

**26<sup>th</sup> July 2017**

The General Manager,  
Department of Corporate Services,  
National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051

Dear Sir,

**Sub: Approval for scheme of Arrangement (Merger) of Cadensworth (India) Limited with Redington (India) Limited**

**Ref: Our Application dated 30<sup>th</sup> June 2016 under Regulation 11 of SEBI (LODR) Regulation, 2015 and your observation letter Ref No. NSE/LIST/83900 dated 16<sup>th</sup> August 2016**

This has reference to the aforesaid observation letter on the draft scheme of Arrangement (Merger) of Cadensworth (India) Limited with Redington (India) Limited.

In this connection, we would like to inform you that the National Company Law Tribunal, Chennai Bench ("NCLT") has sanctioned the scheme of Arrangement (Merger) of Cadensworth (India) Limited (transferor company) with Redington (India) Limited (transferee company). The order of NCLT has been made effective on 26<sup>th</sup> July 2017 (being the date of filing the order of NCLT with the Registrar of Companies, Chennai) with the Appointed Date being 1<sup>st</sup> April 2016.

In Compliance with the Observation letter, we submit herewith the following:

| S.No | Particulars  | Remarks   |
|------|--|---|
| 1    | Copy of NCLT approved Scheme   | Attached  |
| 2    | Result of voting by shareholders for approving the scheme  | Not Applicable<br>(Since SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 dispenses with the requirement of Shareholder's approval). |
| 3    | Statement explaining changes, if any, and reasons for such changes carried out in the approved scheme viz-a-viz the draft scheme | There are no changes between the approved scheme and the draft scheme filed with you.   |





|   |   |                |
|---|---|----------------|
| 4 | Status of compliance with the Observation letter/s of Stock Exchanges   | Complied with  |
| 5 | The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable                             | Not Applicable |
| 6 | Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30 <sup>th</sup> November 2015 | Attached       |

Request you to kindly take the above information on record and acknowledge the same.

Date: 26<sup>th</sup> July 2017  
Place: Chennai

For Redington (India) Limited



M Muthukumarasamy  
Company Secretary



### Complaints Report

For the period between 30<sup>th</sup> July 2016 to 26<sup>th</sup> July 2017

#### Part A

| Sr. No. | Particulars  | Number |
|---------|--|--------|
| 1       | Number of complaints received directly             | 0      |
| 2       | Number of complaints forwarded by Stock exchanges  | 0      |
| 3       | Total Number of complaints/comments received (1+2) | 0      |
| 4       | Number of complaints resolved                      | N/A    |
| 5       | Number of complaints pending                       | N/A    |

#### Part B

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/pending) |
|---------|---------------------|-------------------|---------------------------|
|         |                     | N/A               |                           |

Date: 26<sup>th</sup> July 2017  
Place: Chennai

For Redington (India) Limited

*M Muthukumarasamy*  
M Muthukumarasamy  
Company Secretary





FORM No. CAA.7

[Pursuant to section 232 and rule 20]

**National Company Law Tribunal, Division Bench, Chennai**

**In the matter of the Companies Act, 2013**

**And**

**In the matter of Scheme of Amalgamation of**

**Cadensworth (India) Limited**

**With**

**Redington (India) Limited**

**Order under section 232**

The above named Petitioner Companies filed the Company Petitions before the Hon'ble Madras High Court which have been transferred to this Tribunal and renumbered as **TP(HC)/41&42/CAA/2017**. All the statutory requirements under law have been fulfilled and the Hon'ble High Court has already completed the process. The Company complied with all the directions given by the Hon'ble High Court and this Bench. The Petition came up for hearing before this Tribunal on 13.07.2017.

For the purpose of considering and approving without modification, the Scheme of Amalgamation of Cadensworth (India) Limited, the Transferor Company, by transferring and vesting operation **with** Redington (India) Limited, the Transferee company,

Upon perusal and upon hearing Shri Pawan Jhabakh, learned counsel for the Petitioner Companies on 13.07.2017,

**THIS TRIBUNAL DO ORDER**

- 1) That the Scheme of Arrangement & Amalgamation as annexed with the Petition alongwith Schedules is hereby sanctioned.
- 2) That all the property, rights and powers of the transferor company specified in the schedule hereto and all other property, rights and powers of the Transferor company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vested in the Transferee company for all the estate and interest of the Transferor company therein but subject nevertheless to all charges now affecting the same ; and
- 3) That all the liabilities and duties of the Transferor company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee company; and
- 4) That all proceedings now pending by or against Transferor company be continued by or against the Transferee company; and
- 5) The same shall be binding on the shareholders and the Secured & Unsecured Creditors of the Transferee Company and the Transferor Company; and
- 6) The Transferor Company is directed to deposit Rs.30,000/- within 15 days of receipt of this Order to the OL for making payment to the Auditor, who has investigated into the affairs of the Transferor Company; and
- 7) The Transferee Company is directed to file the amended MoA and AoA with RoC, Chennai for his records; and
- 8) The Petitioner Companies do file with the Registrar of Companies the certified copy of this Order alongwith the amended Articles of Association within 30 days of the receipt of the order; and
- 9) The parties to the Scheme of Amalgamation or any other persons interested shall be at liberty to apply to this Tribunal for any directions that may be necessary with regard to the working of the said Scheme.

**SCHEDULE**

The Scheme of Arrangement and Amalgamation as sanctioned by the Tribunal contains the details of the properties, stocks, shares, debentures and other charges in action of the Transferor Company.

Dated this 22<sup>nd</sup> day of July, 2017, NCLT, DB, Chennai.

  
**Registrar/Dy. Registrar**

DEPUTY REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR  
29, RAJAJI SALAI, CHENNAI-600001.



**In the National Company Law Tribunal  
Division Bench, Chennai**

**TP (HC)/41&42/CAA/2017  
[C.A. 971 of 2016]**

Under Sections 230 to 232 of the Companies Act, 2013

**In the matter of Scheme of Amalgamation of**

**Cadensworth (India) Limited  
(Transferor Company)**

**With**

**Redington (India) Limited  
(Transferee Company)**

Order delivered on: 21.07.2017

**Coram:**

Ch. Mohd Sharief Tariq, Member (J)

S. Vijayaraghavan, Member (T)

For the Petitioners: Shri Pawan Jhabakh, Advocate

**ORDER**

**Per: Ch. Mohd Sharief Tariq, Member (J)**

1. Under consideration are two Company Petitions filed under the provisions of erstwhile the Companies Act, 1956 which have been transferred from the Hon'ble High Court of Madras to this Tribunal pursuant to the Companies (Transfer of Pending Proceedings) Rules, 2016 and renumbered as TP (HC)/41&42/CAA/2017. The purpose of the Company Petitions is to obtain sanction of the Scheme of Amalgamation (in short, 'Scheme') by virtue of which Cadensworth (India) Limited (hereinafter referred to as 'Transferor Company') is proposed to be merged, amalgamated and vested in Redington (India) Limited (hereinafter referred to as 'Transferee Company') as a going concern.





2. The details of Share Capital and shareholders, Secured and Unsecured creditors of the Companies are as under:

| Particular         | Authorised Capital | Issued, S&P Capital | Equity Share-holders | Secured Creditors | Unsecured Creditors |
|--------------------|--------------------|---------------------|----------------------|-------------------|---------------------|
| Transferor Company | Rs. 1,50,00,000    | Rs. 1,30,12,940     | 7                    | 1                 | 17                  |
| Transferee Company | Rs. 85,00,00,000   | Rs. 79,96,96,460    | 20,000               | 10                | 147                 |

3. At the outset, it is necessary to know the details of the scheme which needs determination. The Transferor Company is the wholly-owned subsidiary of the Transferee Company and the Transferee Company is a Public Listed Company having its registered office at Guindy House, 95, Mount Road, Guindy, Chennai- 600032 and the Board of Directors of both the companies vide its resolution dated 24<sup>th</sup> May, 2016 approved the said scheme of Amalgamation.

4. The Transferor Company is engaged in the business of wholesale distribution of Information Technology products whereas the Transferee Company is engaged in the business of Information Technology, Telecom, Lifestyle, and consumer Electronics products. The Hon'ble Madras High Court vide its order dated 26.10.2016, in CA No. 971 of 2016, dispensed with the convening and holding of the meeting of the equity shareholders of the Transferor Company. In relation to Secured and Unsecured Creditors, the Companies have produced their affidavits consenting to the proposed scheme of amalgamation.

5. Shri Pawan Jhabakh, learned counsel appearing for the Petitioner Companies submitted that the rational, reasons and circumstances that have





necessitated the proposed scheme are that the amalgamation will enable consolidation of the business of the two entities into one entity which will facilitate in focused growth, operational efficiency, resulting in more productive utilization of said resources and cost & operational efficiency which would be beneficial to all stakeholders. The learned counsel further submits that no investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

6. Learned Counsel for the Companies further submitted that the equity shares of the Transferor Company are listed with the stock exchange, thus the Company has complied with the requirements of the Listing Agreement or any SEBI Rules/regulations.
7. The notices were issued to the statutory authorities viz. Regional Director, RoC, Income Tax Authority, RBI, SEBI, CCI and BSE & NSE as per the procedure prescribed. However, there were no objection to the scheme under reference.
8. The Competition Commission of India (in short, 'CCI') vide its representation letter dated 22.05.2017 submitted that before passing an appropriate order, the NCLT may seek an undertaking from the companies involved in the merger/amalgamation that CCI approval is not required for the said scheme.
9. With regard to the observation made by the CCI, the petitioner company has furnished an affidavit from E.H. Kasturi Rangan, Director of the petitioner company. In the said affidavit, it has been stated that the said





merger/amalgamation, involving holding company and wholly-owned subsidiary, is not likely to cause an appreciable adverse effect on competition in India as per Section 6 of the Competition Act, 2002 r/w Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ,

10. The Regional Director, Southern Region (In short, 'RD') in its Report Affidavit (for brevity, 'Report') dated 21.06.2017 submitted that as per records of ROC, Chennai, the Transferor Company is regular in filing its statutory returns and no investigation is pending against the company, therefore, RD decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits. However, in Para 9 of the Report of RD, it has been submitted that Clause 9.4 of the scheme proposes to merge the authorised capital of the transferor company with that of the transferee company, therefore, the transferee company may be directed to file the amended MoA and AoA with RoC, Chennai for his records.

11. With regard to the observation made by the RD relating to merging of Authorized Capital of the Transferor Company with that of the Transferee Company, the learned counsel submitted that the Transferee Company undertakes to comply with the provisions of the Act, 2013 and rules framed thereunder for filing the amended MoA and AoA with the RoC, Chennai.

12. The Official Liquidator (In short, 'OL') in its report dated 5<sup>th</sup> June, 2017 submitted that M/s. Kuriachan & Nova, Chartered Accountants (Auditor) appointed by this Bench vide its order dated 28.04.2017, have scrutinized





the books and accounts of the Transferor Company. The said Auditor has broadly reviewed and observed that the Transferor Company has maintained and written up all the statutory books in accordance with normally accepted accounting principle and policies in accordance with the requirements of the Companies Act, 2013 and also the affairs of the company have not been conducted in a manner prejudicial to the interest of its members, creditors or to public interest.

13. The OL further submits that under Clause 5 of Part- II of the proposed scheme, the interest of all the workmen and employees in the service of the Transferor Company is safeguarded. As per Clause 7 of Part- II of the said Scheme, the entire issued, subscribed and paid up capital of the Transferor Company is or will be held by the Transferee Company and its nominees. Upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the share capital including authorised capital and issued, subscribed & paid-up capital of the Transferor Company shall stand cancelled. Further, the share certificate, representing the shares held by the Transferee Company and its nominees in the Transferor Company shall be deemed to be cancelled without any further act, or deed for cancellation thereof by the Transferee Company.

14. Further perusal of the scheme shows that the accounting treatment is in conformity with the established accounting standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of Amalgamation will not





cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner.

The Appointed date of the said Scheme is 1<sup>st</sup> April, 2016.

15. There is no additional requirement for any modification and the said Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy, also not violative of any provisions of law. All the statutory compliances have been made under section 391 of the Companies Act, 1956. Taking into consideration all the above, the Company Petition is allowed and the scheme of Amalgamation annexed with the petition is hereby sanctioned which shall be binding on all the members, creditors and shareholders.

16. While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

17. The Transferor Company is directed to deposit Rs.30,000/- within 15 days of receipt of this Order to the OL for making payment to the Auditor, who has investigated into the affairs of the Transferor Company.

18. The Transferee Company is directed to comply with the provisions of the Companies Act, 2013 and rules framed thereunder as has been desired by the RD in its report dated 21<sup>st</sup> June 2017 for filing the amended MoA and AoA with RoC, Chennai for his records.





19. The Company to the said Scheme or other person interested, shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.
20. The Petitioner Company do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.
21. The Order of sanction to this Scheme shall be prepared by the Registry as per the format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14<sup>th</sup> December, 2016.
22. Accordingly, the Scheme stands sanctioned.

*S. Vijayaraghavan*  
(S. Vijayaraghavan)  
Member (T)

*Mohd. Sharief Tariq*  
(Ch. Mohd. Sharief Tariq)  
Member (J)



Certified to be True Copy

*G. Jayaraman*  
DEPUTY REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR  
29, RAJAJI SALAI, CHENNAI-600001.

**SCHEME OF ARRANGEMENT (MERGER)**

**BETWEEN**

**CADENSWORTH (INDIA) LIMITED**

**("Transferor Company")**

**WITH**

**REDINGTON (INDIA) LIMITED**

**("Transferee Company")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**(Under the provisions of Section 391 to 394 of the Companies Act, 1956)**

**I. PREAMBLE**

**A. Purpose of the Scheme**

This Scheme of Arrangement (Merger) is presented under Sections 391 to 394 of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013. Upon the relevant sections of the Companies Act 2013 pertaining to schemes of arrangement, compromise or reconstruction of companies being notified by the Ministry of Corporate Affairs ("MCA"), the Scheme of Arrangement (Merger) shall be deemed to have been formulated and presented under sections 230 to 240 and other applicable provisions of the Companies Act, 2013. The references made to various provisions of the Companies Act, 1956 for the purposes of the Scheme shall be deemed to a reference to the provisions of the Companies Act, 2013 as and when they are notified by the MCA for merger of **CADENSWORTH (INDIA) LIMITED** ("the Transferor Company") with **REDINGTON (INDIA) LIMITED** ("the Transferee Company"), and the dissolution of the Transferor Company without winding up.

**CADENSWORTH (INDIA) LIMITED** (hereinafter referred to as "CADENSWORTH" or the "Transferor Company"), was incorporated as a private limited company under the Companies Act, 1956, on 11<sup>th</sup> day of December 2002 in the name of CADENSWORTH (INDIA) PRIVATE LIMITED and in the state of Tamil Nadu. The name of the Transferor Company was changed from CADENSWORTH (INDIA) PRIVATE LIMITED to CADENSWORTH (INDIA) LIMITED and fresh certificate of Incorporation consequent to change of name on conversion to public limited Company was issued on 7<sup>th</sup> day of December 2007.





The registered office of the Transferor Company is situated at SPL Guindy House, 95 Mount Road, Guindy, Chennai 600032.

The Transferor Company is an unlisted public company and the entire issued, subscribed and paid up equity share capital is held by the Transferee Company. By virtue of the shareholding pattern, the Transferor Company is a wholly-owned subsidiary of the Transferee Company.

**The main objects of Transferor Company are as follows:**

1. To act as consultants and advisors on information technology system and surveyor of information services based on the use of computers for industrial, educational, commercial and non-business applications.
2. To carry on the business of designers, developers, manufacturers purchasers, sellers, suppliers, owners, lessors, lessees, importers exporters, dealers, consultants, professional service providers, pre and post warranty maintenance services providers, testing and evaluation services, marketing services providers in computer related hardware and software products, software programmes, electronic and other data management, data warehousing, data processing, computer and related hardware, total IT solutions used in or related to the operation of computer and microprocessor based systems for industrial, educational, commercial or non-business applications.
3. To establish, maintain, run internet, intranet, extranet, local and wide area networking internet service providers services to equip for electronic commerce for own use or on behalf of manufacturers, owners users of computer systems and digital, electronic equipments in India or elsewhere in the world.
4. To establish computer call centres, education centres, data processing centres, data management centres, Business Processes Outsourcing centres, hardware and software maintenance centres, to provide consultancy, training, education, maintenance and other kinds of services or facilities, to. conduct seminars, courses, conferences, publish books, magazines, newsletters, bulletins, study or course materials, circulars relating to computer software, hardware applications or operations, and any of the objects of the company.
5. To undertake the business as agents, stockists, distributors, franchise holders, sponsors or otherwise for trading or dealing in computer systems, peripherals, accessories, parts, spares, support packs and computer / printer consumables, media, continuous and non-continuous stationery, ribbons, electronic storage media, and other allied products and standard, tailor-made, configurable software packages.

**Redington (India) Limited** ("hereinafter referred to as "REDIL" or the Transferee Company") was incorporated as G. Kewalram Private Limited on 2<sup>nd</sup> day of May 1961 with the Registrar of Companies, Maharashtra. The name of Transferee Company was changed from G. Kewalram Private Limited to Kewalram Private Limited and subsequently to Redington (India) Private Limited on 28<sup>th</sup> day of April 1987. The registered office of the Transferee Company was changed from the state of Maharashtra to the state of Tamilnadu by the Company Law Board's order dated 13<sup>th</sup> Day of July 1994. The name of the transferee Company was changed as Redington (India) Limited with effect from 1<sup>st</sup> Day of October 1996 with the approval of Registrar of Companies, Tamil Nadu on which date Transferee Company became a public limited company. Subsequently, on 10<sup>th</sup> Day of January 2002, the word "Private" was inserted in the name of Transferee Company pursuant to Section 43A (2A). The word "private" was deleted from the name of the Transferee Company pursuant to Section 44 (a) of the Companies



Act, 1956, and the Transferee Company became a public company with effect from 15th Day of March 2002. The registered office of the Transferor Company is now situated at SPL Guindy House, 95 Mount Road, Guindy, Chennai 600032. The equity shares of the Transferee Company are listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE").

The main objects of Transferee Company are as follows:

1. To acquire and take over as a going concern the business now carried on at Bombay and Madras under the firm name "G.KEWALRAM" and all the assets and liabilities of the proprietors of that business in connection therewith and to enter into such agreements and do such deeds as may be necessary for the purpose and to carry on the same business as has hitherto been carried on by the said firm.
2. To buy, sell, import, export, manufacture, treat, prepare, distribute, service and deal in any manner in merchandise, commodities and articles of all kinds and generally to carry on business as merchants, importers, exporters and agents.
3. To carry on business as agents, importers, exporters, manufacturers, service providers of and dealers in electronic data processing and various other systems and to purchase, sell, hire, lease and deal in information technology hardware, software, telecom products, pharmaceutical products, consumer durables and various other electrical and electronic systems.
4. To carry on in India and abroad consultancy, advisory and training services of computer programs and systems including development, implementation and maintenance and to render any other services in that connection.
5. To carry on the business of leasing the movable and immovable properties including all types of industrial and office plant, facilities, equipments, machinery and vehicles of the Company and to sell, improve, manage, develop, exchange, lease, mortgage, dispose off, turn to account, or otherwise deal with, all or any part of the Company's property whether movable or immovable or any other kind whatsoever and rights of the Company thereof for the time being."
6. To construct, take on lease or hire warehouses, godowns, storehouses and other facilities for staking, storing various merchandise of third parties besides the products dealt with by the company and maintain them fit for sophisticated use including free movement of goods.
7. To undertake and carry out the work of loading, unloading, handling, forwarding and clearing agents for and behalf of the owners of goods, luggage, parcels, articles, commodities, merchandise, livestock and other movables of every description and nature whatsoever in India or in any part of the world.





## B. RATIONALE FOR THE PROPOSED SCHEME

1. Redington (India) Limited ("Transferee Company") is into the business of wholesale distribution of Information Technology products and Telecom products across India. It acts as a National Distributor or Regional Distributor for many of the leading brands.

With an objective to focus on Distribution of Value Added Products like Networking, Servers, Security, Surveillance and Infrastructure, the transferee company tied up with various brands in this space through its Wholly Owned Subsidiary Cadensworth (India) Limited (Transferor Company).

Due to changes in the market dynamics and vendors strategy, housing similar nature of business (distribution) under the Transferee Company, where major brands are already housed would result in Effective Control, optimum utilization of resources, increased efficiency and Cost effectiveness.

2. Considering the above, the Board of Directors of the Transferor and Transferee Company are of the opinion that merger of Transferor with Transferee Company would facilitate and provide the necessary impetus to optimize the resources and to effectively address the competition faced in the distribution industry. Upon merger, the ensuing benefits are expected to accrue to all the stake holders:

- a. The Transferee Company shall achieve better efficiency, increased competitive strength, and logistical advantageous.
- b. Increased network of the transferee company shall facilitate and provide adequate opportunities to mobilize the financial resources with lower cost for the growth of the Business.
- c. Administrative and operational rationalization, efficiency in distribution coverage, delivering better value to the Vendor and Channel and optimum utilization of resources will strengthen the group to compete in the distribution market in a better way, thereby it will help in enhancing the shareholders value

## II. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (a) **Part I**, which deals with the Definitions of the terms used in the Scheme as sets out and the Share Capital of Transferor Company and Transferee Company
- (b) **Part II**, which deals with the merger of the Transferor Company into the Transferee Company; and
- (c) **Part III**, which deals with general terms and conditions applicable to this Scheme and other matters consequent and integrally connected thereto

### PART I

#### DEFINITIONS AND SHARE CAPITAL

##### A. DEFINITIONS

1. "Act" or "the Act" means the Companies Act, 1956 read with the applicable rules thereunder, and any statutory amendments or re-enactment thereof and the applicable provisions of Companies Act, 2013



- read with applicable rules as may be prescribed or notified by the Government of India for the time being in force and/or any statutory modification or re-enactment thereof;
2. **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1<sup>st</sup> Day of April 2016 or any other date as modified by the Court, then the same shall be the Appointed Date;
  3. **"Board of Director"** means the Board of Directors of the Transferee Company and Transferor Company or both as the context may require and include any committee(s) constituted/ to be constituted by the Board of Directors of the Transferor and Transferee Companies or any other person authorized/ to be authorized by the Board of Directors of the Transferor and Transferee Companies or any committee thereof to exercise its power including the power in terms of this scheme;
  4. **"Court" or "High court"** means High Court of Judicature at Madras under the Companies Act, 1956 or such other Tribunal (i.e) the National Company Law Tribunal ("NCLT") & the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013;
  5. **"Effective Date"** means the last of the dates on which the certified copies of the Order of the High Court of Judicature of Madras sanctioning the Scheme of Arrangement (Merger) is filed with the Registrar of Companies, Tamil Nadu, Chennai by the Transferor Company and the Transferee Company. Reference in this Scheme to date of "coming into effect of this Scheme" or "Upon the Scheme becoming effective" and other similar expressions shall mean the Effective Date;
  6. **"Interim Period"** shall mean the period from the Appointed Date and upto and including the Effective Date.
  7. **"Liabilities"** shall mean all debts (secured and unsecured), deposit accepted, time and demand liabilities, rupee and foreign currency borrowings, bills payable, interest accrued and payable, capital reserves and surpluses whether statutory or not and all other liabilities including contingent liabilities, duties and obligations of the Transferor Company, as on or after the Appointed Date whether provided for or not in the Books of Accounts of such Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the Appointed Date.
  8. **"RoC"** shall mean the Registrar of Companies, Chennai Tamil Nadu.
  9. **"Scheme or "the Scheme" or "this Scheme"** means this Scheme of Arrangement (Merger) in its present form as submitted to the Hon'ble High Court of Judicature at Madras or this Scheme with such modification(s), if any made;
  10. **"Transferor Company"** means Cadensworth (India) Limited, a public limited company having its registered office SPL Guindy House, 95 Mount Road, Chennai 600032.
  11. **"Transferee Company"** means Redington (India) Limited, a public limited company having its registered office SPL Guindy House, 95 Mount Road, Chennai 600032.
  12. **"Undertaking"** shall mean and include -





- (a) All the assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as 'the said assets');
- (b) All the debts, liabilities, duties and obligations of the Transferor company including contingent liabilities as on the Appointed Date (hereinafter referred to as 'the said liabilities');
- (c) Without prejudice to the generality of the sub-clause (a) above, the Undertaking of the Transferor Company shall include the Transferor Company's reserves, balances in the Statement of Profit & Loss, movable and immovable properties including but not limited to land and building (whether owned, leased, licensed) computers and hardware, software, plant and machinery, equipments, furniture, fixtures, vehicles, stock and inventories, leasehold assets, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licences, permits, authorisations, quota rights, trademarks, trade names, patterns, copyrights and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for patents, patent rights, trademarks, trade names, copyrights whether tangible or otherwise and licences, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, and other communication facilities, connection, installation and equipment rights, utilities and electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi government, local authorities, or any other person including customers, contractors or other counter parties, etc, cash and bank balances, all earnest monies, tax holidays, tax relief under the Act, such as credit for advance and/or deposits, rights, titles, claims and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits, exemptions, and approvals of whatsoever nature (including but not limited to benefits of all taxes, taxes deducted at source, brought forward accumulated tax losses (if any), unabsorbed depreciation etc; benefits under the Sales Tax Act, Sales Tax set-off, benefits of any unutilised modvat/cenvat credits, relief and refund etc) and wheresoever situated belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date or thereafter;
13. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules and regulations, as the case may be, including any statutory modification or re-enactment thereof from time to time.
14. "Interpretation" reference to transfer, transferred, vest, vested in and their derivative form in this scheme shall mean changes in ownership creation of interest (whether actual or beneficial, legal or equitable) on terms and in a manner to the agreed between the transferor and the transferee company.

#### **B. SHARE CAPITAL**

1. The Authorised, Issued and Subscribed share capital of the Transferee Company as on 31<sup>st</sup> March 2016 is as follows:



| Particulars  | Rupees             |
|--|--------------------|
| <b><u>Authorised Share Capital</u></b>                     |                    |
| Equity<br>(425,000,000 Equity share of Rs. 2 each)         | 850,000,000        |
| Preference   | NIL                |
| <b>TOTAL</b>   | <b>850,000,000</b> |
| <b><u>Issued, subscribed and paid-up Share Capital</u></b> |                    |
| Equity<br>(399,813,230 Equity share of Rs. 2 each)         | 799,626,460        |
| Preference   | NIL                |
| <b>TOTAL</b>   | <b>799,626,460</b> |

ii. The Authorised, Issued and Subscribed share capital of the Transferor Company as on 31<sup>st</sup> March 2016 is as follows:

| Particulars  | Rupees             |
|--|--------------------|
| <b><u>Authorised Share Capital</u></b>                     |                    |
| Equity<br>(15,00,000 Equity shares of Rs.10 each)          | 1,50,00,000        |
| Preference   | Nil                |
| <b>TOTAL</b>   | <b>1,50,00,000</b> |
| <b><u>Issued, subscribed and paid-up Share Capital</u></b> |                    |
| Equity<br>(13,01,294 Equity shares of Rs.10 each)          | 1,30,12,940        |
| Preference   | NIL                |
| <b>TOTAL</b>   | <b>1,30,12,940</b> |

The entire equity share capital of the Transferor Company is held by the Transferee Company. Therefore, by virtue of the shareholding pattern, the Transferee Company is the Holding Company and the Transferor Company is the wholly-owned subsidiary.

Subsequent to March 31<sup>st</sup> 2016, there has been no change in the Authorised, Issued, Subscribed and Paid-up Capital of the Transferor Company.

iii. **Date of taking effect and operative date**

The scheme, set out herein in its present form or with any modification(s) shall be effective from the Appointed Date unless the context requires otherwise.

#### PART 2

#### A. MERGER AND VESTING OF MERGED UNDERTAKING OF THE TRANSFEROR COMPANY IN THE TRANSFEE COMPANY

##### 1. TRANSFER AND VESTING OF MERGED UNDERTAKING

- a. With effect from the opening of the business as on the Appointed Date, the entire business and whole of the undertakings of the Transferor Company shall under the provisions of sections 391 to 394 of the Act and pursuant to the orders of the High Court of Judicature at Madras or any other appropriate authority sanctioning this scheme and without further act, instruments or deed, stand transferred and/or deemed to be transferred to





and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

- b. The liabilities shall also, without further act, instruments or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Section 391 to 394 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

## 2. PENDING SUITS, ETC.

- a. If any suits, appeals, assessment or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Merger of transferor company with transferee Company by anything contained in this scheme, but said suit, appeal or other legal 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 as if this Scheme had not been made.
- b. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

## 3. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- a. Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, the Transferor Company is a party and subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company has been a party thereto.

## 4. SAVING OF CONCLUDED TRANSACTIONS

- a. The transfer of properties and liabilities and the continuance of proceedings by or against the Transferee Company under clause 1 and 2 of Part 2 respectively shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## 5. STAFF, WORKMEN & EMPLOYEES

- a. On the scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their services and on the basis of continuity of services, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.
- b. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, or any other Special Fund or Trust created



or existing for the benefit of the Staff, workmen and employees of the Transferor Company shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and instant 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. It is clarified that the services of the Staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

#### 6. CONSIDERATION

The entire equity share capital of the Transferor Company is held by the Transferee Company. Therefore, by virtue of the shareholding pattern, the Transferee Company is the Holding Company and the Transferor Company is the wholly-owned subsidiary. Accordingly, pursuant to the scheme no shares of the Transferee Company shall be allotted to the shareholders of the Transferor Company.

#### 7. CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

a. The entire issued, subscribed and paid up capital of the Transferor Company is or will be held by the Transferee Company and its nominees. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the share capital including authorised share capital, issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.

b. Upon the coming into effect of this Scheme, the share certificate, representing the shares held by the Transferee Company and its nominees in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company.

#### 8. TAX TREATMENT

The merger of Transferor Company with the Transferee Company in terms of this scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961 and Section 47 of Income Tax Act, 1961.

#### 9. ACCOUNTING TREATMENT

1. The transferee company shall account for the amalgamation which is in the nature of merger in accordance with the "Pooling of Interest Method of Accounting" laid down by Indian Accounting Standard 103 (Business Combination).
2. With effect from the Appointed Date, all the assets and liabilities, including accumulated profits of the Transferor Company shall be recorded in the books of the Transferee Company at their existing carrying values and in the same form.
3. Inter-company balances, if any, will stand cancelled.
4. The difference between the share capital of the transferor company and the investment in the transferor company as recorded in the books of the transferee company shall be adjusted in the General Reserve Account.





5. The accumulated profits of the transferor company up to March 31, 2016 would be added with the surplus in the statement of profit & loss of the transferee company, such that the identity of the reserve is preserved.
6. In the case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the General Reserve Account to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

#### 10. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

- I. **During the period between the Appointed Date and the Effective Date**
  - a. The Transferor Company shall carry on and deemed to have carried on its business and activities of undertaking and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
  - b. All the income or profits accruing or arising to the Transferor Company and all cost, charges, expenses incurred by the Transferor Company shall for all purpose be treated the income, profits, costs, charges, expenses as the case may be of the Transferee Company.
  - c. The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses, not venture into any new businesses, not borrow, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company.
  - d. The Transferor Company shall not utilize the profits or income for the purpose of declaring or paying any dividend in respect of the period falling on or after the appointed date, without the prior written consent of the Transferee Company.
  - e. Where any of the liabilities of the transferor company which are on the Appointed Date transferred to the Transferee company have been discharged by such 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;
  - f. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the transferor company after the appointed date and prior to the effective date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee company and to that extent they are outstanding on the effective date, shall, pursuant to the provisions of section 394 of the Act, without any further act, instruments or deed be and stand transferred to or vested in or be deemed to be transferred to and vested in the transferee company and shall become the liabilities and obligations of the transferee company and the transferee company shall discharge and satisfy the same.
  - g. All assets, rights, titles, interest and authorities accrued to and/ or acquired by the transferor Company in relation to or in connection with



the Undertakings of such Transferor Company after the Appointed Date and prior to the effective date shall be deemed to have been accrued to and/ or acquired for and on behalf of such transferee company and shall, pursuant to the provisions of section 394 of the act, without any further act, instrument or deed or conveyance, be and stand transferred to or vested in or be deemed to be transferred to or vested in the Transferee Company to that extent and shall become the assets, rights, title, interests and authorities of the transferee company. The transferor company shall hold the aforesaid assets with utmost prudence until the effective date.

## **11. WINDING UP OF THE TRANSFEROR COMPANY WITHOUT DISSOLUTION**

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

### **PART 3**

#### **A. OTHER TERMS AND CONDITIONS**

##### **I. APPLICATION TO HIGH COURT**

- a. The Transferor Company shall make applications and/or petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court of Judicature at Madras for sanction of this Scheme and all matters ancillary or incidental thereto.

##### **II. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- a. The Transferor Company and the Transferee Company by their respective Board of Directors may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) subject to, where applicable, the approval of the Hon'ble High Court or any other authorities under applicable law. The Transferor Company and the Transferee Company by their respective Board of Directors or through authorised representatives be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubt, difficulties or question whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

##### **III. CONDITIONALLY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to;

- a. The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required;
- b. This Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the Transferor Company as may be directed or ordered by way of a meeting or dispensation by the Hon'ble High Court of Judicature of Madras or any other competent authority, as may be applicable.
- c. The Scheme being approved by the High Court of Judicature at Madras or any other authority under Sections 391 to 394 of the Act.





- d. Certified copies of the orders of the High Court of Judicature at Madras sanctioning the scheme being filed with the Registrar of Companies, Tamil Nadu, at Chennai by the Transferor Company and the Transferee Company
- e. The approval of the scheme of amalgamation by the shareholders of the Transferee Company through post ballot and e-voting is exempt and not required pursuant to the exemption provided for under clause 9 (c) of the Securities and Exchange Board of India Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

#### IV. EFFECT OF NON-RECEIPT OF APPROVALS

- a. In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained or the scheme not being approved by any other competent authority and/or the order not being passed within such period as may be agreed upon between the Board of Directors of Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

#### V. COST, CHARGES & EXPENSES

- a. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this scheme and matters incidental thereto, shall be borne by the Transferee Company.

