

C&S Electric Limited

Registered Office: 222, Okhla Industrial Estate Phase – III, New Delhi – 110 020

Tel. No. +91-11 3384 9000-09; Fax : +91-11 2682 9063

Website: www.cselectric.co.in, info@cselectric.co.in

HON'BLE NCLT CONVENED MEETING OF THE SECURED CREDITORS OF C&S ELECTRIC LIMITED	
Day	Tuesday
Date	7 th March, 2017
Time	12:00 P.M.
Venue	Auditorium attached to the office of Okhla Industrial Estate Association, Exhibition Complex, Okhla Industrial Estate, New Delhi - 110 020

S. No.	Contents	Page No.
1.	Notice of NCLT Convened Meeting of the Secured Creditors of C&S Electric Limited	3
2.	Explanatory Statement under section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	3-5
3.	Scheme of Amalgamation between JVA Trading Private Limited and C&S Electric Limited and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013	6-14
4.	Copy of Independent Valuation Report obtained from Amrit Paul Singla & Associates, Chartered Accountants dated 2nd December, 2016	15-26
5.	Copy of provisional financial statements as on 31 st October, 2016 of JVA Trading Private Limited / Transferor Company and C&S Electric Limited / Transferee Company	27-40
6.	Form of Proxy	41
7.	Attendance Slip	43

[Page intentionally left blank]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH, AT NEW DELHI
COMPANY APPLICATION NO.1 OF 2017**

JVA Trading Private Limited ("Transferor Company") and C&S Electric Limited ("Transferee Company")

... Joint Applicants

Notice of the meeting of Secured Creditors

Notice is hereby given that by an order dated the 13th day of January 2017 read with order dated 24th day of January 2017, the Principal Bench of the National Company Law Tribunal ('NCLT' / 'Tribunal') has directed a meeting to be held of the secured creditors of the Transferee Company for the purpose of considering, and if thought fit, approving with or without modification, the amalgamation proposed to be made between the Transferor Company with the Transferee Company as aforesaid.

In pursuance of the said orders and as directed therein further notice is hereby given that a meeting of the secured creditors of the Transferee Company will be held at Auditorium attached to the office of Okhla Industrial Estate Association, Exhibition Complex, Okhla Industrial Estate, New Delhi - 110 020 on Tuesday the 7th day of March, 2017 at 12:00 P.M. at which time and place the said secured creditors are requested to attend.

Copies of the said Scheme of Amalgamation, and of the statement under section 230 can be obtained free of charge at the registered office of the Transferee Company or at the office of its authorized representative Mr. Lalit Krishan Khanna at 222, Okhla Industrial Estate Phase – III, New Delhi – 110 020 within one day of any requisition made by every secured creditor of the Transferee Company entitled to attend the meeting as aforesaid. Persons entitled to attend and vote at the respective meetings, may vote in person or by proxy provided that all proxies in the prescribed form are deposited at the registered office of the Transferee Company not later than 48 hours before the meeting.

Forms of proxy can be had at the registered office of the Company.

The Tribunal has appointed Chief Justice (Retd.) Mr. V. K. Gupta as the Chairperson, and failing him, Mr. Sourabh Kalia, Advocate as the Alternate Chairperson of the said meeting. The above mentioned amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Dated this 31st day of January, 2017

Sd/-

Mr. Lalit Krishan Khanna

Authorised Signatory of the Transferee Company

Explanatory statement under Section 230 of the Companies Act, 2013 Read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. Pursuant to Order dated 13th January, 2017 read with Order dated 24th day of January 2017 passed by the Principal Bench of the Hon'ble National Company Law Tribunal ('NCLT' / 'Tribunal') at New Delhi in Company Application No. 1 of 2017 filed jointly by JVA Trading Private Limited ("Transferor") and C&S Electric Limited ("Transferee"), a meeting of the secured creditors of C&S Electric Limited, Transferee Company, is being convened and held at Auditorium attached to the office of Okhla Industrial Estate Association, Exhibition Complex, Okhla Industrial Estate, New Delhi 110 020 **on Tuesday, the 7th day of March, 2017 at 12:00 P.M.**, for the purpose of considering and if thought fit, approving, with or without modification(s), the arrangement embodied in the proposed Scheme of Amalgamation between the joint applicants (hereinafter referred to as the '**Scheme**' or '**Scheme of Amalgamation**'). A copy of the Scheme setting out details of parties involved in the proposed Scheme, appointed date, effective date, share exchange ratio etc is attached herewith and forms a part of this Notice as well as the Explanatory Statement.
2. The Scheme captures the details of the Transferor Company and the Transferee Company including Corporate Identification Number (CIN), Permanent Account Number (PAN), name, date of incorporation, company type, registered office address, main business carried on by the Transferor and the Transferee Company, details of capital structure of the Transferor Company and the Transferee Company including authorised, issued, subscribed and paid up share capital and names of the Promoters, Directors along with their addresses.
3. The email address of the Transferor Company is jvatradingpvtltd@gmail.com and it does not have a website. The website and email address of the Transferee Company is www.cselectric.co.in and info@cselectric.co.in respectively.
4. The summary of main objects of the Transferor Company as per the memorandum of association is as follows:
 - (i) "To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying trading, dealing in any manner whatsoever in all type of goods including electrical and electronic goods and components, light fittings, fixtures and accessories, machines, tools, hardware items, domestic appliance, dry cells and batteries, on retail as well as on wholesale basis in India or elsewhere.
 - (ii) To carry on the business as exhibitors of various goods, services and merchandise manufactured/dealt with/ provided by the company.

- (iii) *To act as broker, trader, agent, C&F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockiest, liasioner, job worker, export house of goods, merchandise and service of all grades, specifications, descriptions, applications, modalities, fashions, including by products, spares or accessories thereof, on retail as well as on the wholesale basis.”*

5. The summary of main objects of the Transferee Company as per the memorandum of association is as follows:

- (i) *“To take over and acquire all or any of the liabilities and assets of the business of manufacturing Electrical Switchgear, Switchgear Accessories, Marine Switchgear, electrical and electronic control panels, Switchboards, Traffic Signals, Railway Signalling ‘Equipment’s, Bakelite and Plastic components casting, fabrication jobs of light fittings etc., carried on in Delhi and other places in India under the Name an Style of C&S ELECTRIC LIMITED along with its goodwill and other rights, privileges, concessions and liabilities and responsibilities on such terms and conditions as may be agreed upon.*
- (ii) *To carry on the business of manufacturers, exporters, importers, buyers and sellers either by wholesale or retail and dealers of Electrical Switchgear, Switchgear Accessories, Marine Switchgear, Electrical and Electronic control panels, Switch-boards, Traffic signals, Railway Signalling Equipment’s, Bakelite and Plastic Components casting, fabrication jobs of light fittings etc., and its allied products .”*

6. During the last five years, there has been no change in the name, registered office and main objects (which are summarized above) of the Transferor and the Transferee Company
7. It may be noted that the Transferor Company is a private limited company and the Transferee Company is an unlisted company and hence their securities are not listed on any stock exchange. The proposed amalgamation between the Transferor and the Transferee Companies will be such that all the assets and liabilities of the Transferor Company would be transferred to and vested in the Transferee Company and the assets of the Consolidated Entity will exceed its liabilities.
8. The entire issued, subscribed and paid-up share capital of JTPL / Transferor Company and 99.29% of the issued, subscribed and paid-up share capital of C&S / Transferee Company is held by the same Promoters.
9. The Scheme has been unanimously approved by the Board of Directors of the Transferor Company *vide* resolution passed in the meeting held on 16th December, 2016 and by the Board of Directors of the Transferee Company *vide* resolution passed in the meeting held on 05th December, 2016 as well as by the Merger Committee of the Transferee Company in its meeting held on 16th December, 2016.
10. For the purpose of the Scheme the appointed date is 1st December 2016 and Effective date has been defined as “the last of the dates on which the certified copy of the order of the National Company Law Tribunal at New Delhi is filed with the Registrar of Companies, Delhi & Haryana at New Delhi in terms of Section 232(3) of the Companies Act, 2013.” The share exchange ratio is to be that the Transferee Company shall issue and allot to every equity shareholder of the Transferor Company holding fully paid up equity shares and whose names appear in the Register of Members as on the Record Date, 5 (five) equity shares of INR10/- each, at par, in the Transferee Company credited as fully paid up for every 2 (two) equity shares of INR 10/- each fully paid up held by such shareholder in the Transferor Company.
11. For the purpose of arriving at the share exchange ratio, an independent Valuation Report from Amrit Paul Singla & Associates, Chartered Accountants dated 2nd December, 2016 has been obtained. Basis of valuation for Transferor Company is NAV and for Transferee Company is DCF and in effect, it has been stated in the valuation report that a fair equity share entitlement ratio would mean shareholders of Transferor Company will get 5 equity shares of Transferee Company for every 2 equity shares held by them in Transferor Company. It is further declared that the valuation report is available for inspection by the equity shareholders of the Transferee Company at the Registered Office of the Transferee Company upto one day prior to the date of the Meeting between 11.00 A.M. to 5.00 P.M. on all working days (except Saturdays, Sundays and public holidays).
12. It is further provided that the proposed Scheme does not contemplate any corporate debt restructuring exercise
13. The rationale and benefit of the proposed scheme have been duly provided for and captured in the Scheme attached with this notice/explanatory statement.
14. As on the cut-off date being 31st October, 2016, the amount due to unsecured creditors of the Transferor Company is INR 61,46,56,545 (Rupees Sixty One Crore Forty Six Lacs Fifty Six Thousand Five Hundred and Forty Five Only) and the amount due to unsecured creditors of the Transferee Company is INR 1,46,66,58,656 (Rupees One Hundred Forty Six Crore Sixty Six Lacs Fifty Eight Thousand Six Hundred and Fifty Six Only).
15. The Scheme does not have a prejudicial effect on the key managerial personnel, directors, promoters, non-promoter members, creditors, employees of the Transferor and Transferee Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

16. None of the Directors, Promoters, Key Managerial Personnel, Creditors and Employees of the Transferor Company and Transferee Company respectively have any material personal interest in the Scheme, save to the extent of shares held by the Directors in the Transferor and the Transferee Company, if any.
17. No investigation proceedings have been instituted or are pending in relation to the Transferor Company and Transferee Company under the Companies Act, 2013.
18. The following documents are available for obtaining extract from or for making or obtaining copies of or for inspection by the Secured Creditors of the Transferee Company at the Registered Office of the Company upto one day prior to the date of the Meeting between 11.00 A.M. to 5.00 P.M. on all working days (except Saturdays, Sundays and public holidays)
- (i) latest audited financial statements of the Transferee Company including the consolidated financial statements as on 31st March, 2016 and provisional financial statements as on 31st October, 2016. In case of the Transferor Company, provisional financial statement as on 31st October, 2016;
 - (ii) copy of the orders of the Tribunal dated 13th January, 2017 and dated 24th January, 2017 passed in Company Application No. 1 of 2017 directing the convening of separate meetings of the equity shareholders, secured creditors and unsecured creditors of the Transferor Company and the Transferee Company, respectively;
 - (iii) copy of the Scheme of Amalgamation;
 - (iv) Certificate issued by the Statutory Auditors M/s Deloitte Haskins & Sells LLP, Chartered Accountants of the Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013
19. It is further provided that there are no other contracts or agreements that are material to the proposed Scheme.
20. It is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, New Delhi and Haryana by the Transferor Company and the Transferee Company, respectively. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme. No other approvals from regulators or governmental authorities are required at this stage nor any have been received or are pending in respect of the proposed Scheme.
21. In view of the information provided hereinabove and the documents attached alongwith this Notice and Explanatory statement, the requirements of Section 232(2) of the Companies Act, 2013 have been complied with.
22. A copy of the Scheme and Explanatory Statement and form of proxy may be obtained from the Registered Office of the Company at 222, Okhla Industrial Estate Phase – III, New Delhi – 110 020.
23. The person to whom this notice is sent may vote in the meeting either in person or proxy.

Sd/-

Authorized Signatory

Dated this 31st day of January, 2017

Registered Office:

222, Okhla Industrial Estate Phase – III, New Delhi – 110 020

**SCHEME OF AMALGAMATION
OF
JVA TRADING PRIVATE LIMITED
WITH
C&S ELECTRIC LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**

Preamble and objectives

This Scheme of Amalgamation envisages amalgamation of JVA Trading Private Limited (hereinafter referred to as “JTPL” or “Transferor Company” or “Amalgamating Company”) with C&S Electric Limited (hereinafter referred to as “C&S” or “the Transferee Company” or “Amalgamated Company”) and other matters consequential, supplemental, incidental and/or otherwise integrally connected therewith pursuant to Sections 230 to 232 and other applicable provisions of Companies Act, 2013, as may be applicable.

A. Brief description of Companies

1.1 JVA Trading Private Limited (“JTPL”), Transferor Company or Amalgamating Company

- (a) **Incorporation:** JTPL was incorporated on 13th July 2016 under the Companies Act, 1956. Its registered office is situated at 44, Okhla Industrial Estate Phase III, New Delhi, 110 020. The Corporate Identity Number of JTPL is U51909DL2016PTC302972. Further, the Permanent Account Number of JTPL is AADCJ7522L;
- (b) **Business:** The Transferor Company is primarily engaged in the business of trading in all type of goods including electrical and electronic goods and components, light fittings, fixtures and accessories, machines, tools, hardware items, domestic appliances, dry cells and batteries, on retail as well as on wholesale basis in India.

1.2 C&S Electric Limited (“C&S”), Transferee Company or Amalgamated Company

- (a) **Incorporation:** C&S was incorporated on June 15, 1971 under the Companies Act, 1956. Its registered office is situated at 222, Okhla Industrial Estate, New Delhi 110 020. The Corporate Identity Number of C&S is U31909DL1971PLC005672. Further, the Permanent Account Number of C&S is AAACC0909K.
- (b) **Business:** The Transferee Company is primarily engaged in the business of manufacturing a wide range of electrical and electronic products which find application in power generation, distribution, control, protection and final consumption. It has product offerings for MV switchgear, Energy Efficient Lighting solutions and Diesel Generating Sets. It also supplies electrical equipment in India and also exports industrial switchgear.

B. Rationale of the Scheme of Amalgamation

- 1.1 The entire issued, subscribed and paid-up share capital of JTPL and 99.29% of the issued, subscribed and paid-up share capital C&S is held by the same Promoters. Further, both the companies are engaged in the similar line of business. While C&S is engaged in manufacturing of electrical and electronic products, JTPL facilitates trade of goods manufactured by C&S, i.e. businesses of both JTPL and C&S are complementary to each other.
- 1.2 Accordingly, the board of directors of Transferor Company and the Transferee Company have decided to merge Transferor Company together with its business and undertakings, with the Transferee Company, so as to achieve, *inter alia*, the following:
 - (a) Creation of a single robust entity in the form of “C&S” which would carry out businesses those are integrated and complementary in nature. The synergies that exist between the entities in terms of dealing in similar products, processes and resources can be put to the best advantage of all stakeholders;
 - (b) Simplified group and business structure and elimination of multiplicity of companies leading to synergies in operations, more focused operational efforts, standardization and simplification of business of processes and productivity improvements, achieving efficiencies and economies of scale and reduction in operational costs, overheads, administrative and other expenditure;
 - (c) Greater size, scale, integration and flexibility for the amalgamated entity;
 - (d) The amalgamated entity will benefit from improved organizational capabilities and leadership, arising from the combination of people from the Transferor and Transferee Company respectively who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - (e) Enable regulatory / procedural compliances being made by a single unified company, thus resulting in cost saving and saving in fees / duties which were otherwise being paid separately by each of the two companies for making various statutory and regulatory compliances;
- 1.3 Thus, as a whole, amalgamation of Transferor Company with the Transferee Company in terms of the Scheme will be beneficial for both the Transferor Company as well as the Transferee Company and their respective shareholders, creditors, employees and all others concerned with such companies.

C. Parts of the Scheme

The Scheme is divided into following parts:

Part I	: Definitions and Interpretations
Part II	: Details of Promoters, Directors and Capital Structure of Transferor Company and Transferee Company
Part III	: Amalgamation of Transferor Company with the Transferee Company
Part IV	: Cancellation of Equity Shares of Transferee Company held by Transferor Company & Increase of Authorized Share Capital of Transferee Company
Part V	: Accounting treatment in the books of the Transferee Company and Consideration; and
Part VI	: General terms and conditions

PART I

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Scheme, unless the context otherwise requires, the following expressions shall have the following meanings:

- 1.1.1 “**Applicable Law(s)**” means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- 1.1.2 “**Appointed Date**” means 01st day of December 2016 or such other date as may be approved by the NCLT of Judicature at New Delhi, being the date with effect from which this Scheme shall be applicable, i.e., with effect from which JVA shall merge with C&S in terms of the

Scheme, upon this Scheme becoming effective;

- 1.1.3 **“Board”** or **“Board of Directors”** in relation to JVA and/or C&S, as the case may be, means the board of directors of the respective companies for the time being and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;
- 1.1.4 **“Companies Act”** means the Companies Act, 2013, the rules and regulations made there under and will include any statutory modifications, re-enactments and/or amendments thereof;
- 1.1.5 **“Effective Date”** means the last of the dates on which the certified copy of the order of the National Company Law Tribunal at New Delhi is filed with the Registrar of Companies, Delhi & Haryana at New Delhi in terms of Section 232(3) of the Companies Act, 2013.
- 1.1.6 **“Equity Share(s)”** means the equity shares of the Transferor Company or Transferee Company, as the case may be
- 1.1.7 **“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;
- 1.1.8 **“NCLT”** or **“National Company Law Tribunal”**: means Hon’ble National Company Law Tribunal at New Delhi for both Transferor and Transferee Company;
- 1.1.9 **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of new equity shares of the Transferee Company to the shareholders of the Transferor Company in terms of the Scheme;
- 1.1.10 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation of JTPL with C&S, in its present form submitted to the NCLT for sanction or with any modification(s) approved or imposed or directed by the NCLT;
- 1.1.11 **“Share Exchange Ratio”** shall have the meaning ascribed to it in Clause 5.2 of the Scheme;
- 1.1.12 **“Transferee Company”** or **“C&S”** means C&S Electric Limited, a company incorporated under the Companies Act bearing Corporate Identity No. U31909DL1971PLC005672, Permanent Account Number AAACC0909K and having its registered office at 222, Okhla Industrial Estate, New Delhi 110 020;
- 1.1.13 **“Transferor Company”** or **“JTPL”** means JVA Trading Private Limited, a company incorporated under the Companies Act bearing Corporate Identity No. U51909DL2016PTC302972, Permanent Account Number AADCJ7522L and having its registered office at 44, Okhla Industrial Estate Phase III, New Delhi, 110 020;
- 1.1.14 **“Transferred Undertaking”** means and includes the whole of the undertaking of Transferor Company, as on the Appointed Date and includes (without being limited to) the following:
- (a) all assets of Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including without limitation, current assets, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances), provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds); (hereinafter referred to as the **“Assets”**);
 - (b) all present and future liabilities including loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees, whether provided for or not in the books of account of the Transferor Company and whether disclosed or undisclosed in its balance sheet (hereinafter referred to as **“Liabilities”**);
 - (c) all immovable properties (i.e., land together with the buildings and structures standing thereon or under construction)(whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, guest houses and residential premises including those provided to/occupied by the employees of the Transferor Company and documents of title, rights and easements in relation thereto;
 - (d) all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto (**“Investments”**);
 - (e) all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates, exemptions, approvals, consents, subsidies, tenancies, benefit of any deposits, privileges, all other rights and exemptions and other benefits of any application made therefore of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto and the right to use and avail of telephones, telexes, facsimile connections and installations, and other communication facilities, power lines, water pipelines, and all other utilities and services of every kind, nature and description whatsoever held by the Transferor Company or to which the Transferor Company is entitled to as on the Appointed Date (**“Licenses”**);
 - (f) all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, benefit availed under any incentives scheme of the Government, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the Transferor Company, along with associated obligations (**“Benefits”**);
 - (g) all contracts, agreements, memoranda of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company are a party, or to the benefit of which the Transferor Company may be eligible (**“Contracts”**);
 - (h) all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress (**“Intellectual Property”**);
 - (i) all employees of the Transferor Company, whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company (**“Transferred Employees”**), all provisions and benefits made in relation to such employees including provident funds, registrations and reserves and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit

of such employees of the Transferor Company (“**Funds**”), together with such of the investments made by these Funds, which are referable to such employees;

- (j) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (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 to, whether pending as on the Appointed Date or which may be instituted any time in the future (“**Proceedings**”);
- (k) all taxes, duties, cess, etc., that are allocable, referable or related to the Transferor Company, including all credits under Income tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto;
- (l) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company; and
- (m) all other interest, provisions, benefits and advantages of agreements, contracts, deeds, leases, allotments, arrangements, authorizations, concessions, easements, engagements, exemptions, liberties, and all other interests wheresoever situated, belonging to or in the ownership, power or possession and under the control of or vested in or, granted in favor of or enjoyed by or arising to the Transferor Company.

1.2 **Interpretations**

In this Scheme, unless the context otherwise requires:

- 1.2.1 references in this Scheme to “**upon this Scheme becoming effective**” or “**effectiveness of this Scheme**” shall mean the Effective Date of the Scheme;
- 1.2.2 references to the singular includes a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
- 1.2.3 reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;
- 1.2.4 headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- 1.2.5 references to a clause or paragraph or Schedule, as applicable, shall be deemed to be a reference to a clause or paragraph or Schedule of this Scheme;
- 1.2.6 reference to the words ‘hereof’, ‘herein’ and ‘hereby’ and derivatives or similar words refer to this entire Scheme;
- 1.2.7 references to the words “including”, “inter alia” or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- 1.2.8 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 1.2.9 any reference to any statute or statutory provision shall include:
 - (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART II

DETAILS OF PROMOTERS, DIRECTORS AND CAPITAL STRUCTURE OF THE TRANSFEROR COMPANY AND TRANSFEREE COMPANY

2. DETAILS OF PROMOTERS OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

2.1 List of Promoters of JTPL is as follows:

S. No.	Name	Address
1	Mr. Anuj Khanna	14, Ishwar Nagar, New Delhi-110065
2	Mr. Rishi Nath Khanna	C-69, Friends Colony, New Delhi-110 065
3	Mr. Aditya Khanna	17, Ishwar Nagar, New Delhi-110065
4	Mrs. Radhika Kapoor	C-19, Friends Colony, New Delhi-110 065

2.2 List of Promoters of C&S is as follows:

S. No.	Name	Address
1	Mr. Ravinder Nath Khanna	C-69, Friends Colony, New Delhi-110 065
2	Mr. Ashok Khanna	14, Ishwar Nagar, New Delhi-110065
3	Mr. Rishi Nath Khanna	C-69, Friends Colony, New Delhi-110 065
4	Mr. Anuj Khanna	14, Ishwar Nagar, New Delhi-110065
5	Mr. Aditya Khanna	17, Ishwar Nagar, New Delhi-110065
6	Mrs. Radhika Kapoor	C-19, Friends Colony, New Delhi-110 065
7	Mrs. Kanwal Khanna	C-69, Friends Colony, New Delhi-110 065
8	Mrs. Anju Khanna	14, Ishwar Nagar, New Delhi-110065
9	R N Khanna & Sons (HUF)	222, Okhla Industrial Estate, New Delhi 110 020
10	Ashok Khanna & Sons (HUF)	14, Ishwar Nagar, New Delhi-110065
11	Neeru Holdings Private Limited	222, Okhla Industrial Estate, New Delhi 110 020

3. DETAILS OF DIRECTORS OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

3.1 List of Directors of JTPL is as follows:

S. No.	Name	Address	DIN No.	Date of Appointment
1	Mr. Anuj Khanna	14, Ishwar Nagar, New Delhi-110065	00025087	13.07.2016
2	Mr. Rishi Nath Khanna	C-69, Friends Colony, New Delhi-110 065	00024808	13.07.2016
3	Mr. Aditya Khanna	17, Ishwar Nagar, New Delhi-110065	00024808	18.07.2016

3.2 List of Directors of C&S is as follows:

S. No.	Name	Address	DIN No.	Date of Appointment
1	Mr. Ashok Khanna	14, Ishwar Nagar, New Delhi-110065	00003335	15.06.1971
2	Mr. Aditya Khanna	17, Ishwar Nagar, New Delhi-110065	00065107	17.01.2005
3	Mr. Ravinder Nath Khanna	C-69, Friends Colony, New Delhi-110 065	00024444	15.06.1971
4	Mr. V N Koura	7, Navjeevan Vihar, New Delhi-110 017	00010210	09.07.2009
5	Prithvi Raj Khanna	70, Sundar Nagar, New Delhi-110003	00048800	09.07.2009
6	Mr. Anuj Khanna	14, Ishwar Nagar, New Delhi-110065	00025087	19.04.1999
7	Mr. Rishi Nath Khanna	C-69, Friends Colony, New Delhi-110 065	00024808	19.04.1999
8	Radhika Kapoor	C-19, Friends Colony, New Delhi-110 065	00065337	24.07.2006
9	Mr S K Bhattacharyya	F-1/4, Chaitanya Mahaprabhu Marg, Hauz Khas Enclave, New Delhi-110016	01924770	08.11.2011
10	Biplab Majumder s/o Krishna Kamal Majumder	Apartment No. H1301, MANTRI ESPANA, Kariyammana, Aghahara, Outer Ring Road, Bangalore-560103	00064467	01.03.2013

4. SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

4.1 The capital structure of JTPL as per the provisional Balance Sheet dated 31st October, 2016 is as follows:

Particulars	Amount (in INR)
Authorized:	
10,00,000 Equity Shares of INR 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-up:	
1,00,000 Equity Shares of INR 10/- each	10,00,000
Total	10,00,000

Upto and as on the date of approval of the Scheme by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the company.

4.2 The capital structure of C&S as per the latest audited Balance Sheet dated 31st March, 2016 is as follows:

Particulars	Amount (in INR)
Authorized:	
7,00,00,000 Equity Shares of INR 10/- each	70,00,00,000
Total	70,00,00,000
Issued, Subscribed and Paid-up:	
4,86,51,592 Equity Shares of INR 10/- each	48,65,15,920
Total	48,65,15,920

Upto and as on the date of approval of the Scheme by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the company.

4.3 Date of Taking Effect and operative date of the Scheme:

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall although effective on and from the Appointed Date will become operative only from the Effective Date.

PART III

5. AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

5.1 Transfer & Vesting of the Transferor Company

Upon this Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of Transferor Company shall, together with all its Assets, rights, Benefits, interests, Licenses, Contracts, Investments, Intellectual Property, Liabilities, Proceedings, Transferred Employees and obligations, subject to the provisions of clause 5.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of law, be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern so as to become on and from the Appointed Date the estates, assets, rights, claims, title, interest and authorities of the Transferee Company.

5.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the NCLT sanctioning this Scheme, the following shall become effective, on and from the Appointed Date:

5.2.1 **Assets**

- (a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession (including cash in hand), payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and shall become the property of the Transferee Company. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title and ownership to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.
 - (b) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest of which is owned by the Transferor Company, the same shall stand transferred/transmitted to and be vested in and/or be deemed to have been transferred/transmitted to and vested in the Transferee Companies, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.
 - (c) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in clause 5.2.1(a) and 5.2.1(b) hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities, bodies and customers, etc, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge created over any assets in relation to the loans, debentures or borrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.
 - (d) All immovable properties of the Transferor Company (i.e., land together with the buildings and structures standing thereon or under construction) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.
- 5.2.2 Licenses**
All Licenses relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company and be in full force and effect in favor of the Transferee Company, as if the same were originally given to, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- 5.2.3 Benefits, Entitlements, Incentives and Concessions**
All Benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax and Income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.
- 5.2.4 Contracts**
(a) All Contracts of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favor of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
(b) The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this clause if so required or if it becomes necessary.
(c) Any *inter-se* contracts between the Transferor Company on one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.
(d) All guarantees provided by any bank in favor of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall ensure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the concerned Transferor Company favoring any third party shall be deemed to have been issued at the request of the Transferee Company and continue in favor of such third party till its maturity or earlier termination.
- 5.2.5 Intellectual Property**
All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favor of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 5.2.6 Transferred Employees**
(a) All Transferred Employees of the Transferor Company shall be deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.
(b) The Transferee Company agrees that the services of all Transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under applicable laws.
For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company are making contributions to the Government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such Funds in accordance with the provisions of such Funds, bye-laws, etc. in respect of the Transferred Employees.
(c) All contributions made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees' account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.
(d) The terms and conditions of service applicable to the Transferred Employees, on the Effective Date will not in any way be less favorable to them than those applicable to them immediately before the Effective Date.
(e) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
(f) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

- 5.2.7 **Liabilities and Security**
- (a) All Liabilities of the Transferor Company, shall, pursuant to the provisions of Section 232(4) and other applicable provisions of the Companies Act, 2013, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Liabilities.
 - (b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Liabilities as the borrower/creditor in respect thereof.
 - (c) This Scheme shall not operate to enlarge or extend the security for any of the Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertaking.
 - (d) In so far as the existing security in respect of the Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertaking of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Liabilities. Provided that if any of the assets forming part of the Transferred Undertaking of the Transferor Company have not been charged or secured in respect of the Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.
 - (e) 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.
 - (f) It is expressly provided that, save as mentioned in this clause 5.2.7, no other term or condition of the Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication.
 - (g) The Liabilities, if any, due or which may at any time in the future become due only *inter-se* the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Part III of this Scheme.
 - (h) The Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests and in particular the secured creditors of the Transferor Company (if any) shall continue to enjoy and hold charge upon their respective securities and properties.
- 5.2.8 **Legal and other such Proceedings**
- All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be 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 or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated by or against the Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, 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 upon submission of necessary evidence by the Transferor Company to the Transferee Company for making such payment.
- 5.2.9 **Tax Treatment**
- (a) The tax deducted at source ("TDS")/advance tax/ self-assessment tax, if any, paid by the Transferor Company under the Income-tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from / advance tax / self-assessment tax paid by the Transferee Company and credit for such TDS / advance tax/ self-assessment tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS / advance tax/ self-assessment tax are in the name of the Transferor Company and not in the name of the Transferee Company.
 - (b) The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.
 - (c) Similarly, any other taxes including but not limited to service tax, value added tax, sales tax paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date, notwithstanding that the time prescribed for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.
 - (d) Without prejudice to generality of the aforesaid, any concessional or statutory forms under the laws of the Central or State Sales Tax or Value Added Tax, or local levies or any other tax related assets issued or received by the Transferor Company, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.
- 5.2.10 **Books and Records**
- All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.
- 5.3 **Conduct of Business**
- 5.3.1 **With effect from the Appointed Date and upto the Effective Date:**
- (a) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it had been doing hitherto;
 - (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 all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits 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 for 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 the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company; and
- 5.3.2 The Transferor Company shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:
- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.
- 5.3.3 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 and vested in the Transferee Company. For avoidance of doubt, where any of the Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws. Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon this Scheme becoming effective, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.

- 5.3.4 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Company, in its name, in so far as may be necessary.
- 5.3.5 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of Part III of this Scheme itself, the Transferee Company may, at any time after the Effective Date, 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 or enter into or execute deeds (including deeds of adherence), confirmations, novations, 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 favour of and required by (i) any party to any Contract to which the Transferor Company is 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 effect to this Scheme from the Effective Date.
- 5.3.6 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Government Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the NCLT.
- 5.3.7 For the purpose of giving effect to the order passed under Sections 230 to 232 of the Companies Act, 2013 in respect of this Scheme by the NCLT, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favor in accordance with such order and the provisions of Sections 230 to 232 of the Companies Act, 2013.
- 5.4 **Saving of Concluded Transactions**
The transfer and vesting of the Transferor Company with and into the Transferee Company under Part III 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.
- 5.5 **Dissolution of Transferor Company**
Upon this Scheme becoming effective, JTPL shall stand dissolved without being wound-up.

PART IV

6. CANCELLATION OF EQUITY SHARES OF TRANSFEE COMPANY HELD BY TRANSFEROR COMPANY & INCREASE OF AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY

6.1 Cancellation of Shares of Transferee Company

- 6.1.1 Upon the Scheme becoming effective, the equity shares of the Transferee Company held by the Transferor Company shall, without any further act or deed, in accordance with provisions of Companies Act, 2013, be automatically cancelled or extinguished on and from the Effective Date and the order of the NCLT sanctioning the Scheme shall be deemed to be the order confirming the cancellation/ extinguishment under the applicable provisions of the Companies Act, 2013. Notwithstanding the cancellation in the equity share capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name and the Transferee Company shall carry on its old name.

6.2 Increase of authorized share capital of the Transferee Company

- 6.2.1 Upon this Scheme becoming effective, the entire authorised share capital of JTPL equal to INR 1,00,00,000 (divided into 10,00,000 Equity Shares of INR 10 each) shall stand combined with the authorised share capital of C&S.
- 6.2.2 Thus, the authorised share capital of C&S of INR 70,00,00,000 divided into 7,00,00,000 Equity Shares of the face value of INR 10 each shall stand increased by an amount of INR 1,00,00,000.
- 6.2.3 Accordingly, the authorised share capital of C&S shall stand increased to INR 71,00,00,000 (divided into 7,10,00,000 equity shares of INR 10 each) and Capital Clause V of the Memorandum of Association of C&S (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act, 2013 and Section 232 and other applicable provisions of the Companies Act, 1956 as the case may be and be replaced by the following clause:
"The Authorized Share Capital of the Company is INR 71,00,00,000 (Rupees Seventy One Crores Only) divided into 7,10,00,000 (Seven Crores Ten Lakh) Equity Shares of INR 10/- (Ten) each, with power to Board to increase or reduce from time to time."
- 6.2.4 The stamp duty or filing fees paid on the authorised share capital of the Transferor Company shall be deemed to have been so paid by the Transferee Company and accordingly is permitted to be utilized and applied towards increase in the authorised share capital of the Transferee Company in accordance with this clause 6.2 and no additional stamp duty or filing fee shall be payable to any regulatory authorities in relation to such increase in the authorised share capital of the Transferee Company. The Transferee Company shall file the requisite documentation with the relevant Registrar of Companies, which has jurisdiction over the Transferee Company, for the increase of the authorised share capital of the Transferee Company as aforesaid. It is hereby clarified that for the purposes of increasing the authorised share capital in accordance with this clause 6.2, the sanction of the NCLT shall be deemed to be sufficient for the purposes of effecting this amendment.
- 6.2.5 It is clarified that the Transferee Company, for the purpose of combination in the authorised share capital and consequent amendment in the Memorandum of Association of the Transferee Company, shall not be required to pass a separate resolution under Section 13, Section 14, Section 61 and any other applicable provisions of the Companies Act, 2013 and on the members of the Transferee Company giving their consent to the Scheme, it shall be deemed that the members of the Transferee Company have given their consent for combination of the authorised share capital and consequent amendment in Memorandum of Association and Articles of Association of the Transferee Company as required under Section 13, Section 14, Section 61 and any other applicable provisions of the Companies Act, 2013. The Transferee Company shall file with the Registrar of Companies, Delhi & Haryana at New Delhi, all requisite forms and complete the compliance and procedural requirements under the Companies Act, if any.

PART V

ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY AND CONSIDERATION

7.1 Accounting treatment in respect of amalgamation of JTPL with C&S

- 7.1.1 The Transferee Company shall, subject to the provisions of this Scheme, follow the method of accounting as prescribed for the "Pooling of Interest Method" under Accounting Standard 14 'Accounting for Amalgamations' or as per IND AS 103 'Business Combinations' notified under section 133 of the Companies Act, 2013.
- 7.1.2 All assets, liabilities and reserves recorded in the books of account of the Transferor Company shall be transferred and recorded in the books of the Transferee Company pursuant to this Scheme, at their existing carrying amounts and in the same form.
- 7.1.3 The balance of the Statement of surplus in Profit and Loss account of the Transferor Company should be aggregated with the balance of the Profit and Loss Account of the Transferee Company.
- 7.1.4 The equity shares of Transferee Company held by Transferor Company shall stand cancelled in accordance with Clause 6.1 of Part IV of the Scheme and as a result equivalent equity share capital of the Transferee Company and the value of investments held by the Transferor Company in the Transferee Company shall stand cancelled and there shall be no further obligation/outstanding on that behalf.
- 7.1.5 Loans, advances or payables or receivables of any kind, held inter-se, if any between the Transferee Company and the Transferor Company (including share application money, if any) as appearing in their respective books of accounts shall stand cancelled as on the Appointed Date.
- 7.1.6 The Transferee Company shall credit its issued and paid up equity share capital by the aggregate face value of equity shares issued by it pursuant to Clause 6.2 of Part IV of this Scheme. Further, the Transferee Company shall credit, the excess of the fair value of the equity shares issued by it pursuant to Clause 6.2 of Part IV of this Scheme over the face value of such equity shares to the "Securities Premium Account".
- 7.1.7 Any excess/ deficit being the difference, if any, between the value of net assets of the business transferred from the Transferor Company as recorded by the Transferee Company in terms of Clause 7.1.1 above, and the amount credited to Share capital and Securities Premium Account as per Clause 7.1.6 after adjustment pursuant to Clause 7.1.4 & 7.1.5 above shall be adjusted in the Capital Reserve Account of the Transferee Company.
- 7.1.8 The Transferee Company shall record in its books of accounts, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.
- 7.1.9 All costs and expenses incurred as per Clause 8.10 below as well as other costs incidental to finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of this Scheme shall be charged to Profit and Loss in the books of Transferee Company as under

7.2 Consideration

- 7.2.1 Upon the Scheme becoming effective, and without any further application, act or deed, in consideration of the transfer and vesting of the Transferred Undertaking of the Transferor Company in the Transferee Company, the Transferee Company shall issue and allot to every equity shareholder of the Transferor Company holding fully paid up equity shares and whose names appear in the Register of Members as on the Record Date, 5 (five) equity shares of INR10/- each, at par, in the Transferee Company credited as fully paid up for every 2 (two) equity shares of INR 10/- each fully paid up held by such shareholder in the Transferor Company ("Share Exchange Ratio").
- 7.2.2 In the event that the equity shares entitled to be issued under Clause 7.2.1 result in fractional entitlements, each such fraction shall be rounded off to the next whole number and the Board of Directors of the Transferee Company shall thereupon issue and allot equity shares to such shareholders of the Transferor Company accordingly.
- 7.2.3 The equity shares in the capital of the Transferee Company issued to the shareholders of the Transferor Company, as aforesaid, shall rank pari passu in all respects with the existing equity shares of the Transferee Company, from the Appointed Date.
- 7.2.4 The equity shareholders of the Transferor Company whose demat account details may be available with either the Transferor Company and/or with the Transferee Company, or who may provide such details to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company in this regard, shall be issued the equity shares of the Transferee Company (as they may be entitled to pursuant to this Scheme) in the dematerialized form, and the remaining equity shareholders of the Transferor Company shall be issued physical equity share certificates with regard to the equity shares of the Transferee Company as they may be entitled to pursuant to this Scheme.
- 7.2.5 Such physical equity share certificates (if any) shall be sent by the Transferee Company to each of the equity shareholders of the Transferor Company at their respective registered addresses, as appearing in the Register of Members maintained by such Transferor Company with respect to its shareholders and the Transferee Company shall not be responsible for any loss in transit.

PART VI

GENERAL TERMS AND CONDITIONS

8.1 Tax neutrality

- 8.1.1 The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.
- 8.1.2 If any terms or provisions of this 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.

8.2 Application(s) to the NCLT

- 8.2.1 The Transferor Company and the Transferee Company shall make application/petition under Section 230 to 232 and other applicable provisions of the Companies Act to the NCLT, as necessary, *inter alia*, to seek order for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further application/petition under Sections 230 to 232 and other applicable provisions of the Companies Act including for sanction/confirmation/clarification of the Scheme or connected therewith, as necessary.

8.3 Conditionality of the Scheme

- 8.3.1 This Scheme is conditional upon and subject to the following:
(a) this Scheme being sanctioned by the NCLT; and
(b) certified copy of the order of the NCLT sanctioning the Scheme being jointly filed by the Transferor Company and the Transferee Company, with the Registrar of Companies, Delhi & Haryana at New Delhi.
- 8.3.2 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.
- 8.4 **Revision of accounts and tax filings, modification of charge**
- 8.4.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.
- 8.4.2 Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies shall be deemed to be sufficient for creating or modifying the charges in favor of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.
- 8.5 **Mutation of property and Stamp Duty**
- 8.5.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the title to the immovable properties of the Transferred Undertaking shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the NCLT sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties of the Transferred Undertaking with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.
- 8.5.2 Since all movable properties belonging to the Transferor Company shall be transferred by way of delivery and possession, no stamp duty shall be payable on transfer of such properties to Transferee Company in terms of the Scheme.
- 8.6 **Dividend**
- 8.6.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders, as may be decided by their respective Board of Directors, in respect of the accounting period prior to the Effective Date.
- 8.6.2 It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of the Transferor Company or the Transferee Company to demand or claim any dividends, which subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, as the case may be, subject to such approval of the respective shareholders, as may be required.
- 8.7 **Modifications and Amendments to the Scheme**
- 8.7.1 Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.
- 8.7.2 The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.
- 8.7.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 8.8 **Revocation and withdrawal of this Scheme**
The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by 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 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 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 to 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 act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.
- 8.9 **Severability**
If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.
- 8.10 **Costs and expenses**
All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.



H.O. : Above Singla Radio & Cycle Store
Jawaherkea Road, Mansa Mandi
Pujnab 151 0505 Tel. : 01652-233284
B.O. : L-38, Vijay Chowk, Laxmi Nagar,
Delhi 110 092 Tel.: +91 11 22532160
Mobile : +91 9350302837
E.mail: apsaca@gmail.com
www.casingla.com

Amrit Paul Singla & Associates

Chartered Accountants

Certificate of Valuation and Share Exchange Ratio - C&S Electric Limited and JVA Trading Private Limited

ABOUT US - Amrit Paul Singla & Associates is a leading firm with vast experience in providing services covering assurance, tax, advisory and other financial advisory services. The firm's registration no. is 14199N. The firm has experienced partners and experienced staff to provide quality services to the clients.

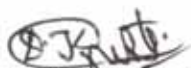
VALUATION DETAILS - C&S Electric Limited (hereinafter called "Acquirer Entity" or "Acquirer") is engaged in the business of manufacturing electrical and electronic products. The key business operations of the company include Switchgear & Protection, Power Busbars and Lighting & Wiring Accessories. Incorporated on 15th June 1971 as Controls and Switch Gear Co Ltd, the company's name was later changed to C&S Electric Limited on 3rd December 2008. We understand that JVA Trading Private Limited (hereinafter called "Target Entity" or "Target") was incorporated on 13th July 2016 and is now proposed to be merged with C&S Electric Limited. As a part of proposed merger, JVA Trading Private Limited will cease to exist and, as a consideration for the merger, the shareholders of JVA Trading will be issued equity shares of C&S Electric. In this regard, we have been requested to provide assistance to conduct business valuation of both of the entities involved and compute fair value of equity shares and work out the share exchange ratio. Based on the information provided and our analysis, the results are summarized in the below table.

Valuation Summary and Swap Ratio

Valuation Summary and Swap Ratio		
	C&S Electric Ltd.	JVA Trading Pvt Ltd.
Valuation Methodology	DCF	NAV
Equity Valuation (Rs. Million)	11,307	58
No. of Shares (million)	48.7	0.1
Per Share Price (Rs.)	232.0	577.0
Share exchange (swap) ratio		0.40

In effect, a fair equity share entitlement ratio in the event of merger of JVA Trading Pvt Ltd (Transferor Company) into C&S Electric Ltd. (Transferee Company) would be 0.40 equity shares of C&S Electric of Rs.10 each fully paid for every 1 equity share of JVA Trading of Rs.10 each fully paid, in consideration for merger of JVA Trading with and into C&S Electric. *Applying this ratio, shareholders of JVA Trading will get 5 equity shares of C&S Electric Ltd for 2 equity shares held in JVA Trading Pvt Ltd.*

For Amrit Paul Singla & Associates
Chartered Accountants
(Firm Regn No. 14199N)


(Devendra Kumar Gupta)
Partner
M. No. 096622
Member since 04 Aug 1998

Place: Delhi
Date: 02 Dec 2016

3

Amrit Paul Singla & Associates
Chartered Accountants

Valuation for purpose of merger of
C&S Electric Ltd & JVA Trading Pvt Ltd

24

DISCLAIMER

The information contained in this document is intended for the sole use of C&S Electric Ltd ("the client"). Use of any data, information or portions of this document is strictly prohibited without the prior written consent of the client. No part of this report may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed.

Whilst every effort has been made to ensure high quality and accuracy of content in the preparation of this document, we assume no responsibility for errors and omissions related to the data, calculations or the analysis contained therein.

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	4
2. ABOUT US	5
3. VALUATION CONSIDERATIONS.....	5
3.1 Overview.....	5
3.2 Valuation Date	5
3.3 Valuation Bases (Standard of Value).....	5
3.4 Valuation Premise	6
3.5 Assumptions and Limiting Conditions.....	6
4. VALUATION METHODOLOGY	7
4.1 Discounted Cash Flow (DCF) Valuation	7
4.2 Net Asset Value (NAV) Approach	7
4.3 Cost of Capital.....	7
4.4 Terminal Value.....	8
5. FAIR VALUATION DETAILS.....	9
5.1 C&S Electric: FCFF Computation and Per Share Price	9
5.2 JVA Trading: Net Assets Computation and Per Share Price ...	10
6. SWAP RATIO	11



1. EXECUTIVE SUMMARY

C&S Electric Limited (hereinafter called "Acquirer Entity" or "Acquirer") is engaged in the business of manufacturing electrical and electronic products. Its wide range of electrical and electronic products find application in power generation, distribution, control, protection and final consumption. The key business operations of the company include Switchgear & Protection, Power Busbars and Lighting & Wiring Accessories. Incorporated on 15th June 1971 as Controls and Switch Gear Co Ltd, the company's name was later changed to C&S Electric Limited on 3rd December 2008.

We understand that JVA Trading Private Limited (hereinafter called "Target Entity" or "Target") was incorporated on 13th July 2016 and is now proposed to be merged with C&S Electric Limited. As a part of proposed merger, JVA Trading Private Limited will cease to exist and, as a consideration for the merger, the shareholders of JVA Trading will be issued equity shares of C&S Electric.

In this regard, we have been requested to provide assistance to conduct business valuation of both of the entities involved and compute fair value of equity shares.

This report identifies key valuation drivers and provides guidance on the valuation of Acquirer and Target entities. The valuation is based on projections provided by the management and is worked out by using Discounted Cash Flow (DCF) method for C&S Electric and Net Assets Value (NAV) method of valuation for JVA Trading. We have referred to valuation procedures from *Business Valuation Practice Standard (BVPS)* issued by the Institute of Chartered Accountants of India, (ICAI) termed as *Corporate Affairs Standard CAS No. 1*.

Based on the information provided and our analysis, the final value per equity share of both the entities and swap ratio are summarized in the below table.

Table 1: Valuation Summary and Swap Ratio

Valuation Summary and Swap Ratio		
	C&S Electric Ltd.	JVA Trading Pvt Ltd.
Valuation Methodology	DCF	NAV
Equity Valuation (Rs. Million)	11,307	58
No. of Shares (million)	48.7	0.1
Per Share Price (Rs.)	232.0	577.0
Share exchange (swap) ratio		0.40

In effect, a fair equity share entitlement ratio in the event of merger of JVA Trading Pvt Ltd (Transferor Company) into C&S Electric Ltd. (Transferee Company) would be 0.40 equity shares of C&S Electric of Rs.10 each fully paid for every 1 equity share of JVA Trading of Rs.10 each fully paid, in consideration for merger of JVA Trading with and into C&S Electric. *Applying this ratio, shareholders of JVA Trading will get 5 shares of C&S Electric for 2 shares held in JVA Trading.*

2. ABOUT US

Amrit Paul Singla & Associates is a leading firm with vast experience in providing services covering assurance, tax, advisory and other financial advisory services. The firm's registration no. is 14199N. The firm has experienced partners and experienced staff to provide quality services to the clients.

3. VALUATION CONSIDERATIONS

3.1 OVERVIEW

We have been requested to provide assistance to conduct business valuation of the entities involved and compute fair value of equity shares. As such, this report lists out:

- The underlying factors considered for conducting valuation;
- Assumptions and adjustments considered for arriving at fair value;
- Computation process adopted; and
- Final valuation of equity shares arrived at by us.

The information contained in this report is absolutely confidential and is meant to be used solely by the client. Our valuation engagement is based on relevant information made available by the management and limited industry related information collected and analysed by us. Our report is subject to 'Assumptions and Limiting Conditions' included elsewhere in this report. The report presents the data, assumptions, approaches and methodologies employed in developing our recommended share price value.

3.2 VALUATION DATE

The valuation date is a specific point in time as of which the valuer's opinion of value applies. As such, the valuation date for this engagement is taken as 30th Nov 2016 for C&S Electric and accordingly future projections have been used. The valuation of JVA Trading is based on the latest available balance sheet data provided to us by the management, which is dated end of 30th Nov 2016.

3.3 VALUATION BASES (STANDARD OF VALUE)

As per Corporate Affairs Standard CAS-1 (issued by the Institute of Chartered Accountants of India), standard of value means the indication of the type of value being used in a specific engagement. Business interests are valued in a variety of contexts and for a variety of purposes. Different standards of value may lead to different conclusions of 'value'.

For the purpose of this engagement, the standard of value for the equity shares valuation has been taken as '*fair value of equity share*'. We have used Discounted Cash Flow (DCF) methodology and Net Asset Value (NAV) methodology of valuation for estimating the fair value.



3.4 VALUATION PREMISE

Determining the business value depends upon the situation in which the business is valued, i.e., what is likely to happen to the business beyond the valuation date influences what the business is worth today. As per CAS-1, the premise of value describes the type of market conditions the seller of the business interest might reasonably encounter. For the purpose of this engagement, the standard of value for the equity shares valuation has been arrived on the basis of 'going concern' assumption/premise.

3.5 ASSUMPTIONS AND LIMITING CONDITIONS

The assumptions and limiting conditions under which this engagement has been performed form a crucial part of this valuation report. The assumptions and limiting conditions that apply to current business valuation are listed below:

- This valuation reflects facts and conditions existing or reasonably foreseeable at the valuation date.
- Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
- The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
- Financial information of the company is included solely to assist in the development of a value conclusion presented in this report. Because of the limited purpose of the information presented, it may contain departures from generally accepted accounting principles.
- We do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
- Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media without our prior written consent and approval.



4. VALUATION METHODOLOGY

We have valued the company using the following methodologies:

- Discounted Cash Flow methodology; and
- Net Asset Value methodology

4.1 DISCOUNTED CASH FLOW (DCF) VALUATION

DCF is one of the most popular approaches employed having its roots in the time value of money concept. DCF approach values a company by discounting the future expected cash flows. For the purpose of this engagement, we have estimated future cash flows based on '**Free Cash Flows to Firm**' (FCFF) approach. The cash flows for the projected period under FCFF are computed as under:

FCFF	=	Net Operating Profit After Tax [+] Non cash expenses (including depreciation & amortisation) [+/-] Changes in working capital [-] Capital expenditure
------	---	--

4.2 NET ASSET VALUE (NAV) APPROACH

Under NAV approach, the business valuation is based on the estimated value of the business assets. In NAV model, the total assets value is reduced by the liabilities amount to arrive at net value which forms the basis for equity valuation of the company.

4.3 COST OF CAPITAL

Under the DCF approach, the free cash flows are discounted at weighted average cost of capital (WACC). WACC is the combination of cost of equity and cost of debt by assigning appropriate weights.

The methodology to compute cost of equity, post-tax cost of debt and weighted average cost of capital is as under:

- **Cost of equity (Ke)** is the expected return on equity investment. Using the Capital Asset Pricing Model (CAPM), cost of equity is computed as:

$$\text{Cost of equity} = \text{Risk free rate } (R_f) + \text{Beta} * \text{Equity Market Risk Premium}$$

- **R_f** is the return earned on a risk free asset.
- **Beta** is the volatility of company's return vis-à-vis the market. It is a measure of the additional risk of investing in a company.
- **Equity market risk premium** is the additional return for investing in the equity market. This is defined as the difference between average returns on stocks and average returns on risk free securities over the measurement period.

- **Cost of debt (Kd)** is the tax adjusted average interest cost on debt.
- **WACC** is computed as: $(K_e \times \text{Equity Proportion}) + (K_d \times \text{Debt Proportion})$

In the current valuation, we have computed cost of capital by considering the following inputs for C&S Electric:

Table 2: Cost of Capital Computation

Discount Rate Computation - C&S Electric Ltd.	
Risk free rate	6.2%
Beta factor	1.39
Expected return from market	15.9%
Cost of Equity	19.6%
Average cost of borrowings	9.8%
Post tax cost of debt	6.5%
Debt proportion	23.0%
Equity proportion	77.0%
Cost of Capital	16.6%

4.4 TERMINAL VALUE

Since the valuation is based on going concern entity assumption, we have taken a growth rate of 35.0% p.a. during the period 2020 to 2024 and a growth rate of 15.0% p.a. during the period 2025 to 2029 for valuation of C&S Electric. Post financial year 2029, we have assumed that the company's growth would be in line with expected growth rate of Indian economy.

The terminal value (post 2029 until infinite period) is based on an annual terminal growth rate of 5.0% p.a. The terminal growth rate is based on expected compounded annual growth rate (CAGR) of India's real GDP adjusted for long-term sustainable growth expectation. Accordingly, a terminal growth rate of 5.0% p.a. has been achieved. Using this growth rate, the terminal value has been computed as under:

$$\text{Terminal Value} = \frac{\text{Terminal YrCF} * (1 + \text{Terminal Growth Rate})}{(\text{WACC} - \text{Terminal Growth Rate})}$$

[This space is intentionally left blank]



5. FAIR VALUATION DETAILS

5.1 C&S ELECTRIC: FCFF COMPUTATION AND PER SHARE PRICE

Free cash flows to firm have been computed based on financial projections for the period 2017 to 2019 as provided by the management.

Table 3: FCFF Computation–C&S Electric

C&S Electric Ltd.	2017 F	2018 F	2019 F
<i>All figures in INR million, unless otherwise stated</i>	<i>31-Mar-17</i>	<i>31-Mar-18</i>	<i>31-Mar-19</i>
	<i>4 mths</i>	<i>12 mths</i>	<i>12 mths</i>
Net Sales	4,381	13,904	14,983
Less: Material Consumption	(2,690)	(8,470)	(9,115)
Gross Profit	1,691	5,434	5,868
Less: Manufacturing overheads	(628)	(1,991)	(2,116)
Less: General overheads	(258)	(810)	(864)
Less: Selling expenses	(526)	(1,720)	(1,864)
Operating Profit	279	912	1,024
Less: Tax	(65)	(211)	(223)
Net Operating Profit After Tax (NOPAT)	214	702	801
Add: Depreciation and amortisation	112	350	367
Add/Less: Changes in Working Capital	(387)	(433)	(359)
Less: Net Capex	(80)	(303)	(339)
Free Cash Flows to Firm	(141)	316	470

The final business valuation is an intermix of:

- Free cash flows to firm;
- Weighted average cost of capital;
- Interim growth rate; and
- Terminal growth rate.

Table 4: Equity Value and Per Share Price – C&S Electric

C&S Electric	(INR Million)
Present Value of FCFF during 2017-2019	464
Present Value of FCFF during 2020-2024	2,666
Present Value of FCFF during 2025-2029	3,354
Add: Present Value of Terminal value (post 2029)	5,891
Less: Gross debt	(2,321)
Add: Cash and cash equivalents	543
Add: Investments	709
Equity Value	11,307
No. of Shares (million)	48.7
Per Share Price (Rs.)	232

5.2 JVA TRADING: NET ASSETS COMPUTATION AND PER SHARE PRICE

As mentioned earlier, net assets value is the difference between value of assets and liabilities. In effect, this is equivalent to equity valuation, which is summation of paid up equity value and reserves & surplus.

The net asset value and per share price are summarized in the below table based on the latest balance sheet data of JVA Trading made available to us:

Table 5: Equity Value and Per Share Price – JVA Trading

JVA Trading	
<i>All figures in INR million, unless otherwise stated</i>	
<i>Based on Balance Sheet as at 30 Nov 2016</i>	
Fair value of investment in C&S Electric Limited	
No. of shares held	4.63
Fair value per share of C&S Electric Limited (Rs. per share)	232
Investment Value	1,075
Add: Cash in hand and at bank	8
Add: Sundry debtors and other assets	2
Total Assets Value	1,085
Less: Outstanding loan	(1,000)
Less: Interest expense payable	(26)
Less: Sundry creditors and other liabilities	(1)
Total Liabilities Value	(1,027)
Net Assets Value	58
No. of Shares (million)	0.10
Per Share Price (Rs.)	577

[This space is intentionally left blank]



6. SWAP RATIO


The swap ratio has been computed based on the fair value per share of Acquirer and Target entities. Swap ratio is equal to share price of acquirer entity divided by share price of target entity.

On consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair equity share entitlement ratio in the event of merger of JVA Trading Pvt Ltd (Transferor Company) into C&S Electric Ltd. (Transferee Company) would be 0.40 equity shares of C&S Electric of Rs.10 each fully paid for every 1 equity share of JVA Trading of Rs.10 each fully paid, in consideration for merger of JVA Trading with and into C&S Electric. *Applying this ratio, shareholders of JVA Trading will get 5 equity shares of C&S Electric Limited for every 2 equity shares held in JVA Trading Private Limited.*

Table 6: Swap Ratio Computation

Valuation Summary and Swap Ratio		
	C&S Electric Ltd.	JVA Trading Pvt Ltd.
Valuation Methodology	DCF	NAV
Equity Valuation (Rs. Million)	11,307	58
No. of Shares (million)	48.7	0.1
Per Share Price (Rs.)	232.0	577.0
Share exchange (swap) ratio		0.40

For Amrit Paul Singla & Associates
Chartered Accountants
(Firm Regn No. 14199N)


(Devendra Kumar Gupta)
Partner
M. No. 096622
Member since 04 Aug 1998

Place: Delhi
Date : 02 Dec 2016



IJA Trading Private Limited**Provisional Balance sheet as at October 31, 2016**

(Amount in Rs.)

Particulars	Note no.	As at Oct 31, 2016
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2	1,000,000
(b) Reserves and surplus	3	(25,247,979)
Sub-total		(24,247,979)
2 Non - current liabilities		
(a) long term liabilities	4	1,000,000,000
Sub-total		1,000,000,000
3 Current liabilities		
(a) Trade payables	5 (a)	18,993,421
(b) Other current liabilities	5 (b)	790,799
Sub-total		19,784,220
Total		995,536,241
II. ASSETS		
1 Non - current assets		
Non- current investment	6	984,162,750
Sub-total		984,162,750
2 Current assets		
Trade receivables	7	1,714,453
Cash and bank balances	9	9,617,343
Other current assets	8	41,695
Sub-total		11,373,491
Total		995,536,241
Significant Accounting Policies and Notes on Financial Statements	1 to 20	



Aditya Khanna
(Director)

IYA Trading Private Limited**Provisional Statement of Profit and Loss for the period ended October 31, 2016**

(Amount in Rs.)

Particulars	Note no.	For the period ended Oct 31, 2016
I Revenue from operations	10	1,691,953
Total revenue		1,691,953
II Expenses :		
Purchase of stock-in-trade	11	1,526,687
Employee benefits expense	12	181,665
Finance Costs	13	24,604,931
Other expenses	14	626,649
Total expenses		26,939,932
III Profit / (Loss) before tax (I - II)		(25,247,979)
IV Tax expenses:		
Current tax		-
V Profit / (Loss) for the year (III - IV)		(25,247,979)
VI Basic and diluted (loss) per share (in Rs.)	18	(252)
Significant Accounting Policies and Notes on Financial Statements	1 to 20	



Aditya Khanna
(Director)

IYA Trading Private Limited**Provisional Cash flow statement for the period ended October 31, 2016**

(Amount in Rs.)

	For the period ended Oct 31, 2016	
A. Cash flow from operating activities		
Profit/(loss) before tax		(25,247,979)
Adjustments for :		
Interest expenses	24,604,931	24,604,931
Operating profit before working capital changes		(643,048)
Changes in working capital:		
Adjustments for increase / (decrease) in operating assets:		
Trade receivable	(1,714,453)	
Other current assets	(41,695)	
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payable	18,993,421	
Other current liabilities	790,799	
		18,028,072
Cash generated/ (outflow) from operations		17,385,024
Income taxes paid (including TDS deducted on Rental income during current year)		
Net cash flow/ (used) from operating activities (A)		17,385,024
B. Cash flow from investing activities		
Purchase of investment	(984,162,750)	
Net cash flow/ (used) from investing activities (B)		(984,162,750)
C. Cash flow from financing activities		
Interest expenses	(24,604,931)	
Capital introduce	1,000,000	
Loan from financial institution	1,000,000,000	
Net cash flow/ (used) from financing activities (C)		976,395,069
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		9,617,343
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year		9,617,343



Aditya Khanna
(Director)

Note no. 1 - Significant Accounting Policies

I. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standard Specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

II. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Differences between the actual results & estimates are recognized in the period in which the results are known / materialized.

III. Revenue recognition

Sale of goods : - Sales are recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides when the products are dispatched / shipped. Sales include excise duty but exclude sales tax / value added tax.

Income from services :- Revenue from erection contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred.

Other income : - Interest income is recognised on a time proportion basis taking into account the amounts outstanding and the applicable rate of interest, dividend income on investments is accounted for when the right to receive the payment is established.

Lease rentals are recognized on accrual basis.

IV. Income-tax

The provision for income tax is computed on the basis of assessable profits under the provisions of the Income-tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



V. Earnings per share

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) for the current year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for calculating basic earnings / (loss) per share, and also the weighted average number of shares, which would have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as

VI. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

VII. Investments

All long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of investments. Current investments are carried at the lower of cost and fair value.

VIII. Employee Benefits

The Company has scheme of employee benefits such as provident fund charged to statement of profit and loss every year.



Note no. 2 - Share capital

(Amount in Rs.)

Particulars	As at Oct 31, 2016	
	Numbers	Amount
Authorised Equity shares of Rs. 10 each	100,000	1,000,000
	100,000	1,000,000
Issued, subscribed and paid up Equity shares of Rs. 10 each fully paid up	100,000	1,000,000
Total	100,000	1,000,000

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at Oct 31, 2016	
	Numbers	Amount in Rs.
Shares outstanding at the beginning of the year	-	-
Shares issued during the year	100,000	1,000,000
Shares outstanding at the end of the year	100,000	1,000,000

(b) Shareholder holding more than 5 percent shares :-

Particulars	As at Oct 31, 2016	
	No. of Equity shares held	% of Holding
Rishi Nath Khanna	25,000	25.00%
Anuj Khanna	25,000	25.00%
Aditya Khanna	25,000	25.00%
Radhika Kapoor	25,000	25.00%

JVA Trading Private Limited
Notes to the financial statement

Note no. 3 - Reserves and surplus

(Amount in Rs.)

Particulars	As at Oct 31, 2016
Surplus in Statement of profit and loss	
Opening balance	-
Add : Profit for the period	(25,247,979)
	(25,247,979)



JVA Trading Private Limited
Notes to the financial statement

Note no. 4 - Long term borrowings

(Amount in Rs.)

Particulars	As at Oct 31, 2016
Term Loan	
Secured	
From financial institution (refer note (i) below)	400,000,000
Unsecured	
From financial institution (refer note (ii) below)	600,000,000
Total (a)	1,000,000,000

Notes:-

- (i) Term loan from IIFL Wealth Management Limited of Rs. 40 Crore is secured by pledge of investments in 2115656 equity shares of C&S Electric Limited; and pledge of immovable property and investments owned by Directors and their family members.
- (ii) Investments in units of certain Mutual Funds and certain Equity shares owned by Directors and their family members is kept as collateral against Term loan of Rs. 60 Crores from Credit Suisse Finance (India) Private Limited.

Note no. 5 - Current Liabilities

(Amount in Rs.)

Particulars	As at Oct 31, 2016
Trade Payables	
i) Total outstanding dues of Micro Enterprises & Small Enterprises	-
ii) Total outstanding dues of creditors Other than Micro Enterprises & Small Enterprises	
Sundry Creditors	1,558,464
Interest Payable	17,344,657
Audit Fee Payable	40,000
Salary & Wages Payable	50,300
Total (a)	18,993,421

(Amount in Rs.)

Particulars	As at Oct 31, 2016
(b) Other current liabilities	
Provident Fund Payable	30,765
TDS Payable	759,784
Swatch Bharat Cess Payable	250
Total (b)	790,799

JVA Trading Private Limited
Notes to the financial statement

Note no. 6 - Non- current investment

(Amount in Rs.)	
Particulars	As at Oct 31, 2016
Investment in equity instrument (Unquoted) 4633530 fully paid equity shares of Rs. 10 Each of C&S electric Ltd.	984,162,750
Total	984,162,750

Note no. 7 - Trade receivables

(Amount in Rs.)	
Particulars	As at Oct 31, 2016
Unsecured, Considered good	1,714,453
Total	1,714,453

Note no. 8 - Other current assets

(Amount in Rs.)	
Particulars	As at Oct 31, 2016
Krishi Kalyan Cess Recoverable (refer note (i) below)	1,437
Service Tax Recoverable (refer note (ii) below)	40,258
Total	41,695

Notes:-

(i) Krishi Kalyan cess net off receivable Rs. 1687 & Payable Rs. 250.

(ii) Service Tax net off receivable Rs. 47258 & Payable Rs. 7000.

Note no. 9 - Cash and bank balances

(Amount in Rs.)	
Particulars	As at Oct 31, 2016
Cash and cash equivalents	
<u>Balances with banks</u>	
On current accounts	9,617,343
Total	9,617,343

JVA Trading Private Limited
Notes to the financial statement

Note no. 10 - Revenue from operations

		(Amount in Rs.)
Particulars		As at Oct 31, 2016
(a) Sale of Product		
Traded goods		
Domestic		1,541,953
	Subtotal	1,541,953
(a) Sale of services		
Service income		150,000
	Subtotal	150,000
	Total	1,691,953

Note no. 11 - Purchase of Stock-in-trade

		(Amount in Rs.)
Particulars		As at Oct 31, 2016
Trading items		1,526,687
	Total	1,526,687



JVA Trading Private Limited
Notes to the financial statement

Note no. 12 - Employee benefits expenses

(Amount in Rs.)

Particulars	As at Oct 31, 2016
Salary expenses	164,940
Contribution to Employee Pension Fund	9,747
Contribution to Employer PF	4,293
Employee EDLI Charges	585
PF Inspection Charges	600
Provident Fund Admin Charges	1,500
Total	181,665

Note no. 13 - Finance Cost

(Amount in Rs.)

Particulars	As at Oct 31, 2016
Interest Expense	24,604,931
Total	24,604,931

Note no. 14 - Other expenses

(Amount in Rs.)

Particulars	As at Oct 31, 2016
Remuneration to Auditors	
- As statutory auditor	40,000
Rates & Taxes	1,687
Bank Charges	191
Professional Expenses	271,399
Company Formation Expenses	226,480
Rent Expenses	86,892
Total	626,649



JVA Trading Private Limited
Notes to the financial statement

Note no. 15 - Contingent Liabilities and commitments

As certified by the management Nil (Previous year - Nil).

Note no. 16 - Lease Arrangements

The Company's significant leasing arrangements are in respect of operating leases for premises (Office Building).

Note no. 17 - Dues to micro and small enterprises

The Company has no transaction with any entity registered under Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006) which came into effect from October 2, 2006.

Note no. 18 - Earnings per share

Particulars	Current Year (Rs.)
Profit after taxation as per profit and loss account	(25,247,979)
Weighted average number of equity shares outstanding	100,000
Basic and diluted earning (loss) per share in rupees (Face value – Rs. 10 per share)	(252)

Note no. 19 - Related party disclosures under Accounting Standard 18

A. Name of related party and nature of related party relationship

Key Managerial Personnel:-

Rishi Nath Khanna

Aditya Khanna

Anuj Khanna

Enterprises over which Key Managerial Personnel exercise significant influence:-

C&S Electric Limited

C&S Himoinsa Private Limited

B. Transactions with related parties referred to in (A) above

Particulars	Current Year (Rs.)
Service income from C&S Electric Ltd	150,000
Purchase of Goods from C&S Himoinsa Private Ltd	1,526,687

C. Closing Balance with related parties referred to in (A) above

Particulars	Current Year (Rs.)
Receivable from C&S Electric Ltd	172,500

Note no. 20 - Details of Deferred Tax

In view of the fact that there are no items of timing difference in accordance with AS 22 as notified by the Companies Act, 2013.



(Amount in Rs.)

Particulars	As at October 31, 2016
I. EQUITY AND LIABILITIES	
1 Shareholders' funds	
(a) Share capital	486,515,920
(b) Reserves and surplus	5,050,430,586
	5,536,946,506
2 Non - current liabilities	
(a) Long - term borrowings	152,799,430
(b) Deferred tax liabilities (net)	51,982,358
(c) Other long term liabilities	11,798,200
(d) Long - term provisions	114,376,663
	330,956,651
3 Current liabilities	
(a) Short - term borrowings	1,561,866,646
(b) Trade payables	1,466,658,656
(c) Other current liabilities	1,185,674,003
(d) Short - term provisions	45,542,639
	4,259,741,944
Total	10,127,645,101
II. ASSETS	
1 Non - current assets	
(a) Fixed assets	
(i) Tangible assets	2,061,607,783
(ii) Intangible assets	72,790,592
(iii) Capital work-in-progress	15,069,305
(iv) Intangible assets under development	360,000
(b) Non - current investments	857,515,465
(c) Long - term loans and advances	479,292,102
(d) Other non - current assets	364,378,150
	3,851,013,397
2 Current assets	
(a) Current investments	807,827,548
(b) Inventories	1,947,247,189
(c) Trade receivables	2,881,940,769
(d) Cash and cash equivalents	105,966,490
(e) Short - term loans and advances	487,059,338
(f) Other current assets	46,590,370
	6,276,631,704
Total	10,127,645,101


Aditya Khanna
(Managing Director)

(Amount in Rs.)	
Particulars	For the 7 months period ended October 31, 2016
I Revenue from operations (gross)	6,173,388,805
Less : Excise duty	(457,207,876)
Revenue from operations (net)	5,716,180,929
II Other income	34,457,712
III Total revenue (I + II)	5,750,638,641
IV Expenses:	
(a) Cost of materials consumed	3,459,487,988
(b) Purchases of stock-in-trade (traded goods)	80,005,382
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(144,567,431)
(d) Employee benefits expense	914,431,445
(e) Finance costs	122,268,085
(f) Depreciation and amortisation expense	143,123,590
(g) Other expenses	1,030,192,717
Total expenses	5,604,941,776
V Profit before tax (III - IV)	145,696,865
VI Taxation	33,510,279
VII Profit after tax (V - VI)	112,186,586



Aditya Khanna
(Managing Director)

**Before the National Company Law Tribunal,
Principal Bench, at New Delhi
In the matter of the Companies Act, 2013
And
In the matter of Sections 230 -232 and other applicable
provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
And
In the matter of JVA TRADING PRIVATE LIMITED
(TRANSFEROR COMPANY)
And
C&S ELECTRIC LIMITED
(TRANSFeree COMPANY)
And
their respective Shareholders and Creditors**

FORM OF PROXY

I/We _____ the undersigned, being the Secured Creditor(s) of C&S Electric Limited, the Transferee Company do hereby appoint Mr. / Ms. _____ of _____ and failing him/her Mr. / Ms. _____ of _____ as my / our proxy, to act for me / us at the meeting of the Secured Creditors of Transferee Company to be held at the Auditorium attached to the office of Okhla Industrial Estate Association, Exhibition Complex, Okhla Industrial Estate, New Delhi - 110 020 on Tuesday, the 7th day of March, 2017 at 12:00 P.M., for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation between JVA Trading Private Limited and C&S Electric Limited and their respective Shareholders and Creditors and at such meeting, and any adjournment/ adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "Amalgamation" ahead) the said arrangement embodied in the Scheme of Amalgamation *either with or without modifications* as my/our proxy may approve.

* *Strike out what is not necessary*

Dated this _____ day of _____ 2017

Affix Re. 1 Revenue Stamp

Name		<p>_____</p> <p>Signature of Secured Creditor / Witness (where the Creditor is blind or incapable of writing) across the Stamp</p>
Address		

NOTES:

1. Please affix revenue stamp before putting signature.
2. Proxy need not be a Secured Creditor.
3. Proxy shall not be a minor.
4. Proxy should carry a valid proof of identity like PAN card, Aadhar card, Driving License, Passport, etc.
5. Proxy authorised by a Secured Creditor which is a body corporate should carry the true copy of the Resolution passed by the Board of Directors or other governing body of such body corporate, certified by a Director, Manager, Secretary or other authorised officer of such body corporate, to this effect. Such Resolution should be lodged with the Transferee Company at its registered office not later than FORTY EIGHT hours before the time scheduled / fixed for the said Meeting.
6. Alterations, if any, made in the Form of Proxy should be initialed.
7. Proxy must be deposited at the Registered Office of the Transferee Company, not later than FORTY EIGHT hours before the time scheduled / fixed for the said Meeting.
8. In case of multiple Proxies, the Proxy later in time shall be accepted.
9. Copy of the Scheme of Amalgamation / Explanatory Statement / Proxy Form may be obtained from the registered office of C&S Electric Limited at 222, Okhla Industrial Estate Phase – III, New Delhi – 110 020

[Page intentionally left blank]

C&S Electric Limited

Registered Office: 222, Okhla Industrial Estate Phase - III, New Delhi - 110 020

Tel. No. (+91-11) 3384 9000-09; Fax: +91-11 2682 9063

CIN: U31909DL1971PLC005672; Website: <http://cselectric.co.in/>

ATTENDANCE SLIP

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

In the matter of

JVA Trading Private Limited

(Transferor Company)

And C&S Electric Limited

(Transferee Company)

And their respective shareholders and creditors

I hereby record my presence at the meeting of the Secured Creditors of C&S Electric Limited, Transferee Company, convened pursuant to an Order dated 13th January, 2017 read with Order dated 24th January, 2017 of the Principal Bench of the National Company Law Tribunal at Auditorium attached to the office of Okhla Industrial Estate Association, Exhibition Complex, Okhla Industrial Estate, New Delhi - 110 020 on the 7th day of March, 2017 at 12:00 P.M.

NAME AND COMPLETE ADDRESS OF THE SECURED CREDITOR:	
Signature	

NAME OF THE PROXY HOLDER/AUTHORISED REPRESENTATIVE:

Signature	
------------------	--

NOTE: Secured Creditors attending the Meeting in Person or by Proxy or through Authorised Representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the Meeting Hall.

Book Post / Registered Post

To,

If undelivered please return to:

C&S Electric Limited

Registered Office: 222, Okhla Industrial Estate Phase - III, New Delhi – 110 020

Tel. No. (+91-11) 3384 9000-09