



AVERY INDIA LIMITED
CIN: U29196HR1947PLC043478
Registered Office: Plot Nos 50-59 Sector-25 Ballabgarh Faridabad
Haryana 121004, India
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**NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF
UNSECURED CREDITORS OF AVERY INDIA LIMITED**

*(Convened pursuant to order dated November 13, 2018, passed by the Hon'ble National Company Law Tribunal,
Chandigarh Bench)*

MEETING:

Day	:	Saturday
Date	:	January 05, 2019
Time	:	2:00 PM
Venue	:	Magpie Complex, Mathura Road, Sector 16A, Faridabad, Haryana 121001

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
COMPANY APPLICATION CA(CAA) No. 35/CHD/HRY/2018

In the matter of the Companies Act, 2013;

And

Sections 230 - 232 of the Companies Act, 2013 read with
Companies (Compromises, Arrangements and Amalgamations)
Rules, 2016;

And

In the matter of the Scheme of Arrangement between Salter
India Limited and Avery India Limited and their respective
shareholders and creditors;

AVERY INDIA LIMITED)
(CIN – U29196HR1947PLC043478),)
A company incorporated under the)
provisions of the Companies Act, 1913) Transferee Company/Applicant Company-2
and having its registered office at Plot Nos 50-59)
Sector-25 Ballabgarh Faridabad Haryana)
121004, India)

NOTICE OF THE MEETING OF UNSECURED CREDITORS OF AVERY INDIA LIMITED CONVENED AS PER THE DIRECTIONS OF
THE NATIONAL COMPANY LAW TRIBUNAL, CHANDIGARH BENCH

To,

The Unsecured Creditors of Avery India Limited (the "Applicant Company")

Notice is hereby given that by order dated the November 13, 2018 (the "Order"), the Chandigarh Bench of the National Company Law Tribunal (the "Tribunal") has directed a meeting to be held of the Unsecured Creditors of the Applicant Company (the "Meeting") for the purpose of considering, and if thought fit, approving with or without modification, the proposed Scheme Of Arrangement between Salter India Limited ("Transferor Company") and Avery India Limited ("Applicant Company" / "Transferee Company") and their respective shareholders and creditors (the "Scheme").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of Unsecured Creditors of the Applicant Company will be held at Magpie Complex, Mathura Road, Sector 16A, Faridabad, Haryana 121001 on Saturday, the 05th day of January, 2019 at 02 P.M. at which time and place the said Unsecured Creditors are requested to attend and to consider, and if thought fit, to approve with or without modification, the following resolution under section 230-232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, and / or any statutory modification(s) or re-enactment thereof, and as provided under the enabling provisions of the Memorandum and Articles of Association of the Applicant Company and subject to the approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench, (the "Tribunal") and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed by the Tribunal or by any other appropriate authority, while granting approval(s) or confirmation(s), and which may be agreed by the Board of directors of the Company (hereinafter referred to as the "Board"), the Scheme of Arrangement between Salter India Limited ("Transferor Company") and Avery India Limited ("Applicant Company") and their respective shareholders and creditors ("Scheme"), which is placed before this meeting and initialled by the Chairperson of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board Of Directors, (jointly and severally) and the Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the Scheme or by any authorities under law, as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed by the Unsecured Creditors or their authorized representative, are deposited at the registered office of the Applicant Company at Plot Nos 50-59 Sector-25 Ballabgarh Faridabad, Haryana 121004, not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting. The form of proxy can be obtained free of charge at the registered office of the Applicant Company.

The Tribunal has appointed Justice Jaspal Singh (Retd.), as the Chairperson and Mr. Vijay Sharma, Advocate, as the Alternate Chairperson of the said Meeting, including for any adjournment or adjournments thereof. The Tribunal has also appointed CS Ajay K. Arora, Company Secretary, as the Scrutinizer for the Meeting, including for any adjournments thereof.

The above mentioned Scheme, if approved by the Meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the said Scheme and of the Explanatory Statement under sections 230(3), 232(1) and (2) and 102 of the Act read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with other enclosures, including the Form of Proxy and the Attendance Slip are enclosed and form part of this notice. Copies of the said Scheme, and of the Explanatory Statement can be obtained free of charge at the Registered Office of the Applicant Company.

For Avery India Limited

Sd/-

Rohit Gupta

Director

(Authorised Signatory)

Date: November 26, 2018

Place: Haryana

Registered Office:

Plot Nos 50-59 Sector-25

Ballabgarh, Faridabad

Haryana 121004 – India

Notes:

1. Only Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative) at the Meeting. The authorized representative of a body corporate which is an Unsecured Creditor of the Applicant Company may attend and vote at the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting.
2. An Unsecured Creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be an Unsecured Creditor of the Applicant Company. Proxies, in order to be effective, must be in the prescribed form, duly filled, stamped, signed and deposited not less than 48 hours before the scheduled time of commencement of the Meeting at the Registered Office of the Applicant Company. A blank proxy form is annexed to this Notice and can also be obtained free of charge from the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialled.
4. An Unsecured Creditor or his/her authorised representative or Proxy is requested to bring the copy of the Notice to the Meeting and produce the Attendance slip, duly completed and signed, at the entrance of the Meeting venue.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an Unsecured Creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company addressed at the registered office address.
6. The Unsecured Creditors/authorised representatives/proxies should carry any of their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card or such other proof at the venue of the Meeting.

7. In accordance with the Order of the Tribunal, dated November 13, 2018, the Notice is being sent to all the Unsecured Creditors as on 31st July 2018, whose names appear in the Chartered Accountant's certificate certifying the list of Unsecured Creditors as on 31st July 2018, as has been filed with the Tribunal.
8. The quorum of the Meeting shall be 50 in number and 40% in value of the unsecured credit. In case the quorum as noted above for the Meeting is not complete at the scheduled time for commencement of the Meeting, then the Meeting shall be adjourned by half an hour, and thereafter, the persons present and voting at the Meeting shall be deemed to constitute the quorum.
9. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors of the Applicant Company if the resolution mentioned above in the notice have been approved at the Meeting by a majority of persons representing three-fourths in value of the total unsecured debts of the Unsecured Creditors of the Applicant Company, voting in person or by proxy.
10. As directed by the Hon'ble Tribunal, CS Ajay K. Arora, Company Secretary, shall act as Scrutinizer to scrutinize votes cast at the Meeting and submit a report on votes cast to the Chairperson of the Meeting.
11. In terms of the directions contained in the Order, the notice convening the aforesaid meeting will be published through advertisement in Delhi NCR Edition of 'Indian Express' (English newspaper) and 'Business Standard' (vernacular newspaper), indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement and the form of Proxy can be obtained free of charge on all working days (except Saturdays, Sundays and Public Holidays) during 11.00 AM to 5.00 PM from the Registered Office of the Applicant Company
12. All the documents referred to in para 21 of the Explanatory Statement to be kept open for inspection, are open for inspection by Unsecured Creditors of the Applicant Company at the registered office of the Applicant Company at Plot Nos 50-59 Sector-25 Ballabgarh, Faridabad, Haryana 121004, between 11.00 AM to 05.00 PM on all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting. The said documents shall also be available for inspection at the venue of the Meeting.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
COMPANY APPLICATION CA(CAA) No. 35/CHD/HRY/2018

In the matter of the Companies Act, 2013;

And

Sections 230 - 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of the Scheme of Arrangement between Salter India Limited and Avery India Limited and their respective shareholders and creditors;

EVERY INDIA LIMITED)	
(CIN – U29196HR1947PLC043478),)	
A company incorporated under the)	
provisions of the Companies Act, 1913)	Transferee Company/Applicant Company-2
and having its registered office at Plot Nos 50-59))	
Sector-25 Ballabgarh Faridabad Haryana)	
121004, India)	

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF AVERY INDIA LIMITED

1. Pursuant to order dated November 13, 2018 (the "Order"), passed by the Chandigarh Bench of the Hon'ble National Company Law Tribunal (the "Tribunal") in Company Application CA(CAA) No. 35/CHD/HRY/2018, filed jointly by Salter India Limited ("Transferor Company") and Avery India Limited ("Applicant Company" or "Transferee Company"), a meeting of the Unsecured Creditors of Avery India Limited, the Applicant Company, is being convened and held at Magpie Complex, Mathura Road, Sector 16A, Faridabad, Haryana 121001, on Saturday, the 5th day of January, 2019 at 02 P.M., for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between the joint applicants and their respective shareholders and creditors (hereinafter referred to as the "Scheme" or "Scheme of Arrangement") under Sections 230 to 232 of the Companies Act, 2013 (the "Act"). A copy of the Scheme setting out details of parties involved in the proposed Scheme, appointed date, effective date, valuation etc., is enclosed as Annexure 1. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the Tribunal has appointed Justice Jaspal Singh (Retd.), as the Chairperson and failing him Mr. Vijay Sharma, Advocate, as the Alternate Chairperson of the said meeting, including for any adjournment or adjournments thereof. The Tribunal has also appointed CS Ajay K. Arora, Company Secretary, as the Scrutinizer for the Meeting, including for any adjournments thereof.
3. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors of the Applicant Company if the resolution mentioned above in the notice have been approved at the Meeting by a majority of persons representing three-fourths in value of the total unsecured debt of the Unsecured Creditors of the Applicant Company, voting in person or by proxy.
4. This statement is being furnished as required under Sections 230(3), 232(1) 232(2) and 102 of the Companies Act, 2013 (the "Act"), read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
5. BACKGROUND OF THE COMPANIES
 1. Avery India Limited (Transferee Company / Applicant Company)
 - a) Avery India Limited (hereinafter referred to as "Applicant Company"), was incorporated on 26th February, 1947 as 'The Avery Company Limited', a company limited by shares. The name was changed to 'The Avery Company of India Private Limited', w.e.f. 02nd July, 1956 and subsequently, the Applicant Company was converted into a public company pursuant to which, the name was further changed to 'Avery India Limited' w.e.f. 20th March 1968 and

subsequently its shares were listed on the Bombay Stock Exchange and Calcutta Stock Exchange. The CIN of the Applicant Company is U29196HR1947PLC043478.

- b) The Permanent Account Number (PAN) no. of the Applicant Company is AACCA4694B. The registered office of the Applicant Company is presently located at Plot Nos 50-59, Sector-25, Ballabgarh, Faridabad, Haryana, 121004. The registered office of the Applicant Company was shifted from the state of West Bengal to the state of Haryana w.e.f. 29th July, 2011.
- c) The email address of the Applicant Company is kgambhir@awtxglobal.com.
- d) The Applicant Company is primarily engaged in the business of manufacturing and servicing of weighbridges, dormants, weighing scales, testing machines and filling machines. The main Objects of the Applicant Company as set out in the Memorandum of Association are inter-alia as under:

“To carry on all or any of the following trades or businesses, namely, manufacturers and merchants of and dealers in all kinds of weights and measures and of scales, balances and machines and appliances of every kind for or used in connection with weighing, measuring, counting, calculating or estimating in any way, length, area or capacity or the number or quantity of any description of article, material, substance, force or energy (including testing and automatic machines and appliances for the above purpose and for calculating monetary receipts and payments) and also the trades or businesses of mechanical, hydraulic, electrical, refrigerating and general engineers and electricians and manufacturers, repairers, installers, merchants, hirers, and letters-on-hire of and dealers in machines, pumps, tanks, reservoirs, pipes, wires, or meters, and other apparatus, appliances and equipment (including the component parts thereof) for the generation, storage, distribution, transportation, transmitting and measuring of electricity, petrol and other sources of power and oil and other lubricants, hardware makers, tool makers, machinists, founders or ferrous and nonferrous materials, tinplate workers, dealers and workers in metal of all kinds, metallurgists, chemists, manufacturers of internal combustion and other engines, aircraft, and munitions of war, printers, paper dealers, iron-mongers, shop front builders and complete shopfitters, manufacturers, importers and exporters of and dealers in all kinds of shop, office, bank and warehouse fittings and fixtures, manufacturers, factors and merchants of and dealers in tools, receptacles, furniture, appliances and accessories of all kinds used by retail traders and shopkeepers, manufacturers, factors, and merchants of and dealers in any other articles, products, machinery, apparatus or goods for the time being manufactured, factored or dealt in by W. & T Avery Ltd., a Company incorporated in England or by any company which shall for the time being be a Subsidiary Company (within the meaning of Section 127 of the Companies Act of 1929 of England) of W. & T Avery Ltd., and any other trade or business incidental to or arising out of or which can conveniently be carried on in conjunction with any such trade or business or which may seem to the Company calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company and in particular all or any of the businesses of manufacturers of and merchants and dealers in all kind of materials used in the manufacture of any product and articles which are or can be conveniently manufactured or dealt with in connection with any of the trades or businesses aforesaid”

- e) During the last five years, there has been no change in the name, registered address and main objects of the Applicant Company.
- f) Shares of Applicant Company are not listed on any stock exchange.
- g) The amount due to Unsecured Creditors as on July 31, 2018 is Rs. 2,35,47,009.
- h) The capital structure of the Applicant Company as on August 24, 2018 is as under:

Particulars	Amount (in Rs)
<u>Authorised Share Capital</u>	
1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000
Total Authorised Share Capital	12,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
98,32,302 Equity Shares of Rs. 10/- each	9,83,23,020
Total Issued, Subscribed and Paid-up Share Capital	9,83,23,020

Subsequent to August 24, 2018 and till the date of this notice, there has been no change in the issued, subscribed or paid up capital of the Applicant Company.

- i) Names of the Promoters of the Applicant Company along with their addresses, as on August 24, 2018:

S. No.	Name of the Promoter	Address
1.	Avery Weigh-Tronix International Limited - [020757]	Nexus House, Station Road, Egham, Surrey TW20 9LB
2.	A V Co 3 Limited [IN30115124000320]	Nexus House, Station Road, Egham, Surrey TW20 9LB
3.	A V Co 3 Limited - [237228]	Nexus House, Station Road, Egham, Surrey TW20 9LB

- j) Names of the Directors of the Applicant Company along with their addresses:

S. No.	Name of Directors	DIN	Address	Designation
1	Mr. Basant Kumar Sandooja	02129150	231, Jai Maa Apartments, Plot No. 16, Sector-5, Dwarka, New Delhi - 110 075	Managing Director
2	Mr. Rohit Gupta	00322010	C-1/1448, Vasant Kunj, New Delhi – 110070	Director
3	Mr. Lance Elliot Read	03406711	Woolstones, Hoo Lane, Chipping Campden, Gloucester Shire, GL556AZ, United Kingdom	Director
4	Ms. MaryAnn Spiegel	05161638	595 S, Rex Blvd, Elmhurst, Illinois, 60126, United States of America	Director

2. Salter India Limited (Transferor Company)

- a) Salter India Limited (hereinafter referred to as the "Transferor Company") was incorporated on 16th October 1998 as 'Salter India Private Limited', a private company limited by shares. Subsequently, the Transferor Company was converted into a public limited company and consequently the name was changed to 'Salter India Limited' w.e.f. 21st January, 2009. The CIN of the Transferor Company is U31909HR1998PLC055856.
- b) The Permanent Account Number (PAN) no. of the Transferor Company is AADCS6350F. The Registered Office of the Transferor Company is situated at Plot No. 53, Sector-25, Ballabgarh, Faridabad, Haryana, 121004.
- c) The email address of the Transferor Company is kgambhir@awtxglobal.com
- d) The Transferor Company is a wholly owned subsidiary of the Applicant Company, and is primarily engaged in the business of manufacturing of all types of mechanical and electronic weighing scales, including all accessories. The main objects of the Transferor Company as set out in the Memorandum of Association is as under:
- "To manufacture, buy, sell, import & export of all types of mechanical and electronic weighing equipment / equipments and parts thereof including all accessories and attachments thereto"*
- "To manufacture, buy, sell, import & export assemble, fabricate, sub-contract of all types of engineering products"*
- e) During the last five years, there has been no change in the name and the main objects (summarised above) of the Transferor Company.
- f) The registered office of the Transferor Company was shifted on 24 June 2015, from the state of Delhi to the Haryana.
- g) Shares of Transferor Company are not listed on any stock exchange.
- h) The amount due to Unsecured Creditors as on July 31, 2018 is Rs. 1,14,19,333
- i) The capital structure of the Transferor Company as on August 30, 2018 is as under:

Particulars	Amount (in Rs)
<u>Authorised Share Capital</u> 5,00,000 Equity Shares of Rs.10/- each	50,00,000
Total Authorised Share Capital	50,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u> 5,00,000 Equity Shares of Rs.10/- each	50,00,000
Total Paid Up Share Capital	50,00,000

Subsequent to August 30, 2018 and till the date of this notice, there has been no change in the issued, subscribed or paid up capital of the Transferor Company.

- j) Names of the Promoters of the Transferor Company along with their addresses, as on August 30, 2018:

S. No.	Name of the Promoter	Address
1.	Avery India Limited	Plot Nos 50-59, Sector-25, Ballabgarh, Faridabad, Haryana, 121004

- k) Names of the Directors of the Transferor Company along with their addresses:

S. No.	Name of Directors	DIN	Address	Designation
1.	Mr. Basant Kumar Sandooja	02129150	231, Jai Maa Apartments Plot No. 16, Sector-5, Dwarka, New Delhi - 110 075	Director
2.	Mr. Pawan Kumar Arora	03267993	249E MIG Flats, Rajouri Garden, New Delhi – 110 027	Director
3.	Mr. Lance Elliot Read	03406711	Woolstones, Hoo Lane, Chipping Campden, Gloucester Shire, GL556AZ United Kingdom	Director

6. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

The Transferor Company is a wholly owned subsidiary of the Applicant Company / Transferee Company.

7. BOARD MEETING OF TRANSFEROR COMPANY AND TRANSFEREE COMPANY / APPLICANT COMPANY FOR APPROVAL OF THE SCHEME

- a) The Scheme has been unanimously approved by the Board of Directors of the Applicant Company vide resolution passed in the meeting held on August 30, 2018. Out of four (4) directors, two (2) directors of the Applicant Company were present in the meeting, both of whom voted in favour of the resolution, as summarised below:

S. No.	Name of directors	Voting on the resolution
1.	Mr. Basant Kumar Sandooja	In Favour
2.	Mr. Rohit Gupta	In Favour
3.	Mr. Lance Elliot Read	Absent
4.	Ms. MaryAnn Spiegel	Absent

- b) The Scheme has been unanimously approved by the Board of Directors of Transferor Company vide resolution passed in the meeting held on August 30, 2018. Out of three (3) directors, two (2) directors of the Transferor Company were present in the meeting, both of whom voted in favour of the resolution, as summarised below:

S. No.	Name of directors	Voting on the resolution
1.	Mr. Basant Kumar Sandooja	In Favour
2.	Mr. Pawan Kumar Arora	In Favour
3.	Mr. Lance Elliot Read	Absent

8. RATIONALE OF THE SCHEME

This Scheme of Arrangement between the Applicant Company / Transferee Company and the Transferor Company, is being undertaken as part of the restructuring plan to simplify the holding structure through consolidation of the wholly owned subsidiary and to reduce the paid up share capital of the Applicant Company held by the Relevant Shareholders (as defined in the Scheme). The Scheme is expected to achieve various objectives, including:

- a) The Transferee Company will have the benefit of the combined assets, cash flows and man power of the Transferor Company. These combined resources will enhance its capability to expand and improve its efficiency of operations, better administration and cost reduction.
- b) The amalgamation would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.
- c) The Transferee Company and the Transferor Company, are engaged in inter-alia the business of providing and servicing weighing scales. While the Transferor Company is engaged in the manufacturing and selling of mechanical spring scales, the Transferee Company is engaged inter-alia in the manufacturing of electronic scales for industrial weighing products. Thus, the amalgamation would result in consolidation of complementary businesses and related assets of the Transferor Company with the Transferee Company, leading to synergistic linkages and benefits.
- d) Pursuant to the Scheme, the existing multi-tiered structure would collapse, resulting in the entire business being housed in one entity only (i.e. Transferee Company) bringing in efficient management, control and running of the businesses of the Companies.
- e) The Transferee Company is having sufficient reserves and cash and intends to reduce its paid up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.
- f) The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize their shareholding. The Scheme, provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner.
- g) The Capital Reduction shall also enable the Transferee Company to save the administrative and other costs associated with having a large number of shareholders.

9. SALIENT FEATURES OF THE SCHEME

- a) This Scheme is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations framed thereunder, to the extent notified, for amalgamation of the Transferor Company with and into the Transferee Company / Applicant Company and the reduction of share capital in the Transferee Company / Applicant Company.
- b) Appointed Date of the Scheme is 1st day of April, 2018 or such other date as may be fixed by the Tribunal or any other appropriate authority.
- c) Effective Date of the Scheme, has been defined as last of the dates on which certified copy of the order of the Tribunal sanctioning this Scheme is filed with the Registrar of Companies, Delhi and Haryana, by the Transferor Company and the Transferee Company / Applicant Company. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- d) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the entire business and whole of the Undertakings of the Transferor Company shall, pursuant to order of the Tribunal sanctioning the Scheme under the provisions of Section 230 to 232 of the Act, and other applicable provisions of the law for time being in force, including Section 2(1B) of the Income Tax Act, 1961, without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company on and from the Appointed Date, as a going concern, so as to become, as and from the Appointed Date, the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

- e) On the Scheme coming into effect all employees of the Transferor Company in service on the date immediately preceding the Effective Date shall, on and from the Effective Date, be deemed to have become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service
- f) Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of all legal, taxation or other claims, proceedings and investigations of whatsoever nature that pertain to the Transferor Company or their properties, assets, debts, liabilities, duties and obligations, initiated by or against the Transferor Company or claims, proceedings and investigations to which the Transferor Company is party to, whether pending as on the Appointed Date, or which may be instituted any time in the future in relation to the Transferor Company ("Proceedings"). Upon the Scheme coming into effect and with effect from the Appointed Date, if any Proceedings in respect of the Transferor Company, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company 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 or might have been continued, prosecuted and enforced by or against the Transferor Company.
- g) Since the Transferor Company is wholly owned subsidiary of the Transferee Company, and the Transferee Company holds 100% shares in the Transferor Company, no shares would be issued and allotted by the Transferee Company on the amalgamation of the Transferor Company with the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished. The investments in the shares of the Transferor Company, appearing in the books of the Transferee Company, shall, without any further act or deed, stand cancelled.
- h) The Transferee Company shall account for the amalgamation in accordance with the "Pooling of Interest Method" laid down in Accounting Standard 14, issued by the Institute of Chartered Accountants of India ("AS 14"), notified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- i) Upon the Scheme becoming effective and with effect from the Effective Date, the authorized share capital of the Transferor Company (being Rs. 50,00,000/- comprising of 5,00,000 Equity Shares of Rs.10/- each) shall stand consolidated and vested in and be merged with the authorized share capital of the Transferee Company without any liability for payment of additional fees (including fees and charges to the Registrar of Companies) or stamp duty, as such fees and duties in respect of the authorized share capital of the Transferor Company has already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective.
- j) Upon the Scheme becoming effective, the issued, subscribed and paid up share capital of the Transferee Company will be reduced from Rs. 9,83,23,020 (Rupees Nine Crores Eighty Three Lakh Twenty Three Thousand and Twenty) consisting of 98,32,302 (Ninety Eight Lakh Thirty Two Thousand Three Hundred and Two) equity shares of face value Rs. 10 each to Rs. 8,96,84,450 (Rupees Eight Crore Ninety Six Lakh Eighty Four Thousand Four Hundred and Fifty) consisting of 89,68,445 (Eighty Nine Lakh Sixty Eight Thousand Four Hundred and Forty Five) equity shares of face value Rs. 10 each, by cancelling and extinguishing 8,63,857 (Eight Lakh Sixty Three Thousand Eight Hundred and Fifty Seven) equity shares of face value Rs. 10 each, to the end and intent that all the equity shares held by the Relevant Shareholders as on the Record Date are cancelled and extinguished for payment of requisite consideration, mentioned in para k below. It is hereby clarified that in the event there is a decrease in the number of equity shares held by the Relevant Shareholders between 24th August 2018 and the Record Date, the reduction of equity shares shall be deemed to have been effected for the number of equity shares held by the Relevant Shareholders as on the Record Date.
- k) The Relevant Shareholders of the Transferee Company as on the Record Date, shall be paid, for the equity shares held by them and which are cancelled and extinguished, a sum of Rs. 276 per equity share of face value Rs. 10 each, so cancelled and extinguished, as per valuation carried out by independent valuers, SSPA & CO. (Chartered Accountants).
- l) Upon the Scheme becoming effective, the payment for the Capital Reduction to the Relevant Shareholders as on the Record Date shall be discharged by issue of cheque, pay order/ warrant or demand draft, electronic transfer of funds, NEFT/ RTGS/ IMPS to the last known details of such Relevant Shareholder, as available with the Company / Registrar and Share Transfer Agent.
- m) On the Scheme becoming effective, the Applicant Company will comply with all the relevant accounting standards as applicable in relation to the accounting for Capital Reduction.
- n) The subscribed and paid-up equity share capital of the Transferee Company, shall be reduced to the extent of the equity shares cancelled

- o) The Transferee Company shall record the payment to be made to the Relevant Shareholders as on the Record Date and the applicable dividend distribution tax as per section 115-O of the Income Tax Act, 1961

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

10. SUMMARY OF THE VALUATION REPORT INCLUDING BASIS OF VALUATION

- a) Please refer to the Valuation Report that is enclosed as Annexure 2.
- b) The Valuation report is available for inspection at the Registered Office of the Applicant Company upto the date of the Meeting between 11.00 AM to 05.00 PM on all working days (except Saturdays, Sundays and public holidays).
- c) The Transferor Company is a wholly owned subsidiary of the Applicant Company, no new share will be issued by the Applicant Company pursuant to the Scheme of arrangement. Accordingly, report on share valuation or share exchange is not required for amalgamation of Applicant and Transferor Company.

11. The Scheme does not contemplate any debt restructuring nor is the Transferor Company and the Applicant Company undergoing any debt restructuring.

12. There are no proceedings for inspection or investigation under the Companies Act, 1956 or Companies Act, 2013 pending against the Transferor Company or the Applicant Company.

13. DETAILS OF APPROVALS, SANCTIONS OR NO-OBJECTION(S), IF ANY, FROM REGULATORY OR ANY OTHER GOVERNMENTAL AUTHORITIES REQUIRED, RECEIVED OR PENDING FOR THE PROPOSED SCHEME:

- a) The Transferor Company and the Transferee Company / Applicant Company have filed a joint application before the Chandigarh Bench of the National Company Law Tribunal for the sanction of the Scheme under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Tribunal has given directions to, inter alia, convene the meeting of Equity Shareholders of the Applicant Company, vide order dated November 13, 2018.
- b) The Companies will obtain such other approvals/sanctions/no objection(s) from regulatory or other governmental authorities in respect of the Scheme as may be required in accordance with law.

14. DISCLOSURE ABOUT EFFECT OF THE COMPROMISE OR ARRANGEMENT ON THE FOLLOWING PARTIES AND THEIR INTEREST IN THE SCHEME, IF ANY :

- a) Key Managerial Personnel (KMPs)
The Scheme doesn't have a prejudicial effect on the KMPs of the Applicant Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner. Further, none of the KMPs of the Applicant Company involved in the Scheme have any interest in the proposed Scheme. The Transferor Company are not required to appoint any KMP.
- b) Directors
The Scheme doesn't have a prejudicial effect on the Directors of the Applicant Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner. Further, none of the Directors of the Applicant Company or the Transferor Company involved in the Scheme have any interest in the proposed Scheme.

Further, upon the Effective Date, the Transferor Company shall stand dissolved without winding up and accordingly, its board shall cease to exist.

- c) Promoters and non-promoter members
As stated earlier, the Applicant Company has sufficient reserves and cash and intends to reduce its paid up share capital, which is no longer required, by paying off to the Relevant Shareholders at the value determined as per the valuation carried out by independent valuers, SSPA & CO. (Chartered Accountants). On the Scheme becoming effective, the Promoter shareholding percentage would stand increased in the Applicant Company. Save as aforesaid, the Scheme would not have any effect on promoter or non promoter shareholders of the Applicant Company.

Further, the Transferor Company do not have any non-promoter members.

d) Creditors

The proposed Scheme of Arrangement will not adversely affect the rights of any of the creditors of the Applicant Company or the Transferor Company, in any manner whatsoever.

e) Depositors, Debenture holders, Deposit trustee and debenture trustee and Employees

As of date, the Applicant Company and the Transferor Company have not accepted any deposits or issued any debentures, therefore the effect of the Scheme on any such public deposit holders or debenture holders or debenture trustees does not arise.

Further, the Scheme will have no effect on the employees of the Applicant Company.

All employees of the Transferor Company in service on the date immediately preceding the Effective Date shall, on and from the Effective Date, be deemed to have become the employees of the Applicant Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service.

15. Unsecured Creditors to whom the Notice is sent may vote in the meeting either in person or by proxies.

16. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMPs")

a) Extent of shareholding of directors and KMPs of Avery India Limited (Transferee Company / Applicant Company) in the Applicant Company and in the Transferor Company as on August 24, 2018 are as follows: - None of the directors and KMPs of the Applicant Company hold any shares in the Applicant Company or the Transferor Company.

b) Extent of shareholding of directors and KMPs of Salter India Limited (Transferor Company) in the Applicant Company and in the Transferor Company as on August 24, 2018 are as follows: None of the directors of the Transferor Company hold any shares in the Applicant Company or the Transferor Company. Further, at present, Transferor Company are not required to appoint any KMP.

17. Notice under Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is being given to the Central Government (Regional Director), Registrar of Companies, Delhi and Haryana, Income Tax Department, Official Liquidator and RBI in respect of the Transferor Company and the Applicant Company.

18. It is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Delhi and Haryana by the Transferor Company and the Applicant Company, respectively, in compliance with the requirement of Section 232(2) of the Companies Act, 2013.

19. No winding up petition is pending against the Applicant Company and each of the Transferor Company.

20. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Applicant Company and the Transferor Company, in their respective meetings held August 30, 2018 have adopted a report, *inter alia*, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders. Copy of the report adopted by the Board of Directors of the Applicant Company and the Transferor Company are enclosed herewith as Annexure 3 and Annexure 4 respectively. Further, the Supplementary Unaudited accounting statement of Transferee Company / Applicant Company and the Transferor Company for the period ended September 30, 2018 are enclosed herewith as Annexure 5 and Annexure 6, respectively.

21. INSPECTION OF DOCUMENTS:

The following documents will be open for inspection to the Unsecured Creditors of the Applicant Company at the registered office of the Applicant Company situated at Plot Nos 50-59 Sector-25 Ballabgarh, Faridabad, Haryana 121004, India, India on all working days (except Saturday, Sunday and public holidays) between 11:00 AM and 05:00 PM up to the date of the ensuing Meeting:

a) Copy of the Order dated November 13, 2018 passed by the Chandigarh Bench of the Hon'ble Tribunal in Company Application CA(CAA) No. 35/CHD/HRY/2018 directing *inter alia* the convening of the Meeting

b) Copy of the Scheme as filed before the Hon'ble Tribunal

c) Copy of the Valuation report dated July 31, 2018, obtained from SSPA & CO., Chartered Accountants

- d) Copy of the certificates issued by the Statutory Auditors of the Applicant Company and the Transferor Company certifying that the accounting treatment proposed in the Scheme is in compliance with the applicable Accounting Standards
- e) Copy of the audited financials of the Applicant Company and the Transferor Company for the year ended March 31, 2018
- f) Copy of the unaudited financials of the Applicant Company and the Transferor Company for the year ended September 30, 2018
- g) Copy of the Report adopted by the Board of Directors of Applicant Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013
- h) Copy of the Report adopted by the Board of Directors of Transferor Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013

For Avery India Limited

Sd/-

Rohit Gupta

Director

(Authorised Signatory)

Date: November 26, 2018

Place: Haryana

Registered Office:

Plot Nos 50-59 Sector-25

Ballabgarh Faridabad

Haryana 121004, India

SCHEME OF ARRANGEMENT

BETWEEN

**SALTER INDIA LIMITED
(TRANSFEROR COMPANY)**

AND

**AVERY INDIA LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS
AND RULES THEREUNDER**

PREAMBLE

A. DESCRIPTION OF COMPANIES

1. **Avery India Limited (hereinafter referred to as "AIL" or "Transferee Company")** was incorporated on 26th February, 1947 as 'The Avery Company Limited', a company limited by shares. The name was changed to 'The Avery Company of India Private Limited', w.e.f. 02nd July, 1956 and subsequently, the Transferee Company was converted into a public company pursuant to which, the name was further changed to 'Avery India Limited' w.e.f. 20th March 1968 and subsequently its shares were listed on the Bombay Stock Exchange and Calcutta Stock Exchange. The CIN of the Transferee Company is U29196HR1947PLC043478.

The Transferee Company was delisted from the Bombay Stock Exchange and the Calcutta Stock Exchange w.e.f. 15th September 2009.

The registered office of the Transferee Company is presently located at Plot Nos 50-59, Sector-25, Ballabgarh, Faridabad, Haryana, 121004. The registered office of the Transferee Company was shifted from the state of West Bengal to the state of Haryana w.e.f. 29th July, 2011.

The Transferee Company is primarily engaged in the business of manufacturing and servicing of weighbridges, dormants, weighing scales, testing machines and filling machines.

2. **Salter India Limited (hereinafter referred to as "SIL" or "Transferor Company")** was incorporated on 16th October 1998 as 'Salter India Private Limited', a private company limited by shares. Subsequently, the Company was converted into a public limited company and consequently the name was changed to 'Salter India Limited' w.e.f. 21st January, 2009. The CIN of the Transferor Company is U31909HR1998PLC055856

The registered office of the Transferor Company is presently located at Plot No. 53, Sector-25, Ballabgarh, Faridabad, Haryana, 121004.

The Transferor Company is a wholly owned subsidiary of the Transferee Company, and is primarily engaged in the business of manufacturing of all types of mechanical and electronic weighing scales, including all accessories.

B. PURPOSE AND RATIONALE OF THE SCHEME

This Scheme of Arrangement between the The Transferee Company and the Transferor Company (hereinafter collectively referred as "Companies"), is being undertaken as part of the restructuring plan to simplify the holding structure through consolidation of the wholly owned subsidiary and to reduce the paid up share capital of the Transferee Company held by the Relevant Shareholders (as defined hereinafter).

The Scheme is expected to achieve various objectives, including:

- a. The Transferee Company will have the benefit of the combined assets, cash flows and man power of the Transferor Company. These combined resources will enhance its capability to expand and improve its efficiency of operations, better administration and cost reduction.
- b. The amalgamation would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.
- c. The Transferee Company and the Transferor Company, are engaged in *inter-alia* the business of providing and servicing weighing scales. While the Transferor Company is engaged in the manufacturing and selling of mechanical spring scales, the Transferee Company is engaged *inter-alia* in the manufacturing of electronic scales for industrial weighing products. Thus, the amalgamation would result in consolidation of complementary businesses and related assets of the Transferor Company with the Transferee Company, leading to synergistic linkages and benefits.
- d. Pursuant to the Scheme, the existing multi-tiered structure would collapse, resulting in the entire business being housed in one entity only (i.e. Transferee Company) bringing in efficient management, control and running of the businesses of the Companies.

- e. The Transferee Company is having sufficient reserves and cash and intends to reduce its paid up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.
- f. The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize their shareholding. The Scheme, provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner.
- g. The Capital Reduction shall also enable the Transferee Company to save the administrative and other costs associated with having a large number of shareholders.

This Scheme of Arrangement would be in the interest of the Transferor Company and the Transferee Company, and their respective shareholders, creditors and other stakeholders and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Further, this Scheme is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and the rules and regulations framed thereunder.

C. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- Part I:** Definitions, Effective date of the Scheme, share capital structure and key financial details
- Part II:** Amalgamation of the Transferor Company into and with the Transferee Company, as a going concern
- Part III:** Reduction of share capital of the Transferee Company
- Part IV:** General terms and conditions applicable to the Scheme

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

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PART I: DEFINITIONS

1. DEFINITIONS

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

- 1.1 **"Act" or "the Act"** means Companies Act, 2013, the schedules, rules and regulations prescribed thereunder and shall include all amendment(s) and statutory modification(s) or re-enactment(s) thereof for the time being in force.
- 1.2 **"Appointed Date"** means the 1st day of April, 2018 or such other date as may be fixed by the Tribunal or any other appropriate authority.
- 1.3 **"Board of Directors" or "Board"** in relation to the Transferor Company and/or the Transferee Company, as the case may be, shall mean their respective Board of Directors, and unless it is repugnant to the context or otherwise, shall include committee of directors or any person authorized by the Board of Directors or such committee of directors.
- 1.4 **"Capital Reduction"** shall mean reduction of share capital of the Transferee Company, under Part III of this Scheme.
- 1.5 **"Effective Date"** means last of the dates on which certified copy of the order of the Tribunal sanctioning this Scheme is filed with the Registrar of Companies, Delhi and Haryana, by the Transferor Company and the Transferee Company. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- 1.6 **"Government" or "Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.
- 1.7 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Chandigarh or any other Bench of the NCLT having jurisdiction in relation to the Transferor Company and the Transferee Company.
- 1.8 **"Promoter(s)"** means Avery Weigh-Tronix International Limited, A V CO 3 LIMITED and/or any other body corporate which is a direct or indirect subsidiary of the ultimate holding company i.e. Illinois Tool Works Inc, and holds equity shares in the issued, subscribed and paid up share capital of the Transferee Company.
- 1.9 **'Record Date'** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the Relevant Shareholders for the purpose of Capital Reduction under Part III of the Scheme.
- 1.10 **"Registrar of Companies"** means the Registrar of Companies, National Capital Territory, Delhi and Haryana.
- 1.11 **"Relevant Shareholders"** means all non-Promoter shareholders holding equity shares in the issued, subscribed and paid up share capital of the Transferee Company.
- 1.12 **"SIL" or "Transferor Company"** means Salter India Limited, a company incorporated on the 16th October 1998 under the Companies Act, 1956 and having its registered office at Plot No. 53, Sector-25, Ballabgarh, Faridabad, Haryana, 121004.
- 1.13 **"Scheme of Arrangement" or "Scheme"** means this Scheme of Arrangement involving amalgamation of the Transferor Company into and with the Transferee Company and the reduction of share capital in the Transferee Company, as approved, with or without any amendments/ modifications.
- 1.14 **"Undertaking"** mean and include the entire business and undertaking of the Transferor Company of whatsoever nature and kind, and wherever situated, as a going concern, and all their assets, rights, licenses and powers, and all their debts, outstanding(s), liabilities, duties and obligations as on the Appointed Date including, including but not limited to:

- (a) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent, in possession or reversion) of the Transferor Company, including without limitation, all the properties, plant and machinery, goodwill, technical know-how, electrical equipment, computers and accessories, software, office equipment, leasehold improvements, fixed assets, furniture, fixtures, vehicles, appliances, accessories, deposits, inventories, current assets, actionable claims, cash, balances with banks, financial assets, bills of exchange, loans, advances, deferred tax assets, contingent rights or benefits, receivables, financial assets, leases (including lease rights), rights and benefits of all agreements, registrations, contracts and arrangements, (including but not limited to all customer contracts), memorandum of understanding, expressions of interest whether under agreement or otherwise, tenancies or licenses in relation to the offices and all other interests in connection with or relating to the Transferor Company, investments, books, papers, stationery, product specifications, incentives, fixed and other assets, balances with regulatory authorities, advance tax, tax benefits, taxes deducted at source, amount of tax paid under protest, benefits available under service tax, Central Sales Tax, Goods and Services Tax Act (hereinafter referred as "GST") /Value Added Tax credits any other benefits/ incentives/ exemptions given under any policy announced/ issued or promulgated by a Governmental Authority, municipal permissions, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, import entitlements, import export licenses, research licenses, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, labels, quality certifications, (including but not limited to ISO certification), premises, benefits of assets or properties, privileges, interests 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;
- (b) All debts, if any, including secured and unsecured liabilities, present and future liabilities, contingent liabilities, duties and obligations of the Transferor Company of every kind, nature and description whatsoever and howsoever (including duties/rights/obligations under any agreement, contracts, applications, letters of intent or any other contracts), borrowings, bills payable, bank overdrafts, working capital loans, interest accrued and all other debts, duties, undertakings and contractual obligations;
- (c) All employees, whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date;
- (d) All records, files, papers, computer programs, software, manuals, data, catalogues, quotations, lists, sales and advertising materials, customer prototypes and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and all other records and documents relating to the business activities and operations of the Transferor Company;
- (e) All legal, taxation or other proceedings or investigations of whatsoever nature, if any, (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company are a party, whether pending as on Appointed Date or which may be instituted at any time in the future;
- (f) All agreements, rights, contracts, entitlements, recognition, quality certifications, permits, licenses, approvals, authorizations, concessions, consents, reversions, powers, customer approvals and all other approvals of every kind, nature and description whatsoever, whether received from a Governmental Authority, public sector undertaking, government institutions or any other approving authority and all the past track records relating to the business activities and operations of the Transferor Company;

It is intended that the definition of Undertaking under this clause would enable the transfer of all property, assets, liabilities, employees etc. of the Transferor Company to the Transferee Company pursuant to this Scheme.

2. EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

3. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall take effect in the following manner:

Part II of the Scheme – shall take effect from the Appointed Date, but shall be operative on and from the Effective Date.

Part III of the Scheme – shall take effect on and from the Effective Date

4. SHARE CAPITAL STRUCTURE AND KEY FINANCIAL DETAILS

4.1 Transferor Company:

The authorized, issued and paid up share capital of the Transferor Company as on March 31, 2018 is as under:

Particulars	Amount (in Rs.)
Authorized Share Capital	
5,00,000 Equity Shares of Rs.10/- each	50,00,000
Total	50,00,000
Issued, Subscribed and Paid-up Share Capital	
5,00,000 Equity Shares of Rs.10/- each	50,00,000
Total	50,00,000

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Further, there has been no change in the above capital structure of the Transferor Company after March 31, 2018 till the date of approval of this Scheme by the Board of the Transferor Company.

The key financial details of the Transferor Company as per financial statements for the period ended March 31, 2018 is as under:

Particulars	Amount (in Rs. Lacs)
Revenue from operations	1098.9
Profit before tax	449.2
Profit after tax	321.6

4.2 Transferee Company:

The share capital of the Transferee Company as on March 31, 2018 is as under:

Particulars	Amount (in Rs.)
Authorized Share Capital	
1,20,00,000 Equity Shares of Rs.10/- each	12,00,00,000
Total	12,00,00,000
Issued, Subscribed and Paid-up Share Capital	
98,32,302 Equity Shares of Rs.10/- each	9,83,23,020
Total	9,83,23,020

There has been no change in the above capital structure of the Transferee Company after March 31, 2018 till the date of approval of this Scheme by the Board of the Transferee Company.

The key financial details of the Transferee Company as per financial statements for the period ended March 31, 2018 is as under:

Particulars	Amount (in Rs. Lacs)
Revenue from operations	7,564.3
Profit before tax	2,335.2
Profit after tax	1,496.8

PART II: AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF THE UNDERTAKING

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the entire business and whole of the Undertaking of the Transferor Company shall, pursuant to order of the Tribunal sanctioning the Scheme under the provisions of Section 230 to 232 of the Act, and other applicable provisions of the law for time being in force, including Section 2(1B) of the Income Tax Act, 1961, without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company on and from the Appointed Date, as a going concern, so as to become, as and from the Appointed Date, the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.
- 5.2 Without prejudice to the generality of sub-clause 5.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows:
- (a) All the movable assets including investments, cash in hand, bank balances and deposits, if any, of the Transferor Company capable of being transferred by delivery, shall be handed over by physical delivery to the Transferee Company along with such other documents as may be necessary towards the end and intent that the property therein passes to the Transferee Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.
 - (b) All debts, loans and advances recoverable in cash or in kind or for value to be received, if any, with Government, Customs, Port, local and other authorities and bodies, customers and other persons, outstanding and receivables pertaining to the Transferor Company other than the movable assets specified in sub-clause 5.2(a) above, shall, on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, if it so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in the Transferee Company), and the debtors shall be obliged to make payments to the Transferee Company on and after the Effective Date.
 - (c) All immovable properties including land, together with the buildings and structures standing thereon or under construction (whether free hold, leasehold or under a contractual entitlement) if any, and any documents of title, rights and easements or otherwise in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties comprised in the Transferor Company, shall be vested in and transferred to and/or be deemed to have been vested in and stand transferred to the Transferee Company and shall belong to the Transferee Company in the same and like manner as was entitled to the Transferor Company. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities upon the Scheme becoming effective, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company.
 - (d) All the licenses, permits, approvals, (including but not limited to licenses, permits, registration, approvals etc. obtained in relation to the business of weights and measurements), permissions, registrations, incentives (including GST refund, service tax refunds and accumulated Cenvat credit and unutilized input tax credit under GST), any future or contingent asset, tax deferrals and benefits under income tax, sales tax, customs duty, advance tax, withholding tax receivables, other tax exemptions and/or deferments, amount of tax deposited under protest, concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
 - (e) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also, without any further act, instrument or deed, be transferred to or deemed to be have been transferred to the Transferee Company so as to become as and 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.

- (f) The transfer and vesting of Undertaking of the Transferor Company, 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 the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee 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.
- (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 with effect from the Appointed Date.
- (h) All agreements, rights, contracts, entitlements, recognition, quality certifications, permits, licenses, approvals, authorizations, concessions, consents, reversions, powers and all other approvals of every kind, nature and description whatsoever, whether received from a Governmental Authority, public sector undertaking, government institutions or any other approving authority and all the past track records relating to the business activities and operations of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5.3 All assets, of whatsoever nature, acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company, upon the Scheme becoming effective without any further act, instrument or deed.

5.4 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operation of the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to the Transferee Company and shall become its liabilities and obligations from such date.

6. EMPLOYEES

6.1 On the Scheme coming into effect all employees of the Transferor Company in service on the date immediately preceding the Effective Date shall, on and from the Effective Date, be deemed to have become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service.

6.2 Upon the Scheme coming into effect and with effect from the Appointed Date, any contributions made towards provident fund (private or public), gratuity fund, superannuation fund, employee state insurance contributions, leave encashment scheme, staff welfare scheme or any other schemes, funds or benefits (the "Funds"), created or existing for the benefit of the employees of the Transferor Company, together with such of the investments made by these Funds which relate to such employees, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferee Company or the Transferor Company, for all purposes whatsoever relating to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and all such contributions made by the Transferor Company on behalf of the transferred employees shall be transferred to the Transferee Company. Without prejudice to above, where necessary under the applicable laws, the Transferee Company shall take all steps necessary for the transfer of balances of the Funds, to the Transferee Company. All obligations of the Transferor Company with regard to the said fund or funds as defined in the relevant rules shall be taken over by the Transferee Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the

rights, duties and benefits of the employees employed in the Transferor Company under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7. LEGAL PROCEEDINGS

- 7.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of all legal, taxation or other claims, proceedings and investigations of whatsoever nature that pertain to the Transferor Company or their properties, assets, debts, liabilities, duties and obligations, initiated by or against the Transferor Company or claims, proceedings and investigations to which the Transferor Company are party to, whether pending as on the Appointed Date, or which may be instituted any time in the future in relation to the Transferor Company ("Proceedings"). Upon the Scheme coming into effect and with effect from the Appointed Date, if any Proceedings in respect of the Transferor Company, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company 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 or might have been continued, prosecuted and enforced by or against the Transferor Company.
- 7.2 The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, whether initiated by or against the Transferor Company, transferred in its name as soon as possible and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relating to the period from the Appointed Date up to the Effective Date.
- 7.3 Upon the Scheme coming into effect on the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

8. CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Transferor Company are party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, 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 Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Company and the Transferee Company, as on the Effective Date shall stand cancelled and cease to operate in the Transferee Company.

9. TREATMENT OF TAXES

- 9.1 Any tax liabilities under the Income Tax Act, 1961, Goods And Services Tax Act 2017, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Central Excise Act 1944, Service Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this clause referred to as "**Tax Laws**") related to the business of the Transferor Company to the extent provided for or not provided for or covered by tax provision in the accounts made as on the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, GST, service tax as on the Appointed Date will also be transferred to the account of the Transferee Company. Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on Appointed Date shall also belong to and be received by the Transferee Company.
- 9.2 All taxes (including income tax, GST, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as

it relates to the tax payment (including without limitation income tax, GST, sales tax, excise duty, customs duty, service tax, VAT etc.), whether by way of deduction at source, advance tax, foreign tax credit or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

- 9.3 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all deductions otherwise admissible to Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Transferee Company upon fulfilment of the required conditions under the Income Tax Act.
- 9.4 Without prejudice to the generality of the above, all exemptions, deductions, benefits, entitlements, incentives, drawbacks, licenses and credits (including but not limited to CENVAT credit, unutilized input tax credit under GST and taxes withheld/ paid in India and foreign country etc.) under the income tax, GST, sales tax, custom duty, excise duty, service tax, VAT, any central government/ state government incentive schemes etc., to which the Transferor Company would be entitled to in terms of the applicable Tax Laws of the union and state governments as well as any foreign jurisdiction, shall be available to and vest in the Transferee Company notwithstanding the certificates/ challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Transferor Company.
- 9.5 The Transferee Company is expressly permitted to file/ revise its income tax, GST, service tax, VAT, sales tax, excise and other indirect taxes, and other statutory returns under tax laws, consequent to this Scheme becoming effective. The Transferee Company is also expressly permitted to amend TDS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by the Transferor Company shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of the Transferor Company.
- 9.6 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 9.7 Without prejudice to the foregoing, with effect from the Appointed Date, all inter – party transactions between the Transferor Company and the Transferee Company shall be considered as intra –party transactions for all purpose from the Appointed Date and the same shall stand cancelled if the transaction exists on the Effective Date.
- 9.8 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

10. COMPLIANCE WITH TAX LAWS

This Scheme, has been drawn up to comply with the conditions relating to “Amalgamation” as specified under the income-tax laws, specifically section 2(1B) of the Income Tax Act, 1961, which provides for the following:

- (a) all the property of the amalgamating company immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;
- (b) all the liabilities of the amalgamating company immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;
- (c) shareholders holding not less than three-fourths in value of the shares in the amalgamating company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company) become shareholders of the amalgamated company by virtue of the amalgamation, otherwise than as a result of the acquisition of the property of one company by the

other company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first mentioned company.

If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme.

11. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

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

- (a) The Transferor Company shall carry on their business with reasonable diligence and commercial prudence and in the same manner as they had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment, either for themselves or their group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with any asset, except:
 - i. When the same is expressly provided in this Scheme; or
 - ii. When the same is in the ordinary course of business, as carried on by them as on the Appointed Date; or
 - iii. When the financial commitment or borrowing or incurring of liabilities is to or from or creation of charge, mortgage or encumbrance on assets is in favor of the Transferee Company; or
 - iv. When a written consent of the Transferee Company has been obtained in this regard.
- (b) The Transferor Company shall carry on and shall be deemed to have carried on all their business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of the said assets, rights, title, interests, authorities, contracts, investments and decisions, for and on account of and in trust for the Transferee Company;
- (c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust of the Transferee Company;
- (d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by them shall, for all purposes, be treated and deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company;
- (e) All assets acquired, leased or licensed, licenses obtained, benefits, entitlements, incentives and concessions granted, contracts entered into, intellectual property developed or registered or applications made thereto, liabilities incurred and proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred to and vested in the Transferee Company;
- (f) On the Effective Date but with effect from the Appointed Date, the Transferee Company shall be authorized to carry on the businesses carried on by the Transferor Company; and
- (g) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occur by virtue of Part II of this Scheme itself, the Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper and enter into or execute deeds (including deeds of adherence), confirmations, novation, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favor of and required by (i) any party to the contract to which the Transferor Company are a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving of effect to this Scheme from the Effective Date.

12. ISSUE OF SHARES

12.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, and the Transferee Company holds 100% shares in the Transferor Company, no shares would be issued and allotted by the Transferee Company on the amalgamation of the Transferor Company with the Transferee Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished. The investments in the shares of the Transferor Company, appearing in the books of the Transferee Company, shall, without any further act or deed, stand cancelled.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

13.1 On Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Company with the Transferee Company in its books of account as outlined hereinafter.

13.2 The Transferee Company shall account for the amalgamation in accordance with the "Pooling of Interest Method" laid down in Accounting Standard 14, issued by the Institute of Chartered Accountants of India ("AS 14"), notified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

13.3 The Transferee Company shall, on this scheme becoming effective, record all assets and liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme, at the respective carrying values and in the same form as they appear in the books of the Transferor Company as on the Appointed Date.

13.4 The Transferee Company shall record all the reserves of the Transferor Company, in the same manner and form as they appear in the books of the Transferor Company as on the Appointed Date.

13.5 To the extent there are inter corporate loans, investments or other balances between the Transferor Company and Transferee Company, the same thereof shall stand cancelled. Inter Company transactions, if any, between the Transferor Company and the Transferee Company shall be eliminated in the Transferee Company's financial statements.

13.6 Any surplus/deficit arising out of the amalgamation of the Transferor Company, after considering the aforementioned clause 13.3 to 13.5, shall be recorded in the Capital Reserve in the Transferee Company.

13.7 In case of any differences in accounting policies between the Transferor Company and Transferee Company, impact of the same will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of harmonized accounting policies and in conformity with applicable standards including AS 14.

14. CONSOLIDATION OF AUTHORISED SHARE CAPITAL

14.1 Upon the Scheme becoming effective and with effect from the Effective Date, the authorized share capital of the Transferor Company (being Rs. 50,00,000/- comprising of 5,00,000 Equity Shares of Rs.10/- each) shall stand consolidated and vested in and be merged with the authorized share capital of the Transferee Company without any liability for payment of additional fees (including fees and charges to the Registrar of Companies) or stamp duty, as such fees and duties in respect of the authorized share capital of the Transferor Company has already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective.

14.2 Accordingly, the words and figures in clause 5 of the Memorandum of Association of the Transferee Company shall stand modified and the following clause (g) shall be added after clause (f):
"By virtue of the Scheme of Arrangement approved by the Hon'ble NCLT (Chandigarh Bench), the Authorized Share Capital of the Company was increased to Rs. 12,50,00,000/- (Rupees Twelve Crores Five Lakhs Only) divided into 1,25,00,000 (One Crore Twenty Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each"

14.3 Upon the Scheme coming into effect, the authorized capital of the Transferee Company as specified in clause 5 of the Memorandum of Association shall further be increased by the authorized share capital of the Transferor Company in accordance with clause 14.1 and clause 14.2 of this Scheme.

14.4 It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under any applicable provisions of the Act, would be required to be separately

passed.

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Transferor Company with and into the Transferee Company under Part II of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

16. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon effectiveness of this Scheme, the Transferor Company shall stand dissolved without winding up. The name of the Transferor Company shall be struck off from the records of the Registrar of Companies and the Transferee Company shall make necessary filings, if any in this regards.

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PART III: REDUCTION OF SHARE CAPITAL OF THE TRANSFEEE COMPANY IN ACCORDANCE WITH SECTION 230 – 232 READ WITH SECTION 66, AS MAY BE APPLICABLE, OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS AND RULES THEREUNDER

17. REDUCTION OF SHARE CAPITAL OF THE TRANSFEEE COMPANY

- 17.1 As on 24th August 2018, the issued, subscribed and paid up share capital of the Transferee Company is Rs. 9,83,23,020 consisting of 98,32,302 equity shares of face value Rs. 10 each, fully paid up, of which, 8,63,857 equity shares are held by the Relevant Shareholders. The issued, subscribed and paid up share capital of the Transferee Company shall stand reduced with regard to the shares held by the Relevant Shareholders as on the Record Date, by paying back the capital at a price as mentioned hereinafter.
- 17.2 Upon the Scheme becoming effective, the issued, subscribed and paid up share capital of the Transferee Company will be reduced from Rs. 9,83,23,020 (Rupees Nine Crores Eighty Three Lakh Twenty Three Thousand and Twenty) consisting of 98,32,302 (Ninety Eight Lakh Thirty Two Thousand Three Hundred and Two) equity shares of face value Rs. 10 each to Rs. 8,96,84,450 (Rupees Eight Crore Ninety Six Lakh Eighty Four Thousand Four Hundred and Fifty) consisting of 89,68,445 (Eighty Nine Lakh Sixty Eight Thousand Four Hundred and Forty Five) equity shares of face value Rs. 10 each, by cancelling and extinguishing 8,63,857 (Eight Lakh Sixty Three Thousand Eight Hundred and Fifty Seven) equity shares of face value Rs. 10 each, to the end and intent that all the equity shares held by the Relevant Shareholders as on the Record Date are cancelled and extinguished for payment of requisite consideration mentioned in clause 17.3 below.
- It is hereby clarified that in the event there is a decrease in the number of equity shares held by the Relevant Shareholders between 24th August 2018 and the Record Date, the reduction of equity shares shall be deemed to have been effected for the number of equity shares held by the Relevant Shareholders as on the Record Date.
- 17.3 Upon the Scheme becoming effective and pursuant to clause 17.1 and clause 17.2 above, the Relevant Shareholders of the Transferee Company as on the Record Date, shall be paid, for the equity shares held by them and which are cancelled and extinguished, a sum of Rs. 276 per equity share of face value Rs. 10 each, so cancelled and extinguished, as per valuation carried out by independent valuers, SSPA & CO. (Chartered Accountants). Further, as per the provisions of section 115-O of the Income Tax Act, 1961, the Transferee Company shall additionally bear the dividend distribution tax @ 20.555% amounting to approximately Rs. 56.73 per equity share so cancelled and extinguished or as may be applicable as per the tax laws then in force.
- 17.4 Upon the Scheme becoming effective, and without any further act or deed by the Relevant Shareholders or their nominees (including but not limited to surrendering of share certificates and / or sending appropriate instructions to the Depository Participants), the shares held by the Relevant Shareholders shall stand cancelled, extinguished and rendered invalid.
- 17.5 Upon the Scheme becoming effective, the payment for the Capital Reduction to the Relevant Shareholders as on the Record Date shall be discharged by issue of cheque, draft, pay order/ warrant or demand draft, electronic transfer of funds, NEFT/ RTGS/ IMPS to the last known details of such Relevant shareholder, as available with the Company / Registrar and Share Transfer Agent.
- 17.6 To the extent the consideration for the Capital Reduction is payable to non-resident Relevant Shareholders as on the Record Date, the Transferee Company shall comply with the provisions of Foreign Exchange Management Act, 1999 and the guidelines therein and may seek any information from such non-resident Relevant Shareholders as on the Record Date to comply with the said provisions.
- 17.7 In case of transfer requests pending as on the Record Date, the Transferee Company shall dispatch to shareholders (transferor) and to such person (transferee) from whom the Transferee Company has received any communication with respect to pending transfer of shares, a form to be duly filled in by the transferor and the transferee. Upon receipt of duly filled-in form complete in all respects, the Transferee Company shall discharge the consideration to the transferee or to the transferor, as the case may be. Pending receipt of duly filled in form, the consideration towards such shares shall be dealt in a manner provided for in the clause 17.8 below.
- 17.8 Where the payment pursuant to clause 17.3 and clause 17.5 above, has not been claimed by or paid to the Relevant Shareholders, on account of cheques returned and / or undelivered, cheques not deposited, consideration in respect of shares pending transfer as on the Record Date, or for any other reason, for a period of 7 (seven) years, such unclaimed consideration after the said period shall be utilized in a manner

as may be permitted under any law then in force or shall be transferred to the Investor Education and Protection Fund.

17.9 The Capital Reduction shall be effected as an integral part of the Scheme.

18. ACCOUNTING TREATMENT ON CAPITAL REDUCTION IN THE BOOKS OF THE TRANSFEREE COMPANY

18.1 On the Scheme becoming effective, the Transferee Company will comply with all the relevant accounting standards as applicable in relation to the accounting for Capital Reduction, including the following:

- (a) The issued, subscribed and paid-up equity share capital of the Transferee Company, shall be reduced to the extent of the equity shares cancelled pursuant to clause 17.1 and clause 17.2 of the Scheme;
- (b) The Transferee Company shall record the payment to be made to the Relevant Shareholders as on the Record Date pursuant to clause 17.3 of the Scheme and the applicable dividend distribution tax as per section 115-O of the Income Tax Act, 1961;
- (c) The amount representing the difference between clause 18.1.a and clause 18.1.b, shall be adjusted against first against the Securities Premium and then against the General Reserve of the Transferee Company.

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PART IV: GENERAL TERMS AND CONDITIONS

19. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to the following:

- (a) The Scheme being agreed to by the equity shareholders and creditors of each of the Transferor Company and the Transferee Company, under the applicable provisions of the Act or as may be directed by the NCLT;
- (b) The Scheme being sanctioned by the NCLT; and
- (c) Filing of the order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies.

20. EFFECT OF NON-APPROVALS

In the event the Scheme is not sanctioned by NCLT for any reason whatsoever or for any other reasons the Scheme cannot be effected, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred inter-se by the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person and each of the Transferor Company and the Transferee Company shall bear and pay their respective costs, charges and expenses for and/or in connection with the Scheme.

It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and the Scheme with the remaining component(s) shall be implemented.

21. MODIFICATION OR AMENDMENT TO THE SCHEME

- 21.1 The respective Board of Directors of the Transferor Company and the Transferee Company may assent to any modification(s) or amendment(s) in this Scheme which the Tribunal and/ or any other authorities or the Board 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 the Board of the Transferor Company and the Transferee Company and after the dissolution of the Transferor Company, the Board of Directors of the Transferee Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith.
- 21.2 The Board of Directors of the Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme anytime prior to the effectiveness of the Scheme.

22. REVOCATION AND WITHDRAWAL OF THE SCHEME

- 22.1 The Board of Directors of the respective Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw (in full or part) and declare this Scheme to be of no effect at any stage and where applicable re-file, at any stage in case:
- (a) This Scheme is not approved by the shareholders or creditors of either of the Transferor Company and/or the Transferee Company and/or the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed;
 - (b) Any condition or modification imposed by the shareholders and/or the creditors of either of the Transferor Company and/or the Transferee Company, the NCLT and/or any other authority is not acceptable;
 - (c) The coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and /or the Transferee Company; or
 - (d) For any other reason whatsoever

and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue or be incurred inter se between 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 deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto.

23. SEVERABILITY

If any part of this Scheme is held invalid, ruled illegal by any court / tribunal of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder and this Scheme shall not be affected thereby.

24. COSTS, CHARGES AND EXPENSES

All costs, expenses, charges, fees, taxes including duties (including transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

25. PROCEEDINGS FOR INVESTIGATION OR INSPECTION

There are no proceedings for inspection or investigation under the Companies Act, 1956 or Companies Act, 2013 pending against the Transferor Company or the Transferee Company.

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REPORT ON VALUATION OF SHARES OF AVERY INDIA LIMITED

1. INTRODUCTION

- 1.1 Avery India Limited (hereinafter referred to as 'AIL' or the 'Company'), incorporated on February 26, 1947, offers a wide range of industrial weighing systems and solutions.
- 1.2 AIL's products include bench scales, check weighers, counting scales, weight indicators, forklift truck scales, load cells/weigh bar, platform/floor scales, rail scales, software solutions, weighbridges and custom weighing solutions which are mainly catered to various industries i.e. chemical and petrochemical, construction, food and beverage, manufacturing, mining and aggregates, transport and logistics and waste recycling.
- 1.3 The registered office of AIL is located at Plot No 50-59, Sector-25, Ballabhgarh, Faridabad, Haryana – 121004.
- 1.4 AIL, as on date, holds investment in wholly owned subsidiary i.e. Salter India Limited ('SIL') which is mainly engaged in manufacturing of mechanical weighing scales.
- 1.5 The equity shares of AIL are not listed on any stock exchange. Shareholding pattern of AIL as on date is as follows:

Name of the shareholder	Shares	% of holding
Avery Weigh-Tronix International Limited	52,54,457	53.44%
AV CO 3 Limited	37,13,988	37.77%
Others	8,63,857	8.79%
Total	98,32,302	100.00%

2. SCOPE & PURPOSE OF VALUATION

- 2.1. We refer to our engagement letter dated May 15, 2018 whereby SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Valuer' or 'We') have been informed by the management of AIL (hereinafter referred to as the 'Management') that they are considering a proposal for capital reduction of equity share capital of the Company as per the provisions of Companies Act, 2013.



- 2.2. In this connection, SSPA have been requested by the Management to carry out fair valuation of equity shares of the Company as at July 31, 2018 ('Valuation Date') for the purpose of Indian regulatory requirements.

3. SSPA & CO., CHARTERED ACCOUNTANTS

SSPA is a partnership firm, located at 1st Floor, Arjun Building, Plot No. 6A, V. P. Road, Andheri (W), Mumbai – 400 058, India. SSPA is engaged in providing various corporate consultancy services.

4. SOURCES OF INFORMATION

Our valuation exercise is based on the following information provided by the Management:

- Audited consolidated financial statements of AIL for financial year (FY) 2016-17.
- Management certified provisional consolidated balance sheet and profitability statement of AIL for FY 2017-18.
- Consolidated Projections of AIL comprising of balance sheet and profitability statement for FY 2018-19 to FY 2022-23.
- Other relevant details regarding the Company such as their history, past and present activities, estimated fair value of surplus assets and other relevant information and data, including information in the public domain.
- Such other information and explanations as we required, and which have been provided by the Management of the Company including Management Representation.

5. VALUATION APPROACHES AND METHODOLOGIES

There are various approaches/methods adopted for valuation of equity shares of the company. Certain approaches/methods are based on asset value of a company while certain other methods are based on the earnings potential of the company. Each approach/method proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the approach/method to be adopted for a particular valuation exercise must be judiciously chosen.

5.1. UNDERLYING ASSET APPROACH

The 'Underlying Asset' approach represents the value with reference to historical cost of assets owned by the company and the attached liabilities. Such value generally represents



the support value in case of profit making business and thus, has limited relevance in the valuation of the business of a going concern.

In the present case, the business of the Company is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Underlying Asset approach is not adopted for the present valuation exercise.

5.2. INCOME APPROACH

Under the 'Income' approach, the equity shares of the Company have been valued using Discounted Cash Flow (DCF) method.

The DCF Method values the business by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the returns expected by the investors of both debt and equity, weighted for their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the business.

5.3. MARKET APPROACH

Under the Market approach, the valuation is based on the market price of the company in case of listed companies and / or comparable companies trading or transaction multiples. Market approach generally reflects the investors perception about the worth of the company.

In the present case, the equity shares of the Company are not listed on any stock exchanges. Further there are no comparable listed companies in India, therefore the Market Approach is not adopted for the present valuation exercise.

5.4. Considering the above, we have thought fit to use DCF Method under 'Income approach' for arriving at the value of equity shares of AIL for the present valuation exercise.

6. VALUATION UNDER INCOME APPROACH AS PER DCF METHOD

6.1. The value per share of AIL under this method has been arrived at as follows:

- Valuation under DCF method is based on the consolidated projections of the Company for FY 2018-19 to FY 2022-23 ('explicit period') as provided to us by the Management.



- For the explicit period, free cash flows from the business have been arrived at as follows:
 - Operating profits before tax ('PBT') as per the projections have been considered.
 - Depreciation on fixed assets has been added to the operating PBT to arrive at the cash earnings i.e. earnings before interest tax depreciation and amortisation ('EBITDA').
 - Fund requirements for capital expenditure and incremental working capital have been reduced from the cash earnings of the respective years.
 - Estimated tax liability has been reduced to arrive at the free cash flows from the business.
- The post-tax cash flows of each year are then discounted at the Weighted Average Cost of Capital (WACC).

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. WACC is arrived at considering the following parameters:

- The Cost of Equity is worked out using the following formulae:
$$\text{Risk free rate of return} + (\text{Beta} \times \text{Equity Risk Premium})$$

The risk-free rate of return is considered based on yield on long term government securities in India. Appropriate Beta is considered. Equity Risk Premium is considered based on the expected market return of the investor over and above the risk-free rate.
- ALL currently does not have any debt outstanding and has no intentions to borrow in future. Therefore, the Cost of Equity has been considered as the WACC.
- After the explicit period, the business will continue to generate cash. In DCF Method, therefore, perpetuity value is also considered to arrive at the enterprise value. For arriving at the perpetuity value, we have considered an appropriate growth rate.
- Cash flows for perpetuity have been arrived at after considering the corporate taxes, estimated capital expenditure and incremental working capital requirements.
- The discounted perpetuity value is added to the discounted cash flow for the explicit period to arrive at the enterprise value.
- Appropriate adjustments have been made for contingent liabilities, value of investments, cash and cash equivalents and surplus assets, after considering the tax impact wherever applicable, to arrive at the equity value.



- The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

6.2. On the basis of the foregoing, the value per equity share of AIL as per DCF Method works out to **INR 276** (rounded off) as on the Valuation Date. As stated earlier, the Company is proposing selective capital reduction of shares. Any tax payable by the Company upon such Capital Reduction is not factored in the above value.

7. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

- 7.1. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report on recommendation of fair value of equity shares is in accordance with Indian Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.
- 7.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 7.3. We have been represented by the Management of the Company that the Company have clear and valid title of assets. No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.
- 7.4. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Company / auditors / consultants is that of the Company. Also, with respect to explanations and information sought from the Company, we have been given to understand by the Management of the Company that they have not omitted any relevant and material factors about the Company. The Management of the Company have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / conclusion. Our work does not constitute an audit, due diligence or certification of these information referred to in this report. Accordingly, we are unable to



- and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise.
- 7.5. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report and is as per agreed terms of our engagement.
- 7.6. Our valuation is based on the estimates of future financial performance as projected by the Management of the Company, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Company and the industry in which the Company operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 7.7. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the respective Management of the Company has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on the fair value of the shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.
- 7.8. The fee for the engagement and this report is not contingent upon the results reported. The Valuer does not have any interest or conflict of interest with respect to the Company.
- 7.9. This report is prepared only in connection with the proposed transaction as explained in Para 2. It is exclusively for the use of the Company and for submission to regulatory/statutory authority for obtaining requisite approvals.
- 7.10. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the proposed transfer of shares.



- 7.11. Any person/party intending to provide finance/invest in the shares/convertible instruments/ business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.12. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management of the Company and our work and our finding shall not constitute a recommendation as to whether or not the Management of the Company should carry out the transaction.
- 7.13. Our Report is meant for the purpose mentioned in Para 2 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Company and for submission to any regulatory/statutory authority as may be required under any law. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 7.14. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation.

8. RECOMMENDATION OF FAIR VALUE

- 8.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted



the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 8.2. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, in our opinion, the fair value per equity share of AIL works out to **INR 276** as on the Valuation Date.



SSPA & Co

SSPA & CO.
Chartered Accountants

Signed by **Mr. Parag Ved, Partner**
Membership No. 102432

Place: Mumbai

Date: July 31, 2018

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AVERY INDIA LIMITED AT ITS MEETING HELD ON AUGUST 30, 2018 ON THE SCHEME OF ARRANGEMENT BETWEEN SALTER INDIA LIMITED AND AVERY INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

- 1.1. A meeting of the Board of Directors ('Board') of Avery India Limited was held on August 30, 2018 to consider and recommend the proposed Scheme of Arrangement between Salter India Limited ('Transferor Company') and Avery India Limited ('Company' or 'Transferee Company') and their respective shareholders and creditors (hereinafter referred to as the '**Scheme**'), under section 230 to 232 of the Companies Act 2013.
- 1.2. In terms of Section 232(2)(c) of the Companies Act, 2013 (the "**Act**") a report from the Board explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders has to be appended with the notices of the meeting of shareholders and creditors. Further, the said report has to specify any specific valuation difficulties, if any in the valuation. Accordingly, this report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.
- 1.3. While deliberating on the Scheme, the Board had, *inter-alia*, considered and took on record the following necessary documents:
 - i. Draft Scheme of Arrangement between the Transferor Company and the Company and their respective shareholders and creditors; and
 - ii. Fair valuation report dated July 31, 2018 issued by SSPA & CO. Chartered Accountants, setting out the fair value of the Company's shares for the purpose of the Scheme ('**Valuation Report**').

2. Rationale of the Scheme

- 2.1 The Scheme of Arrangement between the Transferee Company and the Transferor Company, is being undertaken as part of the restructuring plan to simplify the holding structure through consolidation of the wholly owned subsidiary and to reduce the paid up share capital of the Transferee Company held by the Relevant Shareholders (as defined in the Scheme). The Scheme is expected to achieve various objectives, including:
 - a) The Transferee Company will have the benefit of the combined assets, cash flows and man power of the Transferor Company. These combined resources will enhance its capability to expand and improve its efficiency of operations, better administration and cost reduction.

- b) The amalgamation would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.
- c) The Transferee Company and the Transferor Company, are engaged in inter-alia the business of providing and servicing weighing scales. While the Transferor Company is engaged in the manufacturing and selling of mechanical spring scales, the Transferee Company is engaged inter-alia in the manufacturing of electronic scales for industrial weighing products. Thus, the amalgamation would result in consolidation of complementary businesses and related assets of the Transferor Company with the Transferee Company, leading to synergistic linkages and benefits.
- d) Pursuant to the Scheme, the existing multi-tiered structure would collapse, resulting in the entire business being housed in one entity only (i.e. Transferee Company) bringing in efficient management, control and running of the businesses of the Companies.
- e) The Transferee Company is having sufficient reserves and cash and intends to reduce its paid up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.
- f) The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize their shareholding. The Scheme, provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner.

The Capital Reduction shall also enable the Transferee Company to save the administrative and other costs associated with having a large number of shareholders.

3. Valuation report

- 3.1. The Transferor Company is a wholly owned subsidiary of the Company. Pursuant to the Scheme, the shareholding held by the Company in the Transferor Company shall stand cancelled and no equity shares shall be issued by the Company. Given that no shares shall be issued by the Company pursuant to the Scheme, there is no requirement to determine share exchange ratio on the merger.
- 3.2. For the purpose of determining consideration payable to the Relevant Shareholders of the Company pursuant to capital reduction under part III of the Scheme, the Company has obtained a fair valuation report from SSPA & CO., Chartered Accountants (an independent valuer). No special valuation difficulties were reported.

4. Effect of the Scheme on key stake holders in terms of Section 232(2)(c) of the Act

- 4.1. The Scheme doesn't have a prejudicial effect on the Directors or KMPs of the Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner. Further, none of the KMPs of the Company involved in the Scheme have any interest in the proposed Scheme.

- 4.2. The Company has only one class of shareholders, i.e. equity shareholders
- 4.3. The Company has sufficient reserves and cash and intends to reduce its paid up share capital, which is no longer required, by paying off to the Relevant Shareholders at the value determined as per the valuation carried out by independent valuers, SSPA & CO. (Chartered Accountants). On the Scheme becoming effective, the Promoter shareholding percentage would stand increased in the Applicant Company. Save as aforesaid, the Scheme would not have any effect on promoter or non promoter shareholders of the Company.
- 4.4. There will be no adverse effect of the said Scheme on Key Managerial Personnel and promoters and non-promoter shareholders of the Company

For and on behalf of the Board of Directors

Sd/-

Rohit Gupta

Director

DIN: 00322010

Date: August 30, 2018

Place: Gurgaon

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SALTER INDIA LIMITED AT ITS MEETING HELD ON AUGUST 30, 2018 ON THE SCHEME OF ARRANGEMENT BETWEEN SALTER INDIA LIMITED AND AVERY INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, AS PER THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

- 1.1. A meeting of the Board of Directors ('Board') of Salter India Limited was held on August 30, 2018 to consider and recommend the proposed Scheme of Arrangement between Salter India Limited ('Company' or 'Transferor Company') and Avery India Limited ('Transferee Company') and their respective shareholders and creditors (hereinafter referred to as the '**Scheme**'), under section 230 to 232 of the Companies Act 2013.
- 1.2. In terms of Section 232(2)(c) of the Companies Act, 2013 (the "**Act**") a report from the Board explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders has to be appended with the notices of the meeting of shareholders and creditors. Further, the said report has to specify any specific valuation difficulties, if any in the valuation. Accordingly, this report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.
- 1.3. While deliberating on the Scheme, the Board had, *inter-alia*, considered and took on record the following necessary documents:
 - i. Draft Scheme of Arrangement between the Company and the Transferee Company and their respective shareholders and creditors; and
 - ii. Fair valuation report dated July 31, 2018 issued by SSPA & CO. Chartered Accountants, setting out the fair value of the Transferee Company's shares for the purpose of the Scheme ('**Valuation Report**').

2. Rationale of the Scheme

- 2.1 The Scheme of Arrangement between the Transferee Company and the Transferor Company, is being undertaken as part of the restructuring plan to simplify the holding structure through consolidation of the wholly owned subsidiary and to reduce the paid up share capital of the Transferee Company held by the Relevant Shareholders (as defined in the Scheme). The Scheme is expected to achieve various objectives, including:
 - a) The Transferee Company will have the benefit of the combined assets, cash flows and man power of the Transferor Company. These combined resources will enhance its capability to expand and improve its efficiency of operations, better administration and cost reduction.

- b) The amalgamation would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.
- c) The Transferee Company and the Transferor Company, are engaged in inter-alia the business of providing and servicing weighing scales. While the Transferor Company is engaged in the manufacturing and selling of mechanical spring scales, the Transferee Company is engaged inter-alia in the manufacturing of electronic scales for industrial weighing products. Thus, the amalgamation would result in consolidation of complementary businesses and related assets of the Transferor Company with the Transferee Company, leading to synergistic linkages and benefits.
- d) Pursuant to the Scheme, the existing multi-tiered structure would collapse, resulting in the entire business being housed in one entity only (i.e. Transferee Company) bringing in efficient management, control and running of the businesses of the Companies.
- e) The Transferee Company is having sufficient reserves and cash and intends to reduce its paid up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.
- f) The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize their shareholding. The Scheme, provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner.

The Capital Reduction shall also enable the Transferee Company to save the administrative and other costs associated with having a large number of shareholders.

3. Valuation report

- 3.1. The Company is a wholly owned subsidiary of the Transferee Company. Pursuant to the Scheme, the shareholding held by the Transferee Company in the Company shall stand cancelled and no equity shares shall be issued by the Transferee Company. Given that no shares shall be issued by the Company pursuant to the Scheme, there is no requirement to determine share exchange ratio on the merger.
- 3.2. For the purpose of determining consideration payable to the Relevant Shareholders of the Transferee Company pursuant to capital reduction under part III of the Scheme, the Transferee Company has obtained a fair valuation report from SSPA & CO., Chartered Accountants (an independent valuer). No special valuation difficulties were reported.

4. Effect of the Scheme on key stake holders in terms of Section 232(2)(c) of the Act

- 4.1. The Company is not required to appoint KMP as per the Act. Further, upon the Effective Date, the Company shall stand dissolved without winding up and accordingly, its board shall cease to exist.

- 4.2. The Company has only one class of shareholders, i.e. equity shareholders. Further, since the Company is a wholly owned subsidiary of the Transferee Company, there are no non-promoter shareholders in the Company
- 4.3. There will be no adverse effect of the said Scheme on the promoter shareholders of the Company

For and on behalf of the Board of Directors

Sd/-

Pawan Kumar Arora

Director

DIN: 03267993

Date: August 30, 2018

Place: Gurgaon

AVERY INDIA LIMITED
Supplementary Provisional Unaudited Standalone Balance Sheet as at 30th September, 2018

Particulars		As at September 30, 2018
		₹
A	EQUITY AND LIABILITIES	
1	Shareholders' funds	
(a)	Share capital	9,83,23,020
(b)	Reserves and surplus	1,50,07,64,974
		A 1,59,90,87,994
2	Non-current liabilities	
(a)	Long-term provisions	2,29,81,886
		B 2,29,81,886
3	Current liabilities	
(a)	Trade payables	11,25,66,979
(b)	Other current liabilities	9,72,67,651
(c)	Short-term provisions	7,84,92,797
		C 28,83,27,427
	TOTAL EQUITY AND LIABILITIES (A+B+C)	1,91,03,97,307
B	ASSETS	
1	Non-current assets	
(a)	Fixed assets	
(i)	Tangible assets - Property, Plant and Equipment	5,16,06,819
(ii)	Intangible assets	36,61,588
		A 5,52,68,408
(b)	Non-current investments	2,59,57,500
(c)	Deferred tax assets (net)	1,10,02,970
(d)	Long-term loans and advances	4,08,09,435
(e)	Other non-current assets	4,06,92,980
		B 11,84,62,885
2	Current assets	
(a)	Inventories	9,25,62,726
(b)	Trade receivables	12,01,89,140
(c)	Cash and cash equivalents	1,49,58,67,251
(d)	Short-term loans and advances	1,27,48,891
(e)	Other current assets	1,52,98,006
		C 1,73,66,66,014
	TOTAL ASSETS (A+B+C)	1,91,03,97,307

Place : Ballabgarh

Date :26th November, 2018

Sd/-

Rohit Gupta

Director

DIN: 00322010

AVERY INDIA LIMITED

Supplementary Provisional unaudited Profit and Loss for the period 1st April, 2018 to 30th September, 2018

Particulars		1st April, 2018 to 30th September, 2018
1	Revenue from operations	37,38,26,560
2	Other income	4,22,47,484
3	Total revenue (1+2)	41,60,74,044
4	Expenses	
	(a) Cost of materials consumed	13,03,74,799
	(b) Purchase of stock in trade	95,775
	(c) Changes in inventories of finished goods and work-in-progress	(18,93,239)
	(d) Employee benefits expense	10,05,48,884
	(e) Finance costs	-
	(f) Depreciation and amortisation expense	87,86,434
	(g) Other expenses	13,36,29,587
	Total expenses	37,15,42,241
5	Profit before tax (3 - 4)	4,45,31,803
6	Tax expense:	
	(a) Current tax expense	1,19,93,394
	(b) Provision for tax relating to prior years	-
	(c) Deferred tax credit	6,31,192
		1,26,24,586
7	Profit after tax (5 - 6)	3,19,07,217

Place : Ballabgarh

Date : 26th November, 2018

Sd/-

Rohit Gupta
Director
DIN: 00322010

SALTER INDIA LIMITED
Supplementary Unaudited Standalone Balance Sheet as at 30th September, 2018

Particulars		As at 30 September, 2018
		₹
A	EQUITY AND LIABILITIES	
1	Shareholders' funds	
	(a) Share capital	50,00,000
	(b) Reserves and surplus	30,67,61,204
		A 31,17,61,204
2	Non-current liabilities	
	(a) Long-term provisions	12,55,197
		B 12,55,197
3	Current liabilities	
	(a) Trade payables	1,43,72,883
	(b) Other current liabilities	58,125
	(c) Short-term provisions	93,36,361
		C 2,37,67,369
	TOTAL EQUITY AND LIABILITIES (A+B+C)	33,67,83,770
B	ASSETS	
1	Non-current assets	
	(a) Fixed assets	
	(i) Tangible assets - Property, Plant and Equipment	19,07,199
	(ii) Intangible assets	6,45,741
	(b) Deferred tax assets	11,71,084
	(c) Long-term loans and advances	30,000
	(d) Other non-current assets	8,67,387
		A 46,21,412
2	Current assets	
	(a) Inventories	78,64,207
	(b) Trade receivables	2,14,31,673
	(c) Cash and cash equivalents	29,01,84,870
	(d) Short-term loans and advances	1,04,68,547
	(e) Other current assets	22,13,061
		B 33,21,62,358
	TOTAL ASSETS (A+B)	33,67,83,770

Place : Ballabgarh
Date: 26th November, 2018

Sd/-
Director

SALTER INDIA LIMITED
Supplementary Provisional unaudited Standalone Profit and Loss
for the period 1st April, 2018 to 30th September, 2018

Particulars		1st April, 2018 to 30th September, 2018
		₹
1	Revenue from operations	5,70,91,349
2	Other income	89,43,593
3	Total revenue (1+2)	6,60,34,942
4	Expenses	
	(a) Cost of materials consumed	3,13,99,290
	(b) Changes in inventories of finished goods and work-in-progress	7,84,576
	(c) Employee benefits expense	21,83,849
	(d) Finance costs	3,70,146
	(e) Depreciation and amortization expenses	6,08,499
	(f) Other expenses	51,20,204
	Total expenses	4,04,66,565
5	Profitbefore tax(3 - 4)	2,55,68,378
6	Tax expense:	
	(a) Current tax	75,23,710
	(b) Short / (excess) provision for tax related to prior year	-
	(c) Net current tax expenses	75,23,710
	(d) Deferred tax charge/(credit)	(3,20,113)
		72,03,597
7	Profit for the year (5 -6)	1,83,64,780

Place : Ballabgarh
Date :26th November, 2018

Sd/-
Director

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
COMPANY APPLICATION CA(CAA) No. 35/CHD/HRY/2018

IN THE MATTER OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES
(COMPROMISE, ARRANGEMENT AND AMALGAMATION) RULES, 2016;
AND
IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN SALTER INDIA LIMITED AND AVERY
INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS;

Avery India Limited -----Applicant-2/ Transferee Company

FORM NO. MGT-11

FORM OF PROXY

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN: U29196HR1947PLC043478

Name of the company: AVERY INDIA LIMITED

Registered Office: Plot Nos 50-59 Sector-25 Ballabgarh Faridabad, Haryana 121004, India

I/ We, _____, the undersigned Unsecured Creditor of Avery India Limited, the Applicant Company, do hereby appoint Mr. / Ms. _____ of _____ and failing him/her Mr. / Ms. _____ of _____, as my / our proxy to attend and vote for me/ us and on my/ our behalf at the Meeting of the Unsecured Creditors of Avery India Limited to be held on the 05th day of January, 2019 at 02:00 PM at Magpie Complex, Mathura Road, Sector 16A, Faridabad, Haryana 121001, and at any adjournment or adjournments thereof, in respect of such resolution as is indicated below:

Resolution No.	Resolution
1	Approval of the Scheme Of Arrangement between Salter India Limited and Avery India Limited and their respective shareholders and creditors under Sections 230 to 232 and read with companies (compromise, arrangement and amalgamation) rules, 2016

Signed this day of201

Signature of Unsecured Creditor(s).....

Signature of Proxy.....

Affix Re. 1 Revenue Stamp and sign
--

NOTES:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of Avery India Limited at Plot Nos 50-59 Sector-25 Ballabgarh Faridabad, Haryana 121004, India, not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialled.

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AVERY INDIA LIMITED
CIN: U29196HR1947PLC043478
Registered Office: Plot Nos 50-59 Sector-25 Ballabgarh Faridabad
Haryana 121004, India
Tel No: +91 129 4094400; Fax: +91 129 4094473
Website: www.averyweigh-tronix.com E-mail: kgambhir@awtxglobal.com

MEETING OF THE UNSECURED CREDITORS OF AVERY INDIA LIMITED ON SATURDAY, JANUARY 05,
2019 AT 02:00 PM

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE
MEETING HALL

I hereby record my presence at the meeting of the Unsecured Creditors of Avery India Limited, Applicant Company, convened pursuant to the Order dated November 13, 2018 of the Chandigarh Bench of the National Company Law Tribunal, at Magpie Complex, Mathura Road, Sector 16A, Faridabad, Haryana 121001 on Saturday, the 05th day of January, 2019 at 02:00 PM.

Name of the Unsecured Creditor	
Address of the Unsecured Creditor	
Signature of the Unsecured Creditor	

OR

Name of the proxy holder	
Address of the proxy holder	
Signature of the proxy holder	

NOTES:

1. Unsecured Creditor / authorized representatives or their proxies desiring to attend the meeting should bring his/ her copy of the notice for reference at the meeting.

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