

**SCHEME OF AMALGAMATION**  
**OF**  
**PUSHPANJALI DRUMS PRIVATE LIMITED**

**(The Transferor Company)**

**WITH**

**VAS INFRASTRUCTURE LIMITED**

**(The Transferee Company)**

**1. PREAMBLE**

This Scheme of Amalgamation provides for amalgamation of PUSHPANJALI DRUMS PRIVATE LIMITED (hereinafter referred to as “The Transferor Company” or “PUSHPANJALI”) with VAS INFRASTRUCTURE LIMITED (hereinafter referred to as “The Transferee Company” or “VAS”), pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

**Part A** - deals with Definitions and Share Capital;

**Part B** - deals with Amalgamation of PUSHPANJALI DRUMS PRIVATE LIMITED with VAS INFRASTRUCTURE LIMITED.

**Part C** – deals with General Clauses, Terms and Conditions.

## **2. RATIONALE FOR THE SCHEME OF AMALGAMATION**

- 2.1 The amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.
- 2.2 It would be advantageous to combine the activities and operations of both 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.
- 2.3 This Scheme of amalgamation would result in merger and thus consolidation of business of both the Transferor Company and Transferee Company in one entity, all the shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.
- 2.4 The Amalgamation of the Transferor Company 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 long term capital needs as provided for in the scheme.
- 2.5 The Scheme of amalgamation will result in cost saving for both the companies as they are capitalizing on each others core competency

and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company

## **PART A – DEFINITIONS AND SHARE CAPITAL**

### **3. DEFINITIONS**

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

- 3.1 PUSH PANJALI DRUMS PRIVATE LIMITED (hereinafter referred to as “The Transferor Company” or “PUSH PANJALI”) means a Company incorporated under the Companies Act, 1956, whose Registered Office is situated at 402, Court Chamber, 4<sup>th</sup> Floor, S. V. Road, Borivali (West), Mumbai – 400 092 and shall include its successors and assigns.
- 3.2 VAS INFRASTRUCTURE LIMITED (hereinafter referred to as “The Transferee Company” or “VAS”) a Company incorporated under the Companies Act, 1956 whose Registered Office is situated at Jwala Estate, Ground Floor, Plot No. 757 and 758, Near Kora Kendra, Off S. V. Road, Borivali (West), Mumbai – 400 092 and shall include its successors and assigns
- 3.3 “The said Act” means the Companies Act, 1956 including any statutory modification or re – enactment thereof for the time being in force.

- 3.4 “The Appointed Date” means 1<sup>st</sup> April 2012 or such other date as the High Court of Judicature at Bombay or other competent authority may otherwise direct/ fix.
- 3.5 “The Effective Date” means the date on which certified copies of the Order(s) of the High Court at Bombay vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Maharashtra after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders in this regard.
- 3.6 “The High Court” shall for the purpose of this Scheme, mean the High Court of Judicature at Bombay and the expression shall include, all the powers of the High Court under the Chapter V of the Act being vested on the National Company Law Tribunal constituted under Section 10 FB of the Act, the National Company Law Tribunal and the provisions of the Act as applicable to the Scheme shall be construed accordingly.
- 3.7 “The Record Date” means the date to be fixed by the Board of the Directors of Vas Infrastructure Limited, for the purposes of issue and allotment of shares of Vas Infrastructure Limited as may be applicable and relevant in accordance with this Scheme of Amalgamation.
- 3.8 “Undertaking” shall mean and include the entire business of the Transferor Company as a going concern including

- (a) All the assets and properties of “PUSHPANJALI” as on the Appointed Date (hereinafter referred to as “the said assets”)
- (b) All the debts, liabilities, duties and obligations of PUSHPANJALI” as on the Appointed Date (hereinafter referred to as “the said Liabilities”)
- (c) Without prejudice to the generality of sub clause (a) and (b) above, the undertaking of the Transferor Company shall include entire business as going concern and all the Transferor Company’s movable and immovable properties, investments, assets, loans and advances including lease-hold rights, tenancy rights, Industrial and other licenses, permits, authorizations, deposits, quota rights, and other intangible rights, trade marks, patents and other Industrial and intellectual properties, import quotas, statutory permissions, approvals and consents, of any kind whatsoever, rights and benefits to all agreements and other interests including rights, entitlements to any amount claimable from Government (whether or not recorded in the books), right to claim refund of any tax, duty, cess or other charges, including right to refund or adjustment of any erroneous or excess payments and any interest thereon under any scheme or statute made by Government, right to deductions, exemptions, rebates, allowances, amortization benefit, etc. under the Income Tax Act, 1961, or any other benefits /incentives/ exemption given under any policy announced, issued or promulgated by the Government of India, any State Government, or any other

governmental body or authority or any other like benefits under any statute and advantages of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company

3.9 “The Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

#### **4. SHARE CAPITAL**

The details of Share capital of the Transferor Company and the Transferee Company as on 31<sup>st</sup> March, 2013 are as under:

4.1 The Authorised Share Capital of the Transferor Company is Rs. 5,00,00,000/- (Rupees Five Crore) divided into of 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each. The issued, Subscribed and Paid up Share Capital is Rs. 3,54,56,370/- (Three Crore Fifty Four Lakhs Fifty Six Thousand Three Hundred Seventy) divided into 35,45,637 (Thirty Five Lakhs Forty Five Thousand Six Hundred

Thirty Seven) Equity Shares of Rs. 10/- (Rupees Ten) each fully paid up.

4.2 The Authorised Share Capital of the Transferee Company is Rs. 40,00,00,000/- (Rupees Forty Crore) divided into of 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten) each. The issued, Subscribed and Paid up Share Capital is Rs. 13,75,04,000/- (Thirteen Crore Seventy Five Lakhs Four Thousand) divided into 1,37,50,400 (One Crore Thirty Seven Lakhs Fifty Thousand Four Hundred) Equity Shares of Rs. 10/- (Rupees Ten) each fully paid up.

## **PART-B – AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

### **5. TRANSFER OF UNDERTAKING**

5.1 With effect from the opening of business as on the Appointed Date, the Undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act. Provided that in furtherance of the orders of the High Court, the movable properties of the Transferor Company shall vest in the Transferee Company in the manner laid down hereunder:

- (i) All the movable assets of the Transferor Company, including machinery, investments, furniture and fixtures, cash on hand,

etc., shall be physically handed over by manual delivery to the Transferee Company to the end and intent that the title and property therein shall pass to the Transferee Company on such delivery.

- (ii) In respect of the movable assets of the Transferor Company other than those specified in sub-clause (i) above i.e. sundry debtors, loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers, investment in other companies including companies outside India, etc., 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, give notice in such form as it may deem fit and proper, to each person, debtor, depositor or the investee, as the case may be, that pursuant to the Scheme, the said investment, debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize all such debts and investment stand transferred and assigned to the Transferee Company and that appropriate entries should be passed in the Transferee Company books to record the aforesaid change.

(iii) The registrations in the name of the Transferor Company, shall, if permitted by law and unless otherwise directed by the Court, without any further act, deed, matter or thing, be transferred in the name of the Transferee Company from the effective date.

5.2 With effect from the Appointed Date, all the said Liabilities of the Transferor Company shall, without any further act or deed, be and stand transferred to the Transferee Company pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company. The transfer and vesting of the Undertaking of the Transferor Company and continuance of the proceedings by the Transferee Company shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Company.

5.3 With effect from the Appointed Date, all debts, liabilities, dues, duties and obligations including all income taxes, excise duty, customs duty, sales tax, value added tax, service tax and other Government and Semi-Government liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the

Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. 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, in order to give effect to the provisions of this Clause.

**6. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company is a party or subsisting or having effect immediately before 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 as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

The Transferee Company shall enter into and/or issue and/or execute deeds, writings, or confirmation or enter into any tripartite arrangement, confirmations or novations in order to give formal effect to the provisions of this clause, if so required or if it becomes necessary and the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

**7. LEGAL PROCEEDINGS**

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called “the Proceedings”) by or against the Transferor Company are pending, the same shall not abate, be discontinued or be in any way prejudicially be affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company notwithstanding the fact that the Transferor Company have been dissolved without winding up.

**8. OPERATIVE DATE OF THE SCHEME**

The Scheme set out herein in its present form with or without any modifications(s) approved or imposed or directed by the High Court or made as per Clause 17 of the Scheme, shall be effective from the Appointed Date but shall become operative from the Effective Date.

**9. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES**

All the staff, workmen and other employees in the service of the Transferor Company immediately before the transfer of the Undertakings under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that :

- 9.1 Their respective services shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertakings of the Transferor Company;
- 9.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer; and
- 9.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or other special fund, if any, created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent of the Scheme herein that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Companies under such Funds and Trusts shall remain fully protected.

**10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE**

With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

10.1 shall carry on and shall be deemed to be carrying on all their respective business activities and shall stand possessed of their respective properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Companies and/or any cost, charges, expenditure or losses arising or incurred by them shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;

10.2 shall in the ordinary course of their respective business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company for and behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or

incurred by the Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

10.3 hereby undertake to carry on their respective businesses until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertakings or any part thereof except in the ordinary course the Transferor Company business;

10.4 shall not, without the written consent of the Transferee Company, undertake any new business.

10.5 shall not vary the terms and conditions of the employment of their employees except in the ordinary course of business.

10.6 pay all statutory dues relating to their respective Undertakings for and on account of the Transferee Company.

## **11. ISSUE OF SHARES BY THE TRANSFEREE COMPANY**

11.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application or deed, issue and allot to all the Equity Shareholders of the Transferor Company whose names are recorded in its Register of Members, 2 (Two) Equity Shares of the face value of

Rs. 10/- (Rupees Ten only) each, credited as fully Paid up, in the Transferee Company for every 5 (Five) Equity Share of Rs. 10/- (Rupees One Ten only) each, fully paid up, held in the Transferor Company, on a date to be fixed by the Board of Directors of the Transferee Company.

- 11.2 If necessary, the Transferee Company shall, before the allotment as aforesaid of the equity shares in terms of the Scheme, increase its authorized capital by creation of at least such numbers of equity shares of the face value of Rs. 10/- (Rupees Ten) each as may be necessary to satisfy its obligations under the Scheme.
- 11.3 No fractional shares shall be issued by the Transferee Company and the fractional share entitlements, if any, arising out of such allotment, shall be rounded off to the nearest complete share.
- 11.4 The equity shares to be issued to the members of Transferor Company pursuant to clause 11.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 on all the Stock Exchanges on which shares of the Transferee Company are listed on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations and the formalities of the said Stock Exchanges. The equity shares of the Transferee Company allotted pursuant to the Scheme shall remain

frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges

## **12. ACCOUNTING TREATMENT**

- 12.1 The Transferee Company shall record all assets and liabilities recorded in the Books of Accounts of the Transferor Company, which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.
- 12.2 If there is a surplus arising as a result of the difference, if any, of the value of the assets over the value of the liabilities of the Transferor Company, in accordance with this Scheme, the same shall be credited to the Capital Reserve Account of the Transferee Company and in the event of deficit, if any, the same shall be debited to the Goodwill Account of the Transferee Company.
- 12.3 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date of amalgamation will be quantified and adjusted in the Free / General Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

### **13. COMBINATION OF AUTHORISED CAPITAL**

13.1 Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the Authorized Share Capital of Transferor Company amounting to Rs.5,00,00,000 (Rupees Five Crore Only) comprising of 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 394 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the Authorized Share Capital of the Transferor Company shall be utilized and applied to the increased Authorized Share Capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by Transferee Company for increase in the Authorized Share Capital to that extent.

13.2 Consequent upon the amalgamation, the Authorized Share Capital of the Transferee Company will be as under:

<b>Authorized Share Capital</b>	<b>Amount in Rs.</b>
4,50,00,000 Equity Shares of Rs. 10/- each	45,00,00,000
<b>Total</b>	<b>45,00,00,000</b>

It is clarified that the approval of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act.

Clause V of the Memorandum of Association of the Transferee Company:

V The Authorised Share Capital of the Transferee Company is Rs. 45,00,00,000/- (Rupees Forty Five Crores) comprising of 4,50,00,000 (Four Lacs Fifty Thousand) Equity Shares of Rs.10/- each.

#### **14. APPLICATIONS TO HIGH COURTS**

The Transferee Company hereto shall, with all reasonable dispatch, make applications / petitions and other filings under Sections 391 to 394 of the said Act to the High Court of Judicature at Bombay for sanctioning the Scheme of Amalgamation and for dissolution of the Transferor Company without winding up.

**15. DISSOLUTION OF THE TRANSFEROR COMPANY**

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the Parties

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

16.1 The Transferor Company (by its Directors/Signatories in the Board Resolution) and the Transferee Company (by its Directors/Signatories in the Board Resolution) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. All modification / amendments to the Scheme shall be subject to approval of the High Court.

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

The Scheme is conditional on and subject to:

17.1 The approval to the Scheme by the requisite majorities of the members and Unsecured creditors of the Transferor Company as may be directed by the High Court of Judicature at Bombay on applications made for directions under sections 391 to 394 of the said Act for calling or

dispensing with meetings and necessary resolutions being passed under the Act for the purpose.

17.2 The sanction of the High Court of Judicature at Bombay under Sections 391 to 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained and filing of the certified copies of the Court order referred to in the Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.

17.3 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

## **18. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS**

In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the Hon'ble High Courts, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

**19. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.