

**SCHEME OF AMALGAMATION
OF
INDIA RADIATORS LIMITED
WITH
MERCANTILE VENTURES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (Under
Sections 230 to 232 of the Companies Act, 2013)**

I. PREAMBLE AND RATIONALE

This Scheme (as defined herein below) is for the Amalgamation of India Radiators Limited (Transferor Company) with Mercantile Ventures Limited (Transferee Company) and their respective Shareholders and Creditors.

II. Background of the Companies

India Radiators Limited (Transferor Company), having CIN L27209TN1949PLC000963 was incorporated as Rayala Corporation (Mysore) Limited on 05-01-1949 under the provisions of Mysore Companies Act, 1938, and later changed its name to its present name vide Certificate of incorporation on change of name issued by the jurisdictional Registrar of Joint stock Companies date 31-05-1955. The Registered office of the Company is situated at No. 88 Mount Road Guindy Chennai Tamilnadu 600032. The main object of the Company at the time of incorporation was to carry on the business of manufacturers, importers, exporters etc of automobiles, motor cars, buses, lorries etc. At present the Company is renting out properties, owned by the Company. The Company is listed in BSE.

MERCANTILE VENTURES LIMITED (hereinafter referred to as "**Transferee Company**"), having CIN: L65191TN1985PLC037309 was incorporated, as a Public Limited Company, on 23rd day of December, 1985 under the name and style of "Excel Finance Limited" with



Registration No. 4375 of 1985, in the State of Kerala under the Companies Act, 1956. The Transferor Company obtained certificate of commencement of business on 27-12-1985. The Company passed a special resolution for shifting of its Registered Office from the State of Kerala to the State of Tamilnadu, which was confirmed by the order of the Hon 'Ble Company Law Board vide its order dated 20th Dec 1996 and was duly registered by the Registrar of Companies Tamilnadu Chennai vide certificate dated 10th January 1997. The Transferee Company later changed its name to MCC Finance Limited approved by the Registrar of Companies, Tamilnadu, Chennai vide Certificate dated 13-05-1997. The Transferee Company amended objects clause of the Memorandum of Association as well as changed the Name of the Company to Mercantile Ventures Limited vide Certificate dated 27th March 2013. The registered office of the Transferee Company is situated at 88, Mount Road Guindy Chennai 600032. The Transferee Company is engaged in the business of leasing of immovable properties and Manpower supply services. The Company is listed in BSE.

III. RATIONALE OF THE SCHEME

With a view to rationalize and consolidate the business activities, the Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company with the Transferee Company in order to ensure better management of the Company as a single entity. The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company will be for the benefit of both the Transferor Company and the Transferee Company in the following manner:

- a) By this amalgamation, it is expected that the administrative and operational costs will be considerably reduced and the Transferee Company will be able to operate and run the business/operations more effectively and economically resulting in better turnover and profits.



- b) It is expected that the proposed Scheme of Amalgamation will benefit the Transferee Company in the usual economies of a centralized and a large company including elimination of duplication of work, reduction in overheads, better and more productive utilization of human and other resource and enhancement of overall business efficiency and will bring in synergies for the Transferee Company post amalgamation. It will help the Transferee Company to use the combined managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth of the business, thereby it will make available to the Transferee Company, the benefit of technical and marketing expertise of both the companies.
- c) The said Scheme of Amalgamation will contribute in fulfilling and furthering the objects of these companies. It will strengthen, consolidate and stabilize the business of these companies and will facilitate further expansion and growth of their business.
- d) The Transferee Company will have the benefit of the combined assets, cash flows and man-power of both the companies. These combined resources will enhance its capability to expand and improve its efficiency of operations.

IV. PARTS OF THE SCHEME

This Scheme is divided into following parts:

- a) Part I – deals with definitions of the capitalised terms used in this Scheme, date of operation of this Scheme and details of share capital of Companies;
- b) Part II – Deals with the amalgamation of the Transferor Company with the Transferee Company
- c) Part III – deals with the dissolution of the Transferor Company, general terms and conditions that would be applicable to the Scheme and other matters consequential and integrally connected thereto.



PART-I

DEFINITIONS, DATE OF OPERATION OF SCHEME AND CAPITAL STRUCTURE

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following capitalized expressions / terms shall have the following meanings:

- a. "Act" or "the Act" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, and the rules and regulations made thereunder;
- b. "Applicable Law(s)" means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule or common laws, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any appropriate authority including any modification or re-enactment thereof for the time being in force;
- c. "Appointed Date" means 01st January, 2025, or such other date as may be fixed or approved by the National Company Law Tribunal at Chennai or such other competent authority;
- d. "Appropriate Authority" means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited to Regional Director, Registrar of Companies and National Company Law Tribunal;



- e. "Board of Directors" or "Board" in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such Company, and shall include a committee duly constituted and authorized or individuals authorized for the purposes of matters pertaining to this Scheme and/or any other matter relating thereto;
- f. "Companies" or "Parties" means both the companies. "Company" or "Party" shall mean each of them individually;
- g. "Effective Date" means the last of the dates on which the conditions as mentioned in Clause 16 & 17 of this Scheme are satisfied. Any references in this Scheme to "upon this Scheme being effective" or "upon the effectiveness of this Scheme" or "post effectiveness of this Scheme" or "this Scheme becoming effective" means and refers to the Effective Date;
- h. "Employees" means all the staff, workmen, employees, contract labourers and interns / trainees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- i. "Encumbrance" means (i) any charge, lien (statutory or other, or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person); (ii) pre-emption right to acquire, right to set off or other third party right claim of any kind, including any restriction to use, voting, transfer, receipt of income or exercise; or (iii) any hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "Encumber" shall be construed accordingly;



- j. "IT Act" means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- k. "Governmental Authority", "Government Authority" or "Government Body" or "Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- l. "NCLT" or "National Company Law Tribunal" or "Tribunal" means National Company Law Tribunal, Division Bench at Chennai having jurisdiction in relation to the Transferor Company and the Transferee Company, or such other competent authority to whom this Scheme in its present form is submitted for sanctioning under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the relevant Act;
- m. "Record Date" means the date as may be decided by the Board of Directors of the Transferee Company to determine the members/shareholders of the Transferor Company to whom new equity shares of the Transferee Company will be allotted by the Transferee Company according to the relevant Share Exchange Ratio determined by the independent valuers pursuant to this Scheme;
- n. "Registrar of Companies" means the Registrar of Companies, Chennai, Tamil Nadu;
- o. "Scheme" or "this Scheme" or "the Scheme of Amalgamation" means this Scheme of Amalgamation in its present form as submitted to the NCLT with any modification(s) made and as approved or directed by the NCLT;



- p. "Transferor Company" or "IRL" means India Radiators Limited having CIN L27209TN1949PLC000963;
- q. "Transferee Company" or "MVL" means Mercantile Ventures Limited having CIN L65191TN1985PLC037309.
- r. "Tax Laws" means the IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Central Goods and Service Tax Act, 2017 (CGST Act), State Goods and Services Tax Act, 2017 (SGST Act) or Union Goods and Services Tax Act, 2017 (UTGST Act) applicable to any state/ union territory in which the Transferor Company operates, Integrated Goods and Services Tax Act, 2017 (IGST Act) or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
- s. "Undertaking" means and includes all the assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Company, of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation the following:
- i. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Company, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipment, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, computers and all stocks;



- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- iii. all investments (including shares, scrips, stocks, bonds, debentures, debenture stock, units of mutual funds, overseas investments and other securities), including dividends declared or interest accrued thereon of the Transferor Company;
- iv. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and / or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company or in connection with or relating to the said Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company;
- vi. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights,



- benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description, whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- vii. all licenses, approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description, whatsoever, of the Transferor Company;
- viii. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease / license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements / contracts with the supplier / manufacturer of goods / service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- ix. all application monies, advance monies, earnest monies and / or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- x. all debts, borrowings, obligations, duties and liabilities, both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or



to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Company;

- xi. all intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature, whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it; and
- xii. any and all permanent employees, who are on the payroll of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

2. Interpretation

In this Scheme, unless the context otherwise requires:

- a. Words denoting the singular shall include the plural and vice versa;



- b. Headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c. Reference to the word "include" or "including" shall be construed without limitation;
- d. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality);
- e. A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- f. Unless otherwise defined, the reference to the word "days" shall mean calendar days;
- g. Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- h. Word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- i. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the NCLT, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. CAPITAL STRUCTURE

- i) Transferor Company



The share capital of the Transferor Company as on March 31, 2024 and as on 31-12-2024 is as set out below:

Particulars	Amount Rs in Lakhs
Authorised Capital	
10,00,000 Equity Shares of Rs.10/- each	100.00
2,00,00,000 Preference Shares of Rs.10/- each	2000.00
Total	2100.00
Issued, Subscribed & Paid-up Capital	
9,00,000 Equity Shares of Rs.10/- each fully paid up	90.00
1,94,82,700 Redeemable Preference Shares of Rs.10/- each fully paid up	1948.27
Total	2038.27

There are no changes in the share capital of the Transferor Company till the date of making this application. The Equity Shares of the Company are listed in BSE Limited.

ii) Transferee Company

The share capital of the Transferee Company as on March 31, 2024 and as on 31-12-2024 is as set out below:

Particulars	Amount Rs in Lakhs
Authorised Capital	
11,50,90,000 Equity Shares of Rs.10/- each	11,509.00
1,50,00,000 Preference Shares of Rs.10/- each	1500.00
Total	13009.00
Issued, Subscribed & Paid-up Capital	
11,19,18,195 Equity Shares of Rs.10/- each fully paid up	11,191.82
Total	11,191.82



There are no changes in the share capital of the Transferee Company till the date of making this application. The Equity Shares of the Company are listed in BSE Limited.

PART II – TRANSFER AND VESTING

1. TRANSFER OF UNDERTAKING

- i. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 232 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable. Without prejudice to the generality of the above, the Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
 - a) With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, as listed in Schedule 1 to this Scheme, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in and be deemed to have been transferred and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and



to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.
- c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, receivable, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits, if any, with Government, quasi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
 - i. The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositor as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits 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 realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
- ii. The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
 - iii. In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute necessary documents, as and when required.
- d) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 230 to 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee



Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- e) The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferor Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the Amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create



any further or additional security therefore, after the Amalgamation has become operative.

- f) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses (including software licenses), accreditations to trade and industrial bodies, privileges, powers, facilities, incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective 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 thereto.
- g) Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa (as may be applicable), the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- h) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.



- i) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged/sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- j) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

2. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 2.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances, insurance policies and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this arrangement under this Scheme as on the Appointed Date and upto the Effective Date, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively 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 confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 2.2 As a consequence of the Amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any license, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the



concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

- 2.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company are 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 the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 2.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to the Appointed Date and upto the Effective Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.
- 2.5 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.
- 2.6 Any inter-se contracts between Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.



3. LEGAL PROCEEDINGS

- 3.1 Upon coming into effect of this Scheme, all suits, actions and proceedings of whatsoever nature by or against the Transferor Company as on the Appointed Date and upto the Effective Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.
- 3.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be, from the Appointed Date till the Effective Date, and the latter shall reimburse and indemnify the Transferor Company, against all liabilities and obligations incurred by the Transferor Company in respect thereof.

4. OPERATIVE DATE OF THE SCHEME

This Scheme shall be operative from the Effective Date with effect from the Appointed Date.

5. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

- 5.1 Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company, so as to become as and from the Appointed



Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.

- 5.2 It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to and existing for the employees of the Transferor Company shall be continued in the same manner and form upon the Scheme becoming effective. The Transferee Company shall ensure that the Employees as mentioned aforesaid are given the same benefits/other entitlements similar to the terms as on the Appointed Date.

6. SAVING OF CONCLUDED TRANSACTIONS

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

7. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL THE EFFECTIVE DATE

- 7.1 With effect from the Appointed Date and upto and including the Effective Date:



- a) The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- b) All profits or income or taxes, including but not limited to income tax, advance taxes, minimum alternate taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc., accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from the Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- c) The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof including plant and machinery and other fixed assets (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government(s), and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required /granted under any law for time being in force for carrying on business of the Transferor Company.
- e) The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares,



bonus shares, convertible debentures or otherwise), decrease, re-classification, sub-division or re-organisation or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and the Transferee Company.

- f) The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

8. CONSIDERATION

- 8.1 Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot Equity Shares to shareholders, administrators, legal representatives, determined as on Record Date, whose name is recorded in the register of members of Transferor Company in the following proportion:

10 (Ten) equity shares of the transferee Company with the face value of INR 10/- each fully paid up for every 36 (Thirty-Six) equity shares of the transferor Company with a face value of INR 10/- each fully paid up.

Such Equity shares will be listed on the BSE Limited and shall rank pari passu with the existing listed equity shares of the Transferee Company.

- 8.2 The equity shares/ Preference Shares of the Transferor Company held by the Transferee Company, if any, on the Effective Date, such equity/ preference shares held by the Transferee Company in the Transferor Company shall stand cancelled without any further act or deed and consequentially there shall be no allotment of New Equity/



Preference Shares for such shareholding and to that extent the Transferee Company is required to issue less number of shares. As regards the preference shares of the Transferor Company held by the Transferee Company or vice versa on the Effective Date such shares shall stand cancelled and the Transferee Company shall have no claims in respect of arrears of dividend. Subject to the Applicable Law, the New Equity Shares issued by the Transferee Company in terms of this Scheme shall be issued in dematerialised form. The shareholders of the Transferor Company who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to enable the Transferee Company to issue the New Equity Shares. If no such details have been provided by the equity shareholders holding equity shares in physical share certificates on or before the Record Date the relevant New Equity Shares of the Transferee Company shall be dealt with in such manner as may be permissible under the Applicable Law, including issue of a letter confirming allotment of shares to the share holder directing them to share the details of the demat account of the holder / legal heirs with necessary proof and in case of failure to receive such details to hold the shares in Suspense Escrow Demat Account of the Transferee Company.

- 8.3 Where the New Equity Shares are to be allotted to legal heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned legal heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 8.4 No fractional credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company



in accordance with this Scheme. If any equity shareholders of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a trust, nominated by the Board in that behalf, who shall aggregate and sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares and pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

9. COMBINATION OF AUTHORISED CAPITAL

- 9.1 Upon this Scheme becoming effective, the Authorised Capital of the Transferee Company shall stand increased from Rs 13,009 Lakhs divided into 11,50,90,000 Equity Shares of Rs.10/- each and 1,50,00,000 Preference Shares of Rs.10/- each to Rs 15,109 Lakhs divided into 11,60,90,000 Equity shares of Rs 10/- each and 3,50,00,000 Preference Shares of Rs 10/- each. The fee if any paid on the authorized equity share capital of the Transferor Companies once dissolved, shall be set off against any fee payable by the transferee Company on its authorized capital subsequent to amalgamation, subject to payment of such fee as may be payable by the transferee Company pursuant to Section 232 of the Companies Act.
- 9.2 Subject to the above Clause, Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and Section 232 of



Companies Act, 2013 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

"The Authorised Share Capital of the Company is Rs 151,09,00,000/- (Rupees One Hundred and Fifty One Crores Nine lacs Only) divided into 11,60,90,000 Equity shares of Rs 10/- each each and 3,50,00,000 Preference Shares of Rs 10/- each with powers to increase or reduce the capital and divide the shares in the capital of the company for the time being into several classes and to attach thereto respectively any preferential, deferred or special rights and to vary or modify or abrogate any such rights, privileges including voting or non voting rights or on such conditions in such manner as may from time to time, be allowed as per the provisions of the Companies Act."

- 9.3 The approval of this Scheme under Sections 230 and 232 of the Companies Act, 2013 shall be deemed to have the approval under sections 13, 61, 62 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

10. ACCOUNTING TREATMENT

- 10.1 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company being under common control, the Amalgamation of the Transferor Company with the Transferee Company shall be accounted by the Transferee Company as per the "Pooling of Interest Method" provided under Appendix C of Ind AS 103, 'Business Combinations' notified under Section 133 of the Act.
- 10.2 Upon the scheme coming into effect, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at their respective book



values. No adjustment shall be made to the carrying amounts of assets and liabilities as reflected in the books of Transferor Company on the Appointed Date, to reflect fair values or recognise any new assets or liabilities including any new deferred tax assets or liabilities. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of Transferee Company in the same form in which they appeared in the books of the Transferor Company as on the Appointed Date. The difference between the carrying amount in the books of the Transferee Company of its investment in the shares of the Transferor Company, which shall stand cancelled in terms of this scheme, and the aggregate face value of such shares shall, subject to the other provisions contained herein, be adjusted against and reflected in the capital reserves of the Transferee Company.

- 10.3 Upon the scheme coming into effect, the difference between the amount recorded as share capital issued by Transferee Company (Securities issued will be recorded at their nominal value) and the amount of share capital of the Transferor Company shall be transferred to capital reserve of the Transferee Company.
- 10.4 To the extent of and with respect to inter-corporate loans or balances or securities held inter- se between the Transferor Company and the Transferee Company, the rights and obligations shall come to an end.
- 10.5 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies, as may be directed by the Board of Directors of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 10.6 Upon the scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.



11. CONSEQUENTIAL MATTERS RELATING TO TAX

- 11.1 Upon the Scheme coming into effect, from the Appointed Date, all taxes/cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company, all or any refunds and claims pending with the Revenue Authorities and including the right to claim credit for CENVAT, VAT, GST, minimum alternate tax and carry forward of accumulated losses etc., and all payments made, refunds received, claims made shall, for all purposes, be treated as the tax/cess/duties, liabilities or refunds, claims, credits and accumulated losses and discharge of liability of the Transferee Company in accordance with the respective legislation.
- 11.2 Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, VAT returns, Excise & Cenvat returns, service tax returns, other tax returns, and file necessary forms to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds/credits in respect of any transaction between Transferor Company and the Transferee Company upto the Effective date.

PART III – GENERAL TERMS AND CONDITIONS

12. APPLICATION TO THE TRIBUNAL

- 12.1 The Transferor Company shall, with reasonable dispatch, apply to the Tribunal for necessary orders or directions for holding meetings of the shareholders and creditors of the Transferor Company for sanctioning this Scheme of Amalgamation under Section 230 of the Act or for dispensing the holding of such meetings and orders for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferee Company shall apply to the Tribunal for necessary orders or directions for holding meetings



of the shareholders and creditors of the Transferee Company for sanctioning this Scheme of Amalgamation under Section 230 of the Act or for dispensing the holding of such meetings and orders for carrying this Scheme into effect.

13. DISSOLUTION OF TRANSFEROR COMPANY AND VALIDITY OF THE RESOLUTIONS

- 13.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
- 13.2 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as Resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

14. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 14.1 The Transferor Company and the Transferee Company through their respective Board of Directors or other persons duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Board of Directors may deem fit or under direction of the Court or any other competent authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its



implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.

14.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Tribunal/ Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such part or provision.

14.3 This Scheme has been drawn up to comply and come within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and Section 47 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 Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as defined in the Income Tax Act, 1961. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification/deemed deletion shall however not affect the other parts of the Scheme.



15. DATE OF TAKING EFFECT

- 15.1 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.

16. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- 16.1 This Scheme is conditional on and subject to -
- i. The sanction or approval under any law of the Central Government, State Government(s), or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
 - ii. The Scheme being agreed to by the respective requisite majority of the shareholders and/or creditors of the Transferor Company and the Transferee Company if a meeting of the shareholders or creditors of the Transferor and Transferee Company is convened by the Tribunal or if dispensation from conducting the meeting of the shareholders or creditors of the Transferor Company and the Transferee Company is obtained from the Tribunal, and the sanction of the Tribunal being accorded to the Scheme.
 - iii. Approval of the Scheme by the members of the Transferor and Transferee Company in accordance with the provisions of the Regulations and Circulars issued by the Securities and Exchange Board of India (as amended from time to time) to the extent considered applicable.
 - iv. The sanction by the Court under Sections 230 to 232 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.



- v. The filing with the Registrar of Companies, Chennai, of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Company.

17. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 17.1 In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

18. EXPENSES CONNECTED WITH THE SCHEME

- 18.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.



Schedule 1

DETAILS OF IMMOVABLE PROPERTY HELD BY THE TRANSFEROR **COMPANY INDIA RADIATORS LIMITED**

Land measuring an extent of 7.054 acres in Ambattur Road, Red Hills, Puzhal Village, Madhavaram Taluk, Chennai District, Chennai 600 066 as per details given below:

Survey No.	Extent (Acres)
459/2A2	2.842
460/2A	1.570
461/1B	0.240
459/2A1A1	2.100
461/1A1A1A	0.302
Total	7.054



