

SCHEME OF AMALGAMATION
BETWEEN
ARCHWAY INVESTMENT COMPANY LIMITED
AND
THE BOMBAY DYEING & MANUFACTURING CO. LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER
APPLICABLE PROVISIONS OF COMPANIES ACT, 1956 AND COMPANIES ACT,
2013.

PREAMBLE

This Scheme of Amalgamation is presented under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 for amalgamation of Archway Investment Company Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001 with The Bombay Dyeing & Manufacturing Co. Limited, a company incorporated and registered under the provisions of the Indian Companies Act, 1866, having its registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

The Scheme has been formulated and presented under Sections 391 to 394 of the Companies Act, 1956. Upon the relevant Sections of the Companies Act, 2013, i.e. Sections 230 to 240, pertaining to schemes of arrangement, compromise or reconstruction of companies, being notified by the Ministry of Corporate Affairs (“MCA”), the Scheme shall be deemed to have been formulated and presented under Sections 230 to 240 of the Companies Act, 2013.

1. DEFINITIONS

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



- 1.1. “Act” or “the Act” means the Companies Act, 1956 or the Companies Act, 2013, as may be applicable, or any modifications or re-enactment thereof from time to time;
- 1.2. “Appointed Date” means 1st April, 2016 or such other date(s) as the High Court of Judicature at Bombay or such other competent authority may approve / fix;
- 1.3. “Effective Date” means the date on which the certified copies of the Order(s) of the Court sanctioning the Scheme, are filed with the Registrar of Companies. Any references in the Scheme to the words “date of coming into effect of the Scheme” or “upon the Scheme becoming effective” or “Scheme coming into effect” shall mean the “Effective Date”.
- 1.4. “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation presented under Sections 391 to 394 of the Companies Act, 1956 in its present form or with any modification(s) made under clause 20 of this Scheme or any modifications approved or directed by the High Court of Judicature at Bombay;
- 1.5. “Transferee Company” means The Bombay Dyeing & Manufacturing Co. Limited, a company incorporated and registered under the provisions of the Indian Companies Act, 1866, having its registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001; and
- 1.6. “Transferor Company” means Archway Investment Company Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400001.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. NATURE OF BUSINESS

3.1. Nature of Business of the Transferor Company

Transferor Company is, *inter alia*, an Investment Company.

3.2. Nature of Business of the Transferee Company

The Transferee Company is a listed company, *inter alia*, engaged in the business of selling textiles, manufacture of Polyester Staple Fibre (PSF) and real estate development.



4. CAPITAL STRUCTURE

- 4.1. As on 31st August, 2016, the share capital of the Transferor Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
56,00,000 Equity Shares of Rs. 100/- each.	56,00,00,000
Total	56,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<i>Equity Shares</i>	
52,05,000 Equity Shares of Rs. 100/- each fully paid up	52,05,00,000
Total	52,05,00,000

- 4.2. As on 31st August, 2016, the share capital of the Transferee Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
25,00,00,000 Equity Shares of Rs. 2/- each.	50,00,00,000
Total	50,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<i>Equity Shares</i>	
20,65,34,900 Equity Shares of Rs. 2/- each fully paid up	41,30,69,800
Total	41,30,69,800



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Since the dates mentioned above, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company and the Transferee Company.

5. BACKGROUND AND RATIONALE FOR THE SCHEME

The background and circumstances which justify the said arrangement are, *inter alia*, as follows:

- 5.1 The only business activity carried on by the Transferor Company is the activity of holding shares of companies that belong to the same group. This activity can even be carried on by the Transferee Company.
- 5.2 As the entire share capital of the Transferor Company is held by the Transferee Company, it would be in order to amalgamate the Transferor Company with the Transferee Company.
- 5.3 In the circumstances, as the Transferor Company is a wholly owned subsidiary of the Transferee Company, a consolidation of the Transferor Company and the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital.
- 5.4 The proposed Scheme aims at unlocking a better value for the public shareholders of the Transferee Company. As the entire undertaking of the Transferor Company shall be transferred to the Transferee Company, the rights and interests of the shareholders or the creditors of the Transferee Company shall not be affected and the Scheme shall not be prejudicial to the interest of the shareholders of the Transferor Company.
- 5.5 The proposed amalgamation will result in administrative and operational rationalization, reduction in overheads and other expenses and prevent cost duplication. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
- 5.6 The creditors of the Transferor Company will not be affected by the Scheme since the assets of the Transferor and Transferee Companies (taken together) are more than the liabilities of the Transferor and Transferee Companies (taken together). Further even the creditors of the Transferee Company will not be affected by the Scheme since the assets of the Transferor Company are more than the liabilities of the Transferor Company. Further post the amalgamation, the assets of the Transferee Company shall be greater than its liabilities.

6. AMALGAMATION OF THE COMPANY

- 6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme, and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, all the assets, unbilled



revenues, debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company as on the Appointed Date shall, accordingly, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company, as under.

- 6.1.1 In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company with effect from the Appointed Date on such handing over in pursuance of the provisions of Section 394 of the Act.
 - 6.1.2 In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause 6.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in the Transferee Company pursuant to the provisions of Section 394 of the Act with effect from the Appointed Date.
 - 6.1.3 In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, the parties will execute the necessary documents, as and when required.
 - 6.1.4 The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security thereof.
 - 6.1.5 In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that 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, duties and obligations have arisen.
- 6.2. For the removal of doubt, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstanding as between



the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of such assets or liabilities, as the case may be, and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date. By virtue thereof, 3,35,000 Zero interest fully convertible debentures of Rs. 100/- each issued by the Transferor Company to the Transferee Company, will also be cancelled and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company.

- 6.3. On and from the Effective Date, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 6.4. With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- 6.5. With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Transferor Company as required to carry on its operations shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company upon the Scheme coming into effect.
- 6.6. All registrations, benefits, incentives, exemptions, etc. of any nature whatsoever, which the Transferor Company is eligible for and / or which are actually availed by the Transferor Company will be transferred to the Transferee Company upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and / or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc. as were availed by the Transferor Company.



7. COMPLIANCE WITH TAX LAWS

- 7.1. The provisions of this Scheme, as they relate to amalgamation of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.
- 7.2. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant tax laws (including the Income Tax Act, 1961, or any other tax), as may be required consequent to the implementation of the Scheme.
- 7.3. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.
- Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 7.4. Any tax liabilities under the Income-tax Act, 1961, Service Tax Laws and / or other applicable laws / regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred or to the account of the Transferee Company.
- 7.5. Any refund under the Income-tax Act, 1961, Service Tax Laws and / or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.



- 7.6. All taxes paid or payable by the Transferor Company in respect of the operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax,) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.7. Further, any tax deducted at source by the Transferor Company / Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.8. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by the Transferor Company shall be made or deemed to be made and duly complied with the Transferee Company.
- 7.9. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternative tax whether recognized or not, tax deducted at source, service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.
- 7.10. Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

8. LEGAL PROCEEDINGS

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

9. CONTRACTS AND DEEDS

- 9.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, engagements, approvals and registrations and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by



or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

- 9.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this clause and to the extent that the Transferor Company is required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

10. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of the assets and liabilities of the Transferor Company under clause 6 above, the continuance of Proceedings under clause 8 above and the effectiveness of contracts and deeds under clause 9 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

11. **EMPLOYEES**

- 11.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company on terms and conditions not less favourable as applicable to them on the Effective Date.
- 11.2. The Transferor Company does not have any provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of its employees

12. **CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

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

- 12.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 12.2. The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company) alienate, create any charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof (except in the ordinary course of business).
- 12.3. All the profits or income, taxes (including advance tax, tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or



expenditure or losses arising or incurred or suffered by the Transferor Company from the Appointed Date shall for all purposes be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

- 12.4 On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.

13. DIVIDENDS

- 13.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- 13.2. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit, post the Effective Date.
- 13.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, subject to such approval of the shareholders, as may be required.

14. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY

14.1. Increase of authorized share capital of the Transferee Company:

14.1.1 Upon coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be added to the authorized share capital of the Transferee Company and the authorized share capital of the Transferee Company shall be re-classified (in terms of clause 14.2 below) without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees.

14.1.2 Upon coming into effect of the Scheme Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

- (a) Clause no. 5 of the Memorandum of Association of the Transferee Company shall, without any further act, deed or instrument, be substituted by the following clause



“The Authorized Share Capital of the Company is Rs. 1,06,00,00,000 (Rupees one hundred and six crores) divided into 53,00,00,000 (fifty three crores) equity shares of the face value of Rs. 2/- (Rupees two) each with the power to increase or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the regulations of the Company to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.”

- (b) Article 3 of the Articles of Association of the Transferee Company shall, without any further act, deed or instrument, be substituted by the following clause:

“The Authorized Share Capital of the Company is Rs. 1,06,00,00,000 (Rupees one hundred and six crores) divided into 53,00,00,000 (fifty three crores) equity shares of the face value of Rs. 2/- (Rupees two) each.”

- 14.2. It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions (to the extent notified and in effect) of the Companies Act, 2013 for the purpose of amendment of the Memorandum of Association and Articles of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders’ resolution as required under Sections 13, 14 and 61 of the Companies Act, 2013 for amendment of the Memorandum of Association and Articles of Association of the Transferee Company as above.

15. CONSIDERATION

- 15.1 The Transferor Company is a wholly owned by the Transferee Company and therefore there shall be no issue of shares by the Transferee Company in this regard.
- 15.2 Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company (held either directly or through its nominees) shall stand cancelled without any further application, act or deed.

16. DISSOLUTION OF THE TRANSFEROR COMPANY

- 16.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties.
- 16.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make necessary filings in this regard.



17. **ACCOUNTING TREATMENT**

On the Scheme becoming effective, the Transferee Company shall account for amalgamation of the Transferor Company with the Transferee Company in its books of account with effect from the Appointed Date as under:

- (a) The Transferee Company shall follow the 'pooling of interest method' of accounting for the amalgamation as per Accounting Standard – 14 prescribed by Companies (Accounting Standards) Rules, 2006.
- (b) All Assets & Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.
- (c) The equity shares held by the Transferee Company in the Transferor Company will stand cancelled and there shall be no further obligation in that behalf.
- (d) The inter-corporate deposits / loans and advances / balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation in that behalf.
- (e) The difference between the share capital of the Transferor Company and investment in Transferor Company recorded in the books of Transferee Company, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the amalgamation adjustment reserve account of the Transferee Company.
- (f) The balance in the amalgamation adjustment reserve account as per (e) above, if any, shall be adjusted in the books of Transferee Company as under:
 - (i) Firstly, out of amount available in Capital Redemption Reserve of Transferee Company (including Capital Redemption Reserve of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and
 - (ii) Secondly, out of the amount available in the securities premium account of Transferee Company (including securities premium of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and
 - (iii) Thirdly, out of amount available in General Reserves of Transferee Company (including General Reserve of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and
 - (iv) Fourthly, out of amount available in the Profit and Loss account of Transferee Company (including Profit and Loss Account of the Transferor Company transferred to Transferee Company pursuant to the Scheme)
- (g) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will 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 consistent accounting policy.



18. **APPLICATIONS TO THE HIGH COURT**

The Transferor Company and the Transferee Company (if required) shall, with all reasonable dispatch, make applications to the Hon'ble High Court of Judicature at Bombay, for sanctioning this Scheme for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

19. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

20. **MODIFICATIONS / AMENDMENTS TO THE SCHEME**

20.1 The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

20.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorized person(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question or doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

21. **SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

The Scheme is conditional upon and subject to:

21.1 Approval of the Scheme by the requisite majority of the respective members and such class of persons of the Transferor Company and the Transferee Company, as may be directed by the Hon'ble High Court of Judicature at Bombay.



21.2 Sanctions and Orders under the provisions of Section 391 read with Sections 394 of the Companies Act, 1956 being obtained by the Transferor Company and the Transferee Company from the Hon'ble High Court of Judicature at Bombay.

21.3 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

22. COSTS

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Court's order including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

23. REVOCATION OF THE SCHEME

In the event of any of the said sanctions and approvals referred to in clause 21 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble High Court of Judicature at Bombay and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors, including any committee or sub-committee thereof, of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.

Certified True Copy
For THE BOMBAY DYEING & MFG. CO. LTD.


(SANJIVE ARORA)
COMPANY SECRETARY

