** is a private company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number U52190MH2011PTC269247 and having its registered office at Office No. 13, 1<sup>st</sup> Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15 Homi Modi Street, Fort, Mumbai - 400023, Maharashtra, India) (hereinafter referred to as the “**Transferor Company No. 2**”).

The Transferor Company No. 2 is primarily engaged in the business of Trading of Sarees.

**GRETEX INDUSTRIES LIMITED** is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number L17296WB2009PLC136911 and having its registered office at 90, Phears Lane, 5<sup>th</sup> Floor, Kolkata – 700012, West Bengal, India, India (hereinafter referred to as the “**Transferee Company**”). The equity shares of the Transferee Company are listed on the Stock Exchange.

The Transferee Company is engaged, inter alia, in the business of Distribution of Musical Instrument and Crockeries.

### B. Description of Scheme

- 2.** This Scheme (as defined hereunder) provides, inter alia, for:



- a. the amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent issuance of the Transferee Company Shares (as defined hereunder) in accordance with the Share Exchange Ratio (as defined hereunder) to the Eligible Members (as defined hereunder), in respect of each Transferor Company Share (as defined hereunder) held by them in accordance with this Scheme (“Amalgamation”);
  - b. various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the share capital of the Transferee Company,
  - c. pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder).
3. The Amalgamation of the Transferor Companies into the Transferee Company shall be in full compliance with the conditions relating to “amalgamation” as provided under Section 2(1B) and other related provisions of the IT Act such that, *inter alia*:
- (i) all the properties of the Transferor Companies, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;
  - (ii) all the liabilities of the Transferor Companies, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and
  - (iii) shareholders holding at least three fourths in value of the shares in the Transferor Company(ies), will become shareholders of the Transferee Company by virtue of the Amalgamation

### C. Rationale for the Scheme

4. The Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:
- (i) The Transferor Company is in the business in India as stated in above in clause A (1) and (2), the Transferor Companies have decided to undertake amalgamation of the business of the Transferor Companies with the Transferee Company.
  - (ii) The Promoter(s)/ ultimate beneficiary owner of all the Companies are same. After the amalgamation, the promoters will give and devote more time to look after the day to day activities of the Company. The Shareholders/ Directors are mainly common for both the Transferee and Transferor Companies.
  - (iii) The Amalgamation is in line with the Transferee Company’s strategy to build a sustainable and profitable business in India. The Transferor Companies and the Transferee Company expect significant synergies through supply chain opportunities and operational improvements, go-to-market and distribution network optimization, scale efficiencies in cost areas such as marketing, and optimization of overlapping infrastructure.



- (iv) It would be advantageous to combine the activities and operations of the all the companies into a single Company for synergistic linkages and the benefit of combined financial resources. This will be reflected in the profitability of the Transferee Company.
- (v) Amalgamation of the Transferor Companies with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies. The merged entity will also have sufficient funds required for meeting its working capital needs and other purposes raised as provided for in the scheme.
- (vi) The Scheme of arrangement will result in cost saving for all the companies as they are capitalizing each other's core competency and market which is expected to result in higher profitability levels and cost savings for the Amalgamated Company.
- (vii) The Losses of some of the transferor companies will be absorbed with the profits of the merged entity as per the provisions of the Income Tax Act,1961. The Amalgamation is in accordance with the Section 2(IB) of the Income Tax Act, 1961 and the Transferor Companies as well as the Transferee Company will be able to avail of the benefits available under the Income tax Act, 1961 and any other provisions applicable and available under the Indian laws
- (viii) The Amalgamated Company will have the benefit of the combined resources of Transferor and Transferee Companies i.e. Reserves, investments, goodwill, manpower, finances, customers, distributors, brands etc. at its disposal for meeting its requirements.
- (ix) Transferor as well as Transferee Company share common fundamental management philosophies viz. better corporate Transparency and better Governance. The Companies also share common corporate values.

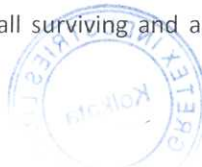
5. This Scheme is divided into the following parts:

- a. Part I, which deals with the introduction and definitions, and sets out the share capital of the Transferor Companies and the Transferee Company;
- b. Part II, which deals with the Amalgamation;
- c. Part III, which deals with the changes to share capital of the Transferor Companies and the Transferee Company; and
- d. Part IV, which deals with the general terms and conditions applicable to the Scheme.

**D. Definitions**

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

- a. "Act" shall mean the Companies Act, 2013 as amended from time to time, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the



Companies Act, 1956 and shall include all rules, regulations, circulars, notifications, guidelines made or issued in relation thereto, from time to time;

- b. **"Amalgamation"** shall have the meaning ascribed to it in Clause 3(a) above;
- c. **"Applicable Law"** shall mean any applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law, of any Governmental Authority;
- d. **"Appointed Date"** shall mean January 01, 2020;
- e. **"Board"** in relation to any company, means the board of directors of such company and shall, where applicable, include a duly authorised committee of the Board;
- f. **"CCI"** means the Competition Commission of India, as established under the Competition Act, 2002;
- g. **"Effective Date"** means the date of the Board meetings of the Transferor Company and the Transferee Company held to declare this Scheme effective, which will be no later than 15 (Fifteen) days (unless extended by mutual written agreement between the Transferor Company and the Transferee Company), following satisfaction or waiver (to the extent possible under Applicable Law) of the conditions set out in Clause 26 (other than those conditions that by their nature are to be satisfied on the Effective Date);

References in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date;

- h. **"Eligible Member"** shall mean each person whose name appears in the register of members of the Transferor Company and/ or whose name appears as the beneficial owner of the Transferor Companies Shares in the record of depositories or the registered of members or on the Record Date;
- i. **"Encumbrance"** or **"Encumber"** means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;
- j. **"Governmental Authority"** means: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause 7(J)(a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, the RBI, the NCLT and any Tax authority;
- k. **"Governmental Order"** means any judgment, order, writ, injunction, decree, decision or other requirement of any Governmental Authority (or, as the context requires, any Governmental

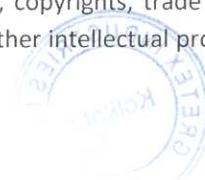


Authority specified) other than any competition or anti-trust authority other than the Competition Commission of India;

- l. **"IT Act"** shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- m. **"NCLT"** shall mean the National Company Law Tribunal at Mumbai, Maharashtra or Kolkata, West Bengal, as the context may require;
- n. **"Record Date"** shall mean the date fixed by the respective Board of the Transferor Companies and Transferee Company for the purpose of determining the shareholders of the Transferor Companies to whom the Transferee Company Shares shall be allotted under this Scheme;
- o. **"Scheme"** means this scheme of amalgamation by way of merger by absorption including any modification or amendment hereto, made in accordance with the terms hereof;
- p. **"SEBI"** means the Securities and Exchange Board of India;
- q. **"SEBI Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;
- r. **"SEBI Scheme Circular"** means the SEBI Circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time;
- s. **"Share Exchange Ratio"** shall have the meaning ascribed to it in Clause 18.1;
- t. **"Stock Exchange"** shall mean the National Stock Exchange of India Limited;
- u. **"Tax" or "Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto).
- v. **"Transferee Company"** shall have the meaning ascribed to it in Clause 2 above;
- w. **"Transferee Company Shares"** means fully paid up equity shares of the Transferee Company, each having a face value of INR 10 (Rupee Ten only) and one vote per equity share;
- x. **"Transferor Companies"** shall have the meaning ascribed to it in Clause 1 above;



- y. **“Undertaking”** means all the undertakings and entire business of the Transferor Companies, as a going concern, and shall include (without limitation):
- (i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Companies and investments of all kinds including but not limited to securities (marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures share of any joint assets, and other facilities;
  - (ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Companies, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memorandum of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;
  - (iii) all contracts, agreements, memorandum of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Companies or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date;
  - (iv) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature



whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Companies;

- (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Companies;
- (vi) all present, and contingent future liabilities of the Transferor Companies including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and
- (vii) the Transferor Companies Employees and the Employee Benefit Funds of the Transferor Companies.

## 7. Share Capital

7.1. The share capital structure of the Transferee Company as June 05, 2020 is as follows:

Particulars	Amount (Rs.)
<b>Authorised</b> 4,500,000 equity shares of face value of Rs.10/- each	45,000,000
<b>Issued and Subscribed Share Capital</b> 4,211,600 equity shares of face value of Rs.10/- each.	42,116,000
<b>Fully Paid-up Share Capital</b> 4,211,600 equity shares of face value of Rs.10/- each.	42,116,000

The equity shares of the Transferee Company are listed on Stock Exchange.

7.2. The share capital structure of the Transferor Company no. 1 as on June 05, 2020 is as follows:

Particulars	Amount (Rs.)
<b>Authorised</b> 240,000 equity shares of face value of Rs.10/- each	2,400,000
<b>Issued and Subscribed Share Capital</b> 240,000 equity shares of face value of Rs.10/- each	2,400,000
<b>Fully Paid-up Share Capital</b> 240,000 equity shares of face value of Rs.10/- each	2,400,000



7.3. The share capital structure of the Transferor Company no. 2 as on June 05, 2020 is as follows:

Particulars	Amount (Rs.)
<b><u>Authorised</u></b> 428,000 equity shares of face value of Rs.10/- each.	4,280,000
<b><u>Issued and Subscribed Share Capital</u></b> 427,920 equity shares of face value of Rs.10/- each.	4,279,200
<b><u>Fully Paid-up Share Capital</u></b> 427,920 equity shares of face value of Rs.10/- each.	4,279,200

## PART II

### AMALGAMATION OF THE TRANSFEROR COMPANIES INTO THE TRANSFEREE COMPANY

#### 8. Transfer

With effect from the Appointed Date, the Transferor Companies shall stand amalgamated into the Transferee Company and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

#### 9. Transfer of Assets

- i. Without prejudice to the generality of Clause 9 above, with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Transferor Companies shall, subject to the provisions of this Clause 10 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company.
- ii. In respect of such of the assets of the Transferor Companies as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Transferor Companies, and shall become the property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.
- iii. In respect of such of the assets belonging to the Transferor Companies other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed





to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

#### 10. Contracts, Deeds, Licenses etc.

- i. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible or for the obligations of which the Transferor Companies may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or oblige thereto.
- ii. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- iii. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.
- iv. Without prejudice to the provisions of Clauses 12 to 15, with effect from the Appointed Date, all transactions between the Transferor Companies and the Transferee Company, if any, that have not been completed, shall stand cancelled.

#### 11. Transfer of Liabilities

- i. With effect from the Appointed Date, all debts, liabilities, loans raised and used, duties and obligations of the Transferor Companies, whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date the



debts, liabilities, loans, obligations and duties of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies and the Transferee Company shall meet, discharge and satisfy the same and further 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 or liabilities have arisen in order to give effect to the provisions of this Clause 12.

- ii. All Encumbrances, if any, existing prior to the Appointed Date over the assets of the Transferor Companies shall, after the Appointed Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date.
- iii. Without prejudice to the provisions of the foregoing Clauses the Transferee Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the jurisdictional registrar of companies to give formal effect to the above provisions, if required.
- iv. It is hereby clarified that, unless expressly provided for, 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 and liabilities, have arisen, in order to give effect to the provisions of this Clause 12.
- v. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 12 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

## **12. Legal, Taxation and other proceedings**

- i. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Companies, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Transferee Company.
- ii. The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Companies referred to in Clause 13(i) above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Companies.

## **13. Employees**

- i. Upon the coming into effect of this Scheme, all Transferor Companies Employees shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Transferor Companies and without any interruption of service as a result of the Amalgamation. For the purpose of payment of any

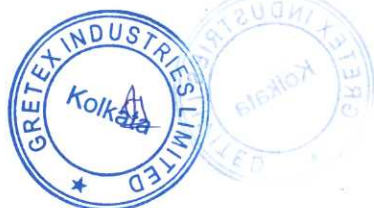


compensation, gratuity and other terminal benefits, the uninterrupted past services of such Transferor Companies Employees with the Transferor Companies shall also be taken into account and paid (as and when payable) by the Transferee Company.

- ii. In so far as the Employee Benefit Funds created by the Transferor Companies or in respect of which the Transferor Companies makes contributions, for the Transferor Companies Employees, all amounts standing to the credit of the Transferor Companies Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate Governmental Authorities, by the Transferee Company.
- iii. In relation to those Transferor Companies Employees who are not covered under the provident fund trust of the Transferor Companies or who do not enjoy the benefit of any other provident fund trust, and for whom the Transferor Companies is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Transferor Companies in relation to such provident fund trust shall become those of the Transferee Company.
- iv. Pending the transfer as aforesaid, the Employee Benefit Fund dues of the Transferor Companies Employees would be continued to be deposited in the existing Employee Benefit Funds of the Transferor Companies. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Companies shall stand dissolved.
- v. Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
  - a. retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Companies; or
  - b. merge the pre-existing funds of the Transferor Companies with other similar funds of the Transferee Company.

#### 14. Treatment of Taxes

- (i) Upon the scheme becoming effective:
  - a. To the extent required, the Transferor Companies and the Transferee Company shall be permitted to revise and file their respective income Tax returns, withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns: and
  - b. The Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company(ies), which may be allowable in accordance with the provisions of the IT Act on or



after the Appointed Date: and (b) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Companies prior to the Appointed Date.

- (ii) Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation, minimum alternate Tax credit, if any, of the Transferor Company(ies) as on the Effective Date, shall, for all purposes, be treated as unabsorbed Tax depreciation, minimum alternate Tax credit of the Transferee Company. It is further clarified that any unabsorbed depreciation of the Transferor Companies as specified in their respective books of accounts shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax.
- (iii) Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, the Transferor Company(ies) under Applicable Law (including Tax laws).
- (iv) Upon the Scheme becoming effective, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Companies, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by the Transferee Company.
- (v) Upon the Scheme becoming effective, all unavailed credits and exemptions and other statutory benefits, including in respect of income Tax, CENVAT, customs, value added Tax, sales Tax, service tax, entry Tax and goods and service Tax to which the Transferor Companies is entitled shall be available to and vest in the Transferee Company, without any further act or deed.
- (vi) Any Tax liability under the IT Act, or any other applicable Tax laws or regulations allocable to the Transferor Companies whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Companies made as on the date immediately preceding the Effective Date, shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Companies, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date will also be transferred to the account of the Transferee Company.
- (vii) All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Companies, pending or arising as at the Effective Date, shall be continued and/or 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 Companies. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in this Scheme.
- (viii) Any refund under the IT Act or any other Tax laws related to or due to the Transferor Companies, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.
- (ix) Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value



added Tax) to which the Transferor Companies is entitled to in terms of applicable Tax laws, shall be available to and vest in the Transferee Company from the Effective Date.

- (x) All the expenses incurred by the Transferor Companies and the Transferee Company in relation to the amalgamation of the Company with the Transferee Company in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective.

#### 15. Conduct

During the period between the approval of the Scheme by the Board of the Transferor Companies and the Board of the Transferee Company and the Effective Date, the business of the Transferor Companies shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

#### 16. Saving of concluded transactions

Subject to Clause 15 above, the transfer of assets and liabilities to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Appointed Date (subject to the terms of any agreement with the Transferee Company) to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

#### 17. ISSUE OF SHARES, CANCELLATION OF SHARE CAPITAL OF TRANSFEROR COMPANIES:

The Paid-up capital of the Transferee company consist of 4,211,600 equity shares of face value of Rs.10/- each.

Shareholding Pattern as on June 05, 2020:

Particulars	No of Shareholders -	Share Holdings (Rs.) FV Rs.10/- each	%
<b>I. Promoters</b>	<b>8</b>	<b>2,23,08,000</b>	<b>52.99</b>
Individual and HUF promoters	4	48,20,000	11.46
Bodies Corporate	4	1,74,88,000	41.53
<b>II. Public Shareholding</b>	<b>39</b>	<b>1,98,00,000</b>	<b>47.01</b>
<b>TOTAL EQUITY SHARES (I+II)</b>	<b>47</b>	<b>4,21,16,000</b>	<b>100.00</b>

##### 17.1. CONSIDERATION/EXCHANGE (SWAP RATIO)

Based on the valuation report dated June 05, 2020 prepared by Registered valuer Ankush Garg registration no. IBBI/RV/02/2018/10010. The Swap ratio was prepared considering the fact that both the Shareholders and Directors of the Companies and the public holdings in the Transferee Listed Company. The swap ratio is determined based on the audited financials for the period ended on



December 31, 2019.

- i. The Transferee Company shall allot its 13 (Thirteen) equity shares of Rs.10/- each fully paid-up for every 1 (One) equity share of Transferor Company No. 1 of Rs.10/- each fully paid-up.
- ii. The Transferee Company shall allot its 21 (Twenty-one) equity shares of Rs.10/- each fully paid-up for every 1 (One) equity share of Transferor Company No. 2 of Rs.10/- each fully paid-up.

**17.2.** As per the ICDR Regulation, 2018 and amendment thereto any increase of promoter holding beyond the 5% of the creeping acquisition of shares under SAST Regulation is not applicable to this scheme. In the Present case the promoter holding will be Increased from 52.99% to 64.48%. The promoters are not required to give any open offer under Regulation 10 of SEBI SAST, 2011.

**17.3. NETWORTH OF THE TRASFEREE COMPANY**

- (a) The net worth of the transferee company based on the valuation report of the Registered Valuer dated June 05, 2020 based on the Balance Sheet as on December 31, 2019 is Rs. 3,77,41,554/- (Rupees Three Crore Seventy-Seven Lakh Forty-One Thousand Five Hundred Fifty-Four Only).
- (b) The paid-up value per share of the Transferee Company is of Rs. 4,21,16,000/- (Rupees Four Crore Twenty-One Lakh Sixteen Thousand Only) each fully paid up.

**17.4. NETWORTH OF THE TRASFEROR COMPANY NO. 1 & 2**

- (a) The net worth of the Transferor Companies individually as per the valuation report of Registered Valuer based on the Balance Sheet dated December 31, 2019 are of:
  - i. Transferor Company No. 1 is Rs. 3,62,95,854/- (Rupees Three Crore Sixty-Two Lakh Ninety-Five Thousand Eight Hundred Fifty-Four Only).
  - ii. Transferor Company No. 2 is Rs. 3,21,13,322/- (Rupees Three Crore Twenty-One Lakh Thirteen Thousand Three Hundred Twenty-Two Only).
- (b) The Aggregate net worth of the Transferor Companies as per the valuation report of Registered Valuer based on the Balance Sheet dated December 31, 2019 is in aggregate of Rs.6,33,43,676/- (Rupees Six Crore Thirty-Three Lakh Forty-Three Thousand Six Hundred Seventy-Six Only) after giving effect to the cross holdings.
- (c) For the purpose of swap ratio, the paid-up value per share of the Transferor Companies to be considered of Rs. 10/- each, fully paid up.
- (d) There will be cancellation of shares and mutual entries on account of cross holdings while deriving the swap ration. In the present case there is no cross holdings.

**17.5. SWAP RATIO:**

Considering parameters like options of single control point, closure of multiple companies, better governance, cost reduction, meeting single statutory obligations and Liabilities, wider market



accessibility, easy liquidity; etc., the shareholders of the Transferor Companies have agreed to accept the shares in the following ratio:

- (a) the shares at par of the Transferee company and based on an entitlement and of net worth basis and mutual agreement as most of the shareholders and Directors are same.

The Board of Transferee Company considering the above factors and the shares to be issued post sanction from the Hon'ble NCLT and other statutory authorities by the transferee company as mentioned herein below. The details of the New shares to be issued to the shareholders of Transferor companies are calculated as under:

To the Shareholders of Transferor Company(ies)	No. of shares before merger	Swap Ratio	No. of shares to be issued by the Transferee company of face value of Rs.10/- each
APSARA SELECTIONS LIMITED	4,27,920	(13:1) 13 equity shares for every 1 equity share	55,62,960
SANKHU MERCHANDISE PRIVATE LIMITED	2,40,000	(21:1) 21 equity shares for every 1 equity share	50,40,000

#### 18. Issuance of Transferee Company Shares for Amalgamation

- i. Upon the effectiveness of the Scheme and in consideration of the Amalgamation including the transfer and vesting of the Undertaking in the Transferee Company pursuant to this Scheme, the Transferee Company shall, as soon as possible after the Record Date and in any event no later than 15 (fifteen) days from the Record Date, or such other date as may be required by the Stock Exchange, complete allotment of the Transferee Companies to the Eligible Member (the "Share Exchange Ratio") as per Share Exchange Ratio.
- ii. If any Eligible Member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme, and at sole discretion of the Board who will decide proportion to the respective fractional entitlements which is final and binding upon every share-holders.
- iii. In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Companies, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Companies and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.



- iv. The issue and allotment of the Transferee Company Shares by the Transferee Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with.
- v. Where Transferee Company Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Companies, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.
- vi. Promptly upon the issuance of the Transferee Company Shares pursuant to this Clause 18, the Transferee Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchange, for listing of such Transferee Company Shares.
- vii. Immediately upon receipt of such approval, the Transferee Company shall take all necessary steps to obtain trading approval for the Transferee Company Shares. The Transferee Company shall ensure that steps for listing of the Transferee Company Shares are completed and trading of the Transferee Company Shares commences within the period prescribed under the SEBI Scheme Circular. The Transferee Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchange.
- viii. The Transferee Company Shares to be issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects and shall have the same rights attached to the then existing equity shares of the Transferee Company.
- ix. If any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of the Transferor Companies or the Transferee Company, that occurs after the date of approval of the Scheme by the Board of Transferor Companies and the Board of Transferee Company, and on or before the Effective Date, the Share Exchange Ratio shall be subject to equitable adjustments by the directors of the relevant company to reflect such corporate action in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.
- x. The Transferee Company Shares shall be issued in dematerialized form to all Eligible Members holding the Transferor Companies Shares, in accordance with the Applicable Laws.
- xi. The Transferee Company Shares to be issued by the Transferee Company in respect of the Transferor Company (ies) Shares, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.
- xii. Pending convertible warrants into equity shares

There were no convertible warrants into equity shares pending for allotment in transferee or transferor companies.

- xiii. Partly paid up shares





The Transferee or Transferor Companies does/do not has/have any partly paid up shares as on date.

**19. Consequential changes in Shareholding Pattern of Gretex Industries Limited:**

Particulars	No of Shareholders - Pre	Pre-Share Holdings (Rs.) FV Rs.10/- each	%	No of Share Holders- Post	Post-Share Holdings (Rs.) FV Rs.10/- each	%
<b>I. Promoters</b>	<b>8</b>	<b>22,31,600</b>	<b>52.99</b>	<b>12</b>	<b>9552430</b>	<b>64.48</b>
Individual & HUF promoters	4	4,82,800	11.46	6	8,22,800	5.55
Bodies Corporate	4	17,48,800	41.52	6	87,29,630	58.93
<b>II. Public Shareholding</b>	<b>39</b>	<b>19,80,000</b>	<b>47.01</b>	<b>42</b>	<b>52,62,130</b>	<b>35.52</b>
<b>TOTAL EQUITY SHARES (I+II)</b>	<b>47</b>	<b>42,11,600</b>	<b>100.00</b>	<b>54</b>	<b>1,48,14,560</b>	<b>100.00</b>

**PART III**

**CHANGES TO THE SHARE CAPITAL OF THE TRANSFEROR COMPANIES AND THE TRANSFEEE COMPANY**

**20. Consolidation of the authorised share capital of the Transferor Companies with the authorised capital of the Transferee Company**

Upon this Scheme becoming effective and pursuant to the reclassification/ reorganization of the resultant authorized share capital of the Transferor Companies as set out in this Scheme but prior to the issuance and allotment of Transferee Company Shares under Clause 18 above, the resultant authorized share capital of the Transferor Companies, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company (including payment of stamp duty and / or fees payable to the relevant registrar of companies), such that upon the effectiveness of the Scheme, the authorised share capital of the Transferee Company shall be Rs.15,00,00,000/- (Rupees Fifteen Crore only) comprising of 1,50,00,000 equity shares of Rs.10/- (Rupees Ten one) each without any further act, deed, resolution or writing.

**21. Amendment of the memorandum of association of the Transferee Company**

- i. Pursuant to the consolidation and increase of authorized capital pursuant to Clause 21 above, the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, such that Clause 5 of the memorandum of association shall be replaced by the following:

**MOA**

V. The Authorised Share Capital of the Company Rs.15,00,00,000/- (Rupees Fifteen Crore only) consisting of 1,50,00,000 equity shares of Rs.10/- each. The Company has power from time to time to increase or reduce its capital and to divide the shares in such capital for the time being into secured



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 Articles of Association of the Company and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provision for the time being in force in that behalf.

#### AOA

3(a) The Authorised Share Capital of the Company is as per Clause V of the Memorandum of Association of the Company.”

- ii. It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and the increase of authorised capital of the Transferee Company pursuant to Clauses 20 and 21, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed.
- iii. In accordance with Section 232 (3)(i) of the Act and Applicable Law, the stamp duties and / or fees (including registration fee) paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company pursuant to Clause 20 above and no stamp duties and/or fees would be payable for the increase in the authorised share capital of the Transferee Company to the extent of the authorised share capital of the Transferor Companies.
- iv. Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with the Scheme. It is clarified that no special resolution under Section 62 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of Transferee Company Shares to the members of the Transferor Companies under this Scheme and for the members of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the Transferee Company Shares to the members of the Transferor Companies in terms of the Scheme.
- v. Object of the Transferee company  
  
The transferee company will continue with its main object.
- vi. Object: There will be no change of management of the Transferee company. (vii) Management of the company is vested with the present Board and Promoter and the same will continue even after merger.

This is a consolidation of promoters holding only. The Promoters of the Transferor and Transferee companies are the same. The Transferor companies are the main shareholders of the Transferee Company.

## **22. Accounting Treatment**

The Amalgamation will be accounted in accordance with the “acquisition method” prescribed under the Accounting Standard 14 (Accounting for Amalgamation) as notified under Section 133 of the Companies Act, read together with Rule 7 of The Companies (Accounts) Rules, 2014.



### 23. Dissolution

Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding up.

## PART IV

### GENERAL TERMS AND CONDITIONS

*The provisions of this Part shall be applicable to Part II and Part III of the Scheme.*

24. The Transferor Companies and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 and 232 of the Act.
25. No modifications shall be made to the Scheme unless made in accordance with a written agreement between the Transferor Companies and the Transferee Company to do so. This Scheme shall not be modified, revoked or withdrawn, other than in accordance with a written agreement between the Transferor Companies and the Transferee Company to do so.
26. The coming into effect of this Scheme is conditional upon and subject to:
- i. pursuant to the provisions of the Competition Act, 2002 (including any statutory modification or re-enactment thereof) and the rules and regulations thereunder, the first of the CCI (or any appellate authority in India having appropriate jurisdiction) having either:
    - a. granted approval to the Scheme; or
    - b. been deemed to have granted approval to the Scheme through the expiration of time periods available for their investigation;
  - ii. the Stock Exchange having issued their observation/ no-objection letters as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;
  - iii. this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot/ e-voting, as applicable) and creditors (where applicable) of the Transferor Companies and the Transferee Company, as required under the Act and the SEBI Scheme Circular, subject to any dispensation that may be granted by the NCLT;
  - iv. sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the benches of the NCLT at Mumbai, Maharashtra and Kolkata, West Bengal;
  - v. the certified copies of the orders of the NCLT approving this Scheme having been filed with the registrar of companies in Maharashtra and Kolkata;
  - vi. there not being any Governmental Order from any Governmental Authority (other than a competition and/or anti-trust authority) that has the effect of making the Amalgamation illegal or otherwise restraining or preventing its consummation and



- vii. there not being any Governmental Order from any Governmental Authority (other than a competition and/or anti-trust authority) that has the effect of making the transfer of the intellectual property being used in relation to the Transferor Company's business illegal or otherwise restraining or preventing its transfer.

## 27. Dissolution

- i. Each of the Transferor Companies and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the NCLT, including without limitation costs and expenses associated with retention of financial, legal, Tax and other professional advisers, and in connection with the valuation report and the fairness opinion issued by their respective valuers and merchant bankers. ~
- ii. Save as otherwise agreed, all stamp, transfer, registration, and other similar Taxes, duties, charges and fees (including in relation to the registration and the stamping of the sanction orders) payable or assessed in connection with this Scheme, the issuance of Transferee Company Shares and the transfers contemplated by the Scheme shall be borne by Transferee Company.

