

**SCHEME OF AMALGAMATION
OF
TITAGARH AGRICO PRIVATE LIMITED
WITH
CIMMCO LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

PART – I

DEFINITIONS:

In this scheme, unless otherwise specifically provided or repugnant to the context the following expressions shall have the following meanings:

- A. **"The Transferee Company"** means **CIMMCO LIMITED**, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 756, Anandapur EM Bypass, Kolkata - 700107, in the State of West Bengal.
- B. **"The Transferor Company"** means **TITAGARH AGRICO PRIVATE LIMITED**, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 756, Anandapur, EM Bypass, Kolkata - 700107, in the State of West Bengal.
- C. The **"Appointed Date"** means the 1st day of April, 2016.
- D. **Share Exchange Ratio** shall have the meaning as prescribed to it in Clause 10 (a) and (b) of this Scheme;
- E. **"Effective Date"** means the date when the certified copy of the Order sanctioning the present Scheme of Amalgamation is filed with the Registrar of Companies, West Bengal by both the Companies respectively.
- F. **"The Scheme"** means this Scheme of Amalgamation in its present form or with any modification approved or imposed or directed by the Hon'ble High Court at Calcutta.
- G. **"Act"** means the Companies Act, 1956 or the Companies Act, 2013 as may be applicable.
- H. **"Undertaking of the Transferor Company"** means and includes :-

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- i) All the properties, assets and liabilities of the Transferor Company immediately before the amalgamation as a going concern.
- ii) Without prejudice to the generality of the foregoing clause the said undertakings shall include all rights, powers, interests, authorities, privileges, easements, liberties, business and all properties and assets, moveable or immovable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including land, building, machinery, vehicles, office equipments, computers, inventories, sundry debtors, cash and bank balance, loans and advances, leases, agency rights, goodwill and all other interests and rights in or arising out of or relating to such property together with all licenses, (including all present and future approvals received/yet to be received from Central Motor Vehicle Rules (CMVR) and Initial Commercial Tests (ICT) from Budni for various models of the tractor), trademarks, copy rights, patents import entitlements, quotas, telephones, or any other licenses or permissions held applied for or as may be obtained hereafter by the Transferor Company or which the Transferor Company is entitled to and all debts, liabilities, duties and obligations of the Transferor Company of whatsoever kind.
- I. **“PROCEEDINGS”** include any pending suit, appeal or any legal proceedings of whatsoever nature in any court of law, or tribunal or any judicial or quasi judicial body or any assessments proceedings before any authority under any law and also arbitration proceedings.
- J. **“RECORD DATE”** means the date to be fixed by the Board of Directors or any committee thereof of the Transferee Company for the purpose of issuing the Shares to the shareholders of the Transferor Company under the scheme.

PRESENT SHARE CAPITAL:

1. The Authorised Share Capital of the **Transferee Company** is Rs.75,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.10/- each and 5,00,00,000 8% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 10/- each. The Issued, Subscribed and Paid up Share Capital is Rs.60,14,85,260/- divided into 2,01,48,526 Equity Shares of Rs.10/- each and 4,00,00,000, 8% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 10/- each all fully paid up.
2. The Authorised Share Capital of the **Transferor Company** is Rs. 36,00,00,000/- divided into 3,60,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital is Rs.36,00,00,000/- divided into 3,60,00,000 Equity Shares of Rs.10/- each all fully paid up.
3. The **Transferee Company** is listed with National Stock Exchange, Bombay Stock Exchange Calcutta Stock Exchange, Delhi Stock Exchange and Madhya Pradesh Stock Exchange. The Company at its Board Meeting held on 22nd August, 2016 has approved the delisting of

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shares from Calcutta Stock Exchange, Delhi Stock Exchange and Madhya Pradesh Stock Exchange and has intimated to the respective stock exchanges about the same. The Company is presently carrying on the business of manufacturing machinery, engines, turbines, tanks, ships, bodies, tools, implements, accessories, equipments and other materials and products and supply of wagon to Indian Railways. The **Transferor Company** is presently carrying on the business of all kinds of agricultural and farm machinery/ equipments including tractors, cranes and similar products.

4. The consolidation of operations of both the Company by way of amalgamation would lead to a more efficient utilization of capital, create a consolidated and diversified base for future growth of the amalgamated entity with a wider presence in the market. The amalgamation would facilitate greater cohesiveness to gain market share through core market competencies which are hallmarks of the Transferee Company with customer recognition. The amalgamation will result in administrative and operational rationalization and promote organizational efficiencies.
5. The amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
6. The amalgamation would result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximize shareholder value.
7. For the purpose of better, efficient and economical management, control and running of the business of the undertakings concerned and/or administrative convenience and to obtain advantages of economies of scale and to pool the resources for growth, development and diversification of the businesses of the Companies.

PART – II

1. With effect from the Appointed Date, the undertaking of the Transferor Company shall without further act or deed be transferred to and be vested or deemed to be vested in the Transferee Company pursuant to section 394(2) of the Act, subject, to all charges, liens, mortgages, lispendenses, if any, then affecting the same or any part thereof.
2. It is expressly provided that in respect of such assets as are movable in nature or are otherwise capable of transfer by manual/physical delivery or by confirmation or by consent or agreement with any third party, the same shall be so transferred and or made over by the Transferor Company to the Transferee Company and shall become the property of the Transferee

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Company pursuant to the provisions of Section 394 of the said Act, 1956 as an integral part of the undertakings.

3. The Transferee Company may at any time after the coming into effect of the Scheme, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writing that may be necessary to give formal effect to the above provisions. The Transferor Company shall under the provisions of the Scheme be deemed to be authorized to execute any such confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
4. **DIVIDENDS:** - 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. The dividend, if any shall be declared by the Transferor Company only with the prior, written of the Board of Directors of the Transferee Company and in accordance with the applicable laws. The new Equity shares to be issued and allotted by the Transferee Company as per Clause 10 (a) and (b) shall be entitled to Dividend, if any, which may be declared after the effective date by the Transferee Company.
5. If any legal proceedings by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertakings of the Transferor Company or anything contained in this Scheme but the proceedings including those by the creditors of the TRANSFEROR COMPANY 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 if this Scheme had not been made.
6. The transfer and the vesting of properties and liabilities under Clauses 1 and 2 hereof and the continuance of the proceedings by or against the TRANSFEREE COMPANY under Clause 3 hereof shall not affect any transaction or contract already concluded by the TRANSFEROR COMPANY on and after the Transfer Date to the end and intent that the TRANSFEREE COMPANY accepts and adopts all acts, deeds and things done and executed by or on behalf of the TRANSFEROR COMPANY as acts, deeds and things done and executed by or on behalf of the TRANSFEREE COMPANY.
7. Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever

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nature to which the TRANSFEROR COMPANY are party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the TRANSFEREE COMPANY and may be enforced as fully and effectively, as if instead of the TRANSFEROR COMPANY, the TRANSFEREE COMPANY had been a party thereto.

8. All the existing employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favorable than those subsisting with reference to the Transferor Company as on the said date. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that are applicable and available to any of the employees of the Transferee Company, unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue and abide by any agreement/settlement, if any, entered into by the Transferor Company with any union/employee of the Transferor Company.
9. The existing provident fund, gratuity fund, and pension and/or superannuation fund or trusts created by the Transferor Company or any other special funds created or existing for the benefit of the employees of the Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately. In the event that the Transferee Company does not have its own fund with respect to any such matters, the Transferee Company shall create its own funds to which the contributions pertaining to the employees of Transferor Company shall be transferred.
10. The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date Upon :-
 - (a) The Scheme being approved by requisite majority of the shareholders of the Transferor Company and the Transferee Company and thereafter upon sanctioned by the Hon'ble High Court at Calcutta;
 - (b) The certified copies of the order of the Hon'ble High Court at Calcutta sanctioning the Scheme of Amalgamation are being filed by both the companies with the Registrar of Companies, West Bengal.
11. With effect from the Appointed Date and including the Effective Date :-
 - (a) The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be

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deemed to have held and stand possessed of and shall hold and stand possessed of all their assets and properties for and on account of and in trust for the Transferee company.

- (b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue or the profits or incomes or expenditures or losses, as the case may be of the Transferee Company.

12. Immediately after the Effective Date and transfer taking place as stipulated under clause 1 hereof :

- (a) The Transferee Company shall, without further act, deed or application, issue and allot to every Equity Shareholder in the Transferor Company 1 (One) Equity Shares of Rs.10/- each credited as fully paid up in the Transferee Company for every 5 (Five) Equity Shares ("**New Equity Shares**") of Rs.10/- each fully paid up and held by such shareholder in the Transferor Company ("**Share Exchange Ratio**").
- (c) All the shares to be issued and allotted to the Shareholders of the Transferor Company as aforesaid, shall rank pari passu subject to Clause 10(a) and (b) above in all respects with the existing Shares held by the Shareholders of the Transferee Company and shall be entitled to pro rata dividend if any, from the Appointed Date.
- (d) In issue and allotment of such shares, the fractional entitlements of shares to any Member of the Transferor company shall not be taken into account, but such shares representing fractional entitlements shall be allotted to one Nominee of the Transferee Company upon trust, who will sell them and distribute their sale proceeds (less expenses, if any) to the shareholders of the Transferor Company, who are entitled to such fractional shares.
- (e) The New Equity Shares in the Transferee Company to be issued to the members of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank pari passu in all respects with the existing Equity Shares in the Transferee Company.
- (f) The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and / or admitted to trading on the relevant stock exchange(s) where the

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existing Equity Shares of the Transferee Company are listed and / or admitted to trading.

- (g) All the shareholders of the Transferor Company shall accept the shares in the Transferee Company to be allotted as aforesaid in lieu of their Shareholdings in the Transferor Company.
- (h) On the Record Date every Shareholder of the Transferor Company shall surrender their shares to the Transferee Company for cancellation of the share certificate(s) in respect of shares held by him/her/it in the Transferor Company and shall take all steps to obtain from the Transferee Company certificate(s) for the Shares in the Transferee Company to which he/she/it may be entitled to under sub-clauses (a) and (b) hereof.
- (i) **CROSS HOLDINGS** - The shares held by the Transferor Company in the Transferee Company and vice versa, if any, shall stand cancelled, without any further application.
- (j) Upon the Scheme coming into effect, as a consequence of the Amalgamation of the Transferor Company with the Transferee Company, all the Equity Shares and Preference Shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall stand cancelled without any issue or allotment of New Equity Shares or payment whatsoever by the Transferee Company in lieu of such Equity Shares and Preference Shares of the Transferor Company.
- (k) For the convenience of the shareholders of the Transferor Company, the new shares of the Transferee Company will be issued in the physical form in lieu of the shares held in the transferor company in physical form and in dematerialized form where such shares in the transferor company are held in dematerialized form.
13. The issue and allotment of shares of the Transferee Company to the members of the Transferor Company shall be deemed to be carried out in compliance with the procedure laid down under Section 62 and /or any other applicable provision of the Act.
14. **ACCOUNTING TREATMENT** – The amalgamation shall be accounted for in the books of account of the Transferee Company according to the “pooling of Interests Method” of accounting as per Ind AS 103, ‘Business Combinations’ notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in accordance with prevailing guidelines.
Upon the Scheme becoming effective, the Transferee Company shall provide for the following accounting treatment in its books of accounts:

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- all assets, liabilities and reserves, of the Transferor Company, shall be recorded in the books of account of the Transferee Company at its book value and in the same form, including the debit balance in Profit and Loss Account of the Transferor Company.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies of the transferor and transferee company.
- The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.
- The difference between the amount recoded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor company shall be transferred to Capital Reserves.
- The amount of any inter-company balances between the transferor Company and the transferee Company, appearing in the books of account of the transferee Company and the transferor Company shall stand cancelled without any further act or deed, upon this Scheme becoming effective.

Notwithstanding the above, the Board of Directors of the transferee Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate to comply with the accounting standards.

15. On the Effective Date, whosoever are the shareholders of the Transferor Company would be entitled to new shares in the Transferee Company as stated in Clause 10(a) hereinabove.
16. Until the Effective Date neither the Transferee Company nor the Transferor Company shall issue or allot any further shares either by way of Right Shares or Bonus Shares or otherwise or change the issued or paid up share capital of any of the Companies in any manner. None of the Transferor Company shall declare any dividend for the period commencing from and after 1st April, 2016 without the written consent of the Transferee Company.

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17. **AUTHORISED SHARE CAPITAL**- In order to issue the new shares in the Transferee Company under this Scheme the Authorized Share Capital of the Transferor Company shall be added to the Authorized Share Capital of the Transferee Company without payment of any further registration fees under the Act. If it is found thereafter that there is any shortfall in the authorized share capital of the Transferee Company then the authorized share capital of the Transferee Company will be increased to the extent of the shortfall and on such shortfall the Registration fees shall be payable alone.
18. The Shares of the Transferee Company allotted pursuant to the Scheme shall be subject to execution of listing agreement and upon payment of appropriate fees shall be listed and admitted to trade on the relevant stock exchange where the existing shares of the Transferee Company are listed. The Transferee Company will make an application to relevant stock exchange for listing of its shares to be issued and allotted in terms of the scheme.

PART – III

1. The Transferor Company and the Transferee Company shall make necessary application before the Hon'ble High Court at Calcutta for the sanction of this scheme of amalgamation.
2. On the Effective date, the Board of Directors of the Transferor Company shall stand dissolved and the Transferee Company shall take appropriate steps for dissolution without winding up of the Transferor Company.
3. **POST SCHEME CONDUCT OF OPERATIONS** - Immediately after the Effective Date, the Bank Accounts of the Transferor Company shall be operated by the Transferee Company in such a manner as may be decided by its Board of Directors. The name of all such Bank Accounts shall also stand changed to the name of the Transferee Company. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income –tax Act, 1961(including for minimum alternate tax purposes and tax benefits), service tax law and other tax law, and to claim refunds and/ or credits for Taxes paid (including minimum alternate tax) and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
4. **COSTS** - The Transferee Company shall pay all the costs, charges and expenses of and incidental to this scheme.

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5. **REVOCAION OF THE SCHEME** -In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or this Scheme not being sanctioned by the Hon'ble High Court at Calcutta and/or order or orders not being passed as aforesaid before March 31, 2017 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be 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 sgreed. Further, the board of directors of the Transferor Company and the Transferee Company shall be entitled to withdraw the Scheme with the same consequences, as aforesaid 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 certified copies of the orders sanctioning the Scheme with any authority could have adverse implication on both/ any of the companies.
6. The Board of Directors of the Transferee Company may assent on behalf of all concerned to any modification to this scheme or to any condition which Hon'ble Calcutta High Court or any other authority may impose and the said Board of Directors may do all such acts, things and deeds as they may, in their sole discretion, think fit for the purpose of effectively carrying out and implementing this scheme.
7. 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 nor proper to give effect to the Scheme or 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.
8. For the purpose of giving effect to this scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and the Transferee Company are authorized to

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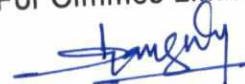


determine to take all such steps and give all such directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

9. It is made clear that any amendment or alteration to this Scheme after it is sanctioned by the Hon'ble High Court at Calcutta shall be effected only in accordance with the statutory provisions as contained in Section 392 of the Act or any statutory modification thereof.
10. In the event of the above Sanctions/Approvals not being obtained and/or the Scheme not being sanctioned by the High Court at Calcutta and/or the Order or Orders not being passed as aforesaid, the Scheme shall become null and void and in that event the business and activities done by the Transferor Company from the TRANSFER DATE will continue to be the business and activities of the Transferor Company without any right or obligation of the Transferee Company.

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For Cimmco Limited



DIPANKAR GANGULY
COMPANY SECRETARY