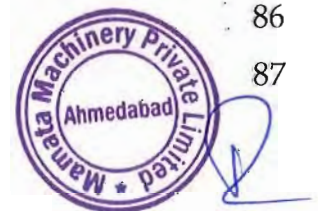


NATIONAL COMPANY LAW TRIBUNAL (NCLT) CONVENED
MEETING OF THE SECURED CREDITORS OF MAMATA
MACHINERY PRIVATE LIMITED.

- | | |
|----------|--|
| 1) Day | Thursday |
| 2) Date | 20 th day of August, 2020 |
| 3) Time | 11:30 a.m. |
| 4) Venue | Survey No. 423/P, Sarkhej-
Bavala Road, N.H. No. 8A, Tal.
Sanand, Moraiya,
Ahmedabad- 382213. |

Sr. No	Contents	Page No.
1.	Notice of NCLT Convened Meeting of the Secured Creditors.	1-5
2.	Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013	6-12
3.	Scheme of arrangement under Section 232 read With section 230, of the Companies Act, 2013 and rules framed thereunder between Mamata Extrusion Systems Private Limited, With Mamata Machinery Private Limited	13-33
4.	Report adopted by the Board of Directors in its meeting held on 23 rd December, 2019 pursuant to provisions of Section 232(2)(c) of the Companies Act, 2013	34-35
5.	Copy of Valuation Report by registered valuer.	36-65
6.	Supplementary Accounting statement for period ended 31 st March, 2020.	66-81
7.	Pre and Post Arrangement Shareholding Pattern of Transferee Company	82
8.	Proxy Form	83-85
9.	Attendance Slip	86
10.	Site Map	87



FORM NO. CAA. 2

[Pursuant to section 230 (3) and rule 6 and 7)]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH: AHMEDABAD

In the matter of section 230 and 232 of the Companies Act, 2013,
Company Application CA (CAA) No. 31/NCLT/AHM/2020 of 2020

And

In the matter of Scheme of arrangement involving amalgamation of

Mamata Extrusion Systems Private Limited,

With Mamata Machinery Private Limited

And

In the matter of Mamata Machinery Private Limited having its
Registered office at Flat No. Survey No. 423/P, Sarkhej-Bavla Road, N.H.

No. 8a, Tal. -Sanand, Moraiya, Ahmedabad- 382213.

..... Applicant Transferee Company

**NOTICE CONVENING THE MEETING OF THE SECURED
CREDITORS OF MAMATA MACHINERY PRIVATE
LIMITED (HEREIN AFTER REFERRED AS THE "APPLICANT
COMPANY") PURSUANT TO THE ORDER DATED JULY 10,
2020 BY THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, AHMEDABAD BENCH**

Notice is hereby given that by order dated 10th day of the July, 2020,
the Ahmedabad Bench of Hon'ble National Company Law Tribunal
has directed meeting to be held of Secured Creditors of the



Applicant Company for the purpose of considering, and if thought fit, approving with or without modification, the arrangement in the nature of amalgamation proposed to be made between Mamata Extrusion Systems Private Limited, with Mamata Machinery Private Limited.

In pursuance of the said order and as directed therein further notice is hereby given that meetings of the Secured Creditors of the Applicant Company will be held at Survey No. 423/P, Sarkhej-Bavala Road, N.H. No. 8A, Tal. Sanand, Moraiya, Ahmedabad-382213. on Thursday, 20th Day of August, 2020 at 11.30 a.m. at which time and place the secured creditors of the Applicant Company are requested to attend the meeting to transact the business mentioned below:-

To consider and, if thought fit, approve with or without modification(s), the following Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 230 and 232 of Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, arrangement in the nature of amalgamation proposed to be made between Mamata Extrusion Systems Private Limited, with Mamata Machinery Private Limited placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby





approved.”

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative, is deposited at the Registered Office of the Applicant Company or at the office of its Advocate Mr. Ishan Shah, A-201, Siddhi Vinayak Towers, Off. S.G. Highway, Makarba, Ahmedabad 380051 not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting.

The Hon’ble National Company Law Tribunal (the Tribunal) has appointed Mr Mahendra N. Patel, a Director (DIN: 00104997), as the Chairman of the said meeting of secured Creditors of the Applicant Company. The above mentioned Scheme, if approved at the meeting, will be subject to the subsequent approval of the Tribunal. A copy of the Scheme, the Explanatory Statement under Section 102 of the Companies Act, 2013, Form of Proxy, Attendance Slip, Report of the Board of Directors on the Draft scheme of Arrangement, and Supplementary accounting statement for the period ending 31st March, 2020 are enclosed.

Place : Ahmedabad

Date : 18/07/2020

Mahendra N. Patel



Chairperson appointed for
the Meeting

Regd. Office: Survey No. 423/P, Sarkhej-Bavla Road, N.H. No. 8a,
Tal. -Sanand, Moraiya, Ahmedabad- 382213.

NOTES:

1. Secured Creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself. the form of proxy duly completed should, however, be deposited at the registered office of the applicant company not less than 48 hours before the time fixed for the aforesaid meeting.
2. All alterations made in the Form of Proxy should be initialled.
3. Voting rights shall be reckoned on the value of debt registered as on 17th August, 2020.
4. The queries, if any, related to the scheme should be sent to the Applicant Company addressed to Mr. Mahendra N. Patel, Directorat its Registered Office and/or Head Office in such a way that the Applicant Company will receive the same at least seven days before the meeting.
5. The Hon'ble National Company Law Tribunal has appointed Mr. Gautam K. Virsadiya, Practicing Company Secretary (Membership No. 31820, C.O.P. No. 19866) Ahmedabad, as the Scrutinizer to conduct the voting in a fair and transparent manner.
6. The relevant documents referred to in the accompanying Explanatory Statement shall be open for inspection, from 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting, at the Registered Office of the Applicant Company.
7. On account of need for continuous adherence to the social



distancing norms and restrictions placed on movement of persons, any creditors who wish to attend the meeting through video conferencing (VC) or other audio- visual means (OAVM) may intimate to the company through email at least 10 days before the date of the meeting i.e. 10th day of August, 2020.

8. Those creditors opt for attendance through video conferencing (VC) or other audio- visual means (OAVM) the company shall intimate the procedure to participate the meeting through video conferencing (VC) or other audio- visual means (OAVM) and voting thereat.
9. Site Map to reach the venue of the meeting is attached.



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH: AHMEDABAD

In the matter of section 230 and 232 of the Companies Act, 2013,
Company Application CA (CAA) No. 31/NCLT/AHM/2020 of 2020

And

In the matter of Scheme of arrangement involving amalgamation of
Mamata Extrusion Systems Private Limited,
With Mamata Machinery Private Limited

And

In the matter of Mamata Machinery Private Limited having its
Registered office at Survey No. 423/P, Sarkhej-Bavla Road, N.H. No.
8a, Tal. -Sanand, Moraiya, Ahmedabad- 382213.

..... Applicant Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH
SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF
THE TRIBUNAL CONVENED MEETING OF THE SECURED
CREDITORS OF **MAMATA MACHINERY PRIVATE LIMITED**

Pursuant to the order passed by the Hon'ble National Company Law
Tribunal (NCLT) at Ahmedabad, in the Company Application no. CA
(CAA) No. 31/NCLT/AHM/2020 filed, meeting of Secured Creditors of
the Applicant Company is being convened on Thursday, 20th day of
August, 2020 at 11.30 a.m. at Survey No. 423/P, Sarkhej- Bavla Road, N.H.
No. 8A, Tal. Sanand, Moraiya, Ahmedabad- 382213.

- 1) for the purpose of considering and, if thought fit, approving with or
without modification(s), the arrangement in the nature of
amalgamation proposed to be made between Mamata Extrusion
Systems Private Limited, with Mamata Machinery Private
Limited under Section 230 read with section 232, of the Companies Act,



2013 and rules framed thereunder.

- 2) This statement explaining the terms of the Scheme of amalgamation is being furnished as required under section 230 (3) of the Companies Act, 2013. Notice of the said meetings together with the copy of the Scheme is sent herewith. The persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means.
- 3) The scheme was approved by the board in their meeting held on Monday, 23rd December, 2020. All directors were present and they unanimously voted in favour of the resolution.
- 4) Details of the scheme of Arrangement as required under Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

I. Details of the order of the Tribunal directing the calling, convening and conducting of the meeting:-

a) Date of the Order:

10th July, 2020

b) Date, time and venue of the meeting:

As stated at Sr. No 1 herein.

II. Details of the Company are included under the major head "Introduction" and Sr. No 2 of Part I of the Scheme except following:

Name of the stock exchange (s) where securities of the company are listed, if applicable:

Not Listed

III. Parties involved in such compromise or arrangement

a) Mamata Extrusion Systems Private Limited (Transferor Company) and Mamata Machinery Private Limited (Transferee Company),

b) Relationship subsisting between such companies who are parties to such scheme of compromise or arrangement:

The Transferor and the Transferee Company are under same management.

IV. Highlights of the Scheme



- a) Appointed Date means the 1st day of April, 2019 or such other date as the appropriate authority i. e. National Company Law Tribunal Ahmedabad (herein after referred as the "NCLT") may direct;
- b) Effective Date means the date on which certified copy of the order of Hon'ble NCLT vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company is filed with the Registrar of Companies, Gujarat at Ahmedabad.
- c) Share exchange ratio: 1(One)Equity Shares of Rs. 100/- each credited as fully paid-up in the Transferee Company for every 8500 (Eight Thousand Five Hundred) equity share of Rs. 100/- each fully paid-up held by such member in the capital of the Transferor Company, Mamata Extrusion Systems Private Limited.
- d) Other considerations: Nil

V. Summary of valuation report including basis of valuation

Valuer has evaluated suitability of three commonly used approaches, referred under Valuation Report, on valuation to determine the fair value of companies.

Since the Net Asset Value (NAV) most commonly referred as Book Value method provided under cost approach provides intrinsic valuation of the company which considers the fair market valuation of the company's assets, 100% weightage has been given to the valuation under Book Value (Adjusted).

Considering the above facts, value worked out as per adjusted Book Value (Adjusted) method is taken as "Fair Value" per share of the Companies.

- a) For Mamata Machinery Private Limited, fair value per equity share is Rs. 8500/- (Rupees Eight Thousand Five Hundred Only) for the face value Rs. 100/- (Rupee Hundred only) per share.



- b) For Mamata Extrusion Systems Private Limited, fair value per equity share is Rs. 1/- (Rupees One only) for the face value Rs. 100/- (Rupees Hundred only) per share.

The swap ratio of Mamata Extrusion Systems Private Limited:

For every 8500 (Eight Thousand Five Hundred) shares of Mamata Extrusion Systems Private Limited, the Shareholders will receive 1 (One) Share of Mamata Machinery Private Limited.

The valuation report is available for inspection at the registered office of the Company.

VI. Details of capital or debt restructuring, if any;

Nil

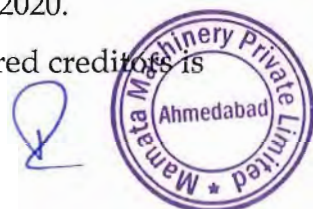
VII. Benefits of amalgamation as perceived by the Board of Directors to the company, members, creditors and others;

- a) A unified entity would provide for efficiency of capital use to the investors and thus enhancing the value to the overall financial services in securities markets.
- b) It will also enhance the economic efficiency in terms of meeting the operational as well as compliance obligations resulting in ease of doing business and would result in efficient utilization of the collaterals across asset classes and segments.
- c) It would facilitate effective regulatory oversight.
- d) A unified entity will have better risk management capabilities and extend the benefits of economies of scale.

The rationale and benefit of the proposed scheme have been duly provided for and captured in the Scheme attached with this notice/explanatory statement.

VIII. Amount due to secured creditors as on 10/07/2020.

As on the cut-off date, the amount due to secured creditors is



Rs. 13,54,00,000/- (Rupees Thirteen Crore Fifty Four Lakh only)

Disclosure about the effect of the arrangement in the nature of amalgamation on

- a) key managerial personnel
- b) directors
- c) promoters
- d) non-promoter members
- e) depositors
- f) creditors
- g) debenture holders
- h) deposit trustee and debenture trustee
- i) employees of the company

The Scheme does not have a prejudicial effect on any of the above, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

- IX. Disclosure about effect of Arrangement in the nature of amalgamation on material interests of directors, Key Managerial Personnel

The Scheme of Arrangement has no impact on the material interests of directors, Key Managerial Personnel of the Company. None of the Directors, Promoters and Key Managerial Personnel of the Transferor and Transferee Companies respectively have any material personal interest in the Scheme, save to the extent of shares held by them in the Transferor and the Transferee Company, if any

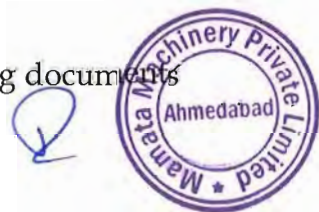
- X. Investigation or proceedings, if any, pending against the Company under the Act :

Nil

- XI. Documents under Section 232(2) of the Companies Act, 2013
As required under Section 232 (2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement

- a) Scheme of Arrangement in the nature of amalgamation
- b) Report of the Board of Directors of the Company
- c) Supplementary accounting statement for the period ending March 31, 2020.

Inspection of the above documents and following documents



may be had at the Registered Office up to one day prior to the date of the meeting between 11.00 am and 5.00 pm on all working days (except Saturdays and Sundays):

- a) Copy of the order of Tribunal in pursuance of which the meeting is to be convened
- b) The certificate issued by Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
- c) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme

The Copies of the Scheme of Arrangement is being filed simultaneously along with the dispatch of this notice with the following regulatory and governmental authorities:

- a) Income Tax Department, Government of India
- b) Registrar of Companies, Ahmedabad, Gujarat
- c) Central Government through Regional Director, North Western Region, Ahmedabad.

Approvals, sanctions or no-objection(s), if any, from the aforesaid regulatory or any other governmental authorities shall be obtained within the prescribed period.

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.

Place : Ahmedabad

Date : 18/07/2020



Mahendra N. Patel

Chairperson appointed for
the Meeting

Regd. Office: Survey No. 423/P, Sarkhej-Bavla Road, N.H. No. 8a, Tal.
-Sanand, Moraiya, Ahmedabad- 382213.

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 AND 232 OF THE COMPANIES ACT, 2013
OF
Mamata Extrusion Systems Private Limited having
registered office at 53 Madhuban, Nr Madalpur under bridge, Ellisbridge,
Ahmedabad 380006.
(TRANSFEROR COMPANY)
WITH
Mamata Machinery Private Limited having
registered office at Survey No. 423/P, Sarkhej - Bavla Road, N.H. No. 8a, Tal. -
Sanand, Moraiya, Ahmedabad- 382213.
(TRANSFeree COMPANY)

PREAMBLE

This Scheme of Amalgamation ("Scheme") is presented under the provisions of Section 230 read with Section 232 of the Companies Act, 2013 (as defined hereinafter) for amalgamation of the Transferor Company (as defined hereinafter) into and with the Transferee Company (as defined hereinafter) pursuant to the relevant provisions of the Companies Act, 2013 (as defined hereinafter) and the relevant provisions of this Scheme. The amalgamation of Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with provisions of Section 2(1B) of the Income Tax Act, 1961 (as defined hereinafter). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

INTRODUCTION

Transferor Company:

- 1) Mamata Extrusion Systems Private Limited, is a Private Limited Company incorporated on 17th January, 1997 having CIN- U29212GJ1997PTC031529 and PAN AABCM0530D under the Companies Act, 1956. Its registered office is situated at 53 Madhuban Nr Madalpur under bridge Ellisbridge, Ahmedabad 380006. Its E-MAIL address is mamatagroup@mamata.com
- 2) Name and address of Promoters and Directors:

Name and Address	DIN	Designation
Shri Mahendra Narsinhbhai Patel Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	00104997	Director
Shri Chandrakant Baldevbhai Patel 100, Surdhara Bungalows, Opp. T.V. Station, Mahalaxmi Society, Ahmedabad, Gujarat- 380054.	00380810	Wholetime Director

3) Summary of main object as per clause III (A) of the Memorandum of Association:

To carry on the business to manufacture, produce, assemble, alter, acquire, build, construct, commission, convert, commercialize, dismantle, design, develop, display, demonstrate, erect, equip, establish, fabricate, finish, hold, handle, install, hire, let on hire, lease, repair, maintain, modify, market, own, Operate, Protect, Pull Down, reconstruct, renovate, recondition, remodel, import, export, buy, sell, resale, exchange, service, act as an agent, broker, financier, stockiest, contractor, consultant, engineers, collaborators or otherwise deal in all types of automatic and semi-automatic plants and machineries, including extrusion plants, injection moulding machines, dies, mould, material, handling equipment's, apparatus and related equipment's used in various plastics processing industries.

To carry on the business to manufacture, produce, assemble, alter, acquire, build, convert, commercialize, dismantle, design, develop, display, demonstrate, market, import, export, buy, sell, resale, exchange, act as an agent, broker, stockiest, collaborator or otherwise deal in parts, components, instruments, systems, devices, fitting, tools, tackles and accessories relating to various plastic processing industries.

4) Main business carried on by the Company:

Engaged in manufacturing activities of blown film plants.

5) Details of change of name, registered office and objects of the company during the last five years:

There was no change of name and objects of the Company during the last five years.

Transferee Company:

- 1) Mamata Machinery Private Limited, is a Private Limited Company incorporated on 17th April, 1979 under the Companies Act, 1956, having CIN- U29259GJ1979PTC003363 and PAN AABCM8241P Its registered office is situated at Survey No. 423/P, Sarkhej - Bavla Road, N.H. No. 8a, Tal. - Sanand, Moraiya, Ahmedabad- 382213. Its E-MAIL address is mamatagroup@mamata.com.
- 2) Name and address of Promoters and Directors:

Name and Address	DIN	Designation
Shri Mahendra Narsinhbhai Patel 12/ A, Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	00104997	Managing Director
Shri Chandrakant Baldevbhai Patel 100, Surdhara Bungalows, Opp. T.V. Station, Mahalaxmi Society, Ahmedabad, Gujarat- 380054.	00380810	Managing Director
Smt. Nayana Mahendra Patel 12/ A, Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	00105627	Director
Ms Tarana Mahendrabhai Patel 12/ A, Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	03449948	Director

- 3) Summary of main object as per clause III (A) of the Memorandum of Association:
- To manufacture and deal in industrial machinery and equipment including size separation equipment, size reduction equipment, liquid solid separation equipment, mixing and grinding equipment, granulators, anti- pollution equipment, blowers, driers and evaporators, heat exchanges, chemical pumps, vessels, tanks, conveying equipment for chemicals, fertilizers, paper sugar, mining and other industry, road

making machineries, building and construction machineries, chemical machineries, precision machinery, sheet metal machinery, machine tools, rolling mills, engraving machinery, mechanical, structural and electrical machinery, injection moulding and extrusion machinery, welding equipments, hydraulic equipments, chemical equipments, laboratory equipments, agricultural equipments, implements pumps, engines, presses, apparatus and other machinery, plant, accessories, tools, fittings, ancillaries, components and engineering goods of every description.

To undertake structural, fabrication, machining, rubberizing, coating and lining of all machineries, equipments, appliances, machine tools, contrivances involving, mechanization and components thereof including pipes, tubes, sheets, moldings and other articles made of metals, plastics, rubber, fiber reinforced, plastics and other materials.

To manufacture, produce, repair, alter, convert, recondition, improve, exchange, barter, prepare for sale, buy, sell, hire, import, export, let out on hire, trade and deal in all kinds of machineries, plant, accessories, apparatuses, fittings, engineering goods, substances, implements, tools, trailers, forgings, castings, rolling stock and hardware for industrial, agricultural, building, mining, traffic, sporting, military or for any other applications.

To carry on business as precision engineers, mechanical engineers, electrical engineers, automobile engineers, chemical engineers, process engineers and general engineers and to draw, design, manufacture, erect, install, commission, operate, repair, advise for plants projects, machinery, equipments, tools, accessories, ancillaries, fittings, general hardware, components and systems and to render all kinds of consulting and technical services in connection therewith.

To promote, represent, organize, undertake, establish, conduct, handle, arrange, manage, own, operate, participate, facilitate, sponsor, encourage and provide the business as package tour operators for religious education and picnic purpose, daily passenger service operators, conducted tour operators, traveling agent for booking and reserving accommodations, seats, berths, compartments, coupe, complete bogie on railways, motor ships, motor boats, Aeroplan's, steam ships, motor bus and omni buses, vehicle booking agents, hotel booking agent, authorized railway tour booking agent, ship booking agent, authorized airline ticket booking agent, representative of other travelling agencies, courier service agent, correspondence, parcel and postage booking agents, telephone booth operators to provide necessary

services for passport and visa, to handle conferences and meetings, to handle inward foreign tourist activities in India and abroad, to provide for guides, safe deposits and baggage transports, to act as an agent of bankers and to arrange travelers cheques, coupon drafts and other mode of foreign exchanges on their behalf; To publish magazines, bulletins and other literature for tourism contractors or arrange buses, coaches, bogies, charter flights, helicopter, motor launches, boats, taxes, rickshaws and other vehicles for tourist and passengers and to provide such facilities for national and international tourist as may be incidental or necessary for accomplishment of above objects.

To carry on the business of the manufacturers of, processors of, assemblers of, installers of, maintainers of, repairers of, dealers of, importers of, as principals and agents or otherwise in electronics and electricals instruments, apparatus, equipment's, special purpose machineries and controls of every description including microprocessors based controls, control panels, computers, variable speed controls, temperature controls, electrical motor controls, displays, disc-drives, keyboards, computer peripherals of every type electronics or electrical products, their accessories of and in, electronic components, sub-assemblies and assemblies like printed circuit board, transistor, diodes, relays, thyristors, thermistors, integrated circuits of every type and description such as microprocessors, Rproms, EEproms, ROMs, RAMs, SRAMs, Logic circuits, applications specific integrated circuits, capacitors, resistors, coils, potentiometers, transformers, switches, power suppliers, inverters, converters, frequency generators, filters, control cables and electrical and mechanical components fitting parts, apparatus accessories and equipment's of every kind.

To carry on the business of manufactures of processors of assemblers of maintainers of, repairers of, dealers of, importers of, as principals and agents or otherwise in or electrical motors of every type and size and description including A.C., D.C., torque, steppers, servo, permanent magnet, pancake, solid rotor, micro motion, linear, synchronous motors of every construction and style and from every materials and non-metals and their accessories and all other equipment's of every kinds capable of being used in connection therewith.

To carry on leasing business, hire purchase business of any and all of its branches in respect of movable and immovable property, including plant and machinery, land and building, appliances, equipment's, furniture and fixtures, computers and

business, machine, electronic, electrical and mechanical instruments, vehicles, of all kinds, agricultural machinery, aero planes, launches, boats mechanical or otherwise, sewing machines, musical instruments, house hold equipment's, refrigeration and air conditioning plants, equipment's and commercial, industrial and the trading assets as the company may deem fit.

To carry on the business as an holding and investment company and to purchase or otherwise acquire, underwrite invest in acquire, hold trade or deal in immovable and movable properties of all kinds in any part of the country and in particulars lands, building, hereditaments, objects of art and decoration, gems, jewelry, precious stones and metals, mortgages, charges, debenture stocks, annuities, shares, stocks, debentures bonds, obligations, securities, concessions, options, product policies, book debts, and claims and any interests in immovable and movable property and any claims against such property or against any person or company and to vary all or any of the aforesaid investments.

4) Main business carried on by the Company:

Engaged in manufacturing activities of pouch making machineries, packaging machineries, converting equipment's etc.

5) Details of change of name, registered office and objects of the company during the last five years:

There was no change of name, registered office and main objects of the Company during the last five years.

RATIONALE OF THE SCHEME

The Transferor and the Transferee Companies are under same management. It is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme.

The said amalgamation will lead to the following benefits:

- 1) Consolidation of operations and infrastructure of all the companies under the common management and thereby it is expected to give rise to savings in the administrative and other overheads, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of infrastructure and related costs.

- 2) Reduction in multiplicity of legal and regulatory compliances which are required at present to be separately carried out by the Transferor and the Transferee Companies.
- 3) Benefits of operational synergies, efficiencies and cost competitiveness in terms of sourcing, more focused operational efforts and simplification of business processes.
- 4) Improved organizational capability and leadership, arising from the combination of human capital who collectively have diverse skills, talented vast experience to compete successfully in an increasingly competitive industry;
- 5) The combination of the business would increase the long-term value for shareholders;

EFFECT OF SCHEME ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS:

In the opinion of the Board of both the Companies, this Scheme of Amalgamation will be of advantage and beneficial to the shareholders of all the Companies and the terms of the Scheme are fair and reasonable and the valuer did not come across any valuation difficulties while computing share exchange ratio.

1) On the Promoters / Shareholders:

There is only one class of shareholder in the Transferor Company and the Transferee Company. There are no non promoter shareholders in the Transferor Company and the Transferee Company.

The Equity Shareholders of Transferor Company shall be allotted 1 (One) Equity Shares of Rs. 100/- each for every 8500 (Eight Thousand Five Hundred) equity share of Rs. 100/- each fully paid-up held by such member in the capital of the Transferor Company.

2) On Directors / Key Managerial Personnel:

Their shareholding will be affected to the extent of Equity Shares held by them in the Transferor Company.

This scheme is divided into following parts:

- I. Part I which deals with the definitions, and sets out the share capital of the Transferor Company and the Transferee Company as per latest audited accounts as on 31/03/2019.**

II. Part II which deals with the amalgamation of the Transferor Company and the Transferee Company.

III. Part III which deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme.

Part I - GENERAL

1. Definitions and Interpretations

a) In this Scheme, unless the context or meaning otherwise requires, (i) Terms defined in the introductory paragraphs and recitals shall have the meanings throughout this Scheme and (ii) the following expressions wherever used (including the recitals and introductory paragraphs above) shall have the following meanings:

- i. **“Act”** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force;
- ii. **“Applicable Law”** or **“Law”** means any Applicable Statute Law, regulations, ordinance, rules, judgement, order, decree, clearance, approval from the concerned authority, directive, guideline, press-note, policy, requirement or other governmental restructuring or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by any Government Authority in effect in the Republic of India;
- iii. **“Appointed Date”** means the 1st day of April, 2019 or such other date as the appropriate authority i.e. National Company Law Tribunal, Ahmedabad Bench (herein after referred as “NCLT”) may direct;
- iv. **“Board of Directors”** or **“Board”** in relation to each of the Transferor Company and the Transferee Company as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized for the purpose of the matters pertaining to the amalgamation, this scheme and / or any other matter relating thereto;
- v. **“Business Undertaking”** or **“Undertaking”** shall mean and include the whole of the undertakings/assets, investments etc. if any, of the Transferor Company, as a going concern, including all secured and unsecured debts, liabilities, Direct Taxes paid, or refund of Direct Taxes Due or Receivable in respect of any appeals, Benefits of Set off & Carry Forward of Unabsorbed Losses, Unabsorbed Depreciation, Carry

Forward of Capital Gains etc. (Whether as per Books or Income Tax), duties and obligations and all the assets and properties, whether movable or immovable, real or personal, in possession or revision, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to Land and Building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota rights, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect thereof, leases, tenancy rights, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, beneficial rights in any assets, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, bank balances, accounts and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date and all earnest money and/or deposits including security deposits paid by the Transferor Company as on the Appointed Date.

- vi. **“Effective Date”** means the date on which certified copy of the NCLT vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company is filed with the Registrar of Companies, Gujarat at Ahmedabad.
- vii. **“Registrar of Companies”** means the Registrar of Companies, Ahmedabad, Gujarat.
- viii. **“Scheme”** means this scheme of amalgamation and arrangement, as amended or modified in accordance with the provisions hereof;
- ix. **“Transferee Company”** means Mamata Machinery Private Limited, Ahmedabad;
- x. **“Transferor Company”** means Mamata Extrusion Systems Private Limited, Ahmedabad.

- b) All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modifications or re-enactment thereof for the time being in force or any legislation which replaces the Act. The headings herein shall not affect the construction of this Scheme. The singular shall include the plural and *vice versa*, and references to one gender include all genders.

2. SHARE CAPITAL

- a) The Share Capital of the Transferee Company as on 31st March, 2019.

AUTHORISED	(IN RUPEES)
3,00,000 Equity Shares of Rs 100/- each.	3,00,00,000
TOTAL	
SUBSCRIBED AND PAID UP	(IN RUPEES)
2,85,200 Equity Shares of Rs 100/- each.	2,85,20,000
TOTAL	2,85,20,000

- b) The Share Capital of the Transferor Company as on 31st March, 2019.

AUTHORISED	(IN RUPEES)
5,00,000 Equity Shares of Rs 100/- each.	5,00,00,000
TOTAL	
SUBSCRIBED AND PAID UP	(IN RUPEES)
1,00,000 Equity Shares of Rs 100/- each.	1,00,00,000
TOTAL	1,00,00,000

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

3. Transfer and Vesting

a) UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Undertaking of the Transferor Company shall, pursuant to Section 230 and 232 of the Act, and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the undertaking with all estates, assets, properties, rights, title and interest of the Transferee Company.

b) LICENSES ETC

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted from any Government body, local authority or any other persons, or availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

c) LIABILITIES

With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also, pursuant to Section 230 and 232 or such other section, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the

debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

d) TAXES

With effect from the Appointed date, all Direct Taxes paid, Direct Taxes Refund Due or Receivable, Carried forward losses, depreciation, capital losses, pending balances of amortizations etc., under Income Tax and including those defined under Section 72 to 79 of the Income Tax Act in respect of any assessment and/or appeal, (whether as per Books or as per Income Tax) and any rights / refunds under Income Tax Act including application for rectification, appeals filed with tax authorities of the Transferor Company shall also, pursuant to Section 394 or such other section of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the Direct Taxes paid, Direct Taxes Refund Due or Receivable, (whether as per Books or as per Income Tax) of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.

e) INVESTMENT OF TRANSFEE COMPANY IN TRANSFEROR COMPANY

49980 (Forty-Nine Thousand Nine Hundred Eighty) Equity Shares of the Transferor Company held by the Transferee Company, would be canceled on the effective date.

f) ENCUMBRANCES

The transfer and vesting of the assets and investments of the Transferor Company as aforesaid, shall be subject to the existing securities, charges etc., if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company. Provided, however, that any reference in any security documents or arrangements (to which the Transferor Company are party) to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferee Company. By virtue of this Clause, to

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

4. CONTRACT, DEEDS, ETC

- a) Upon the coming into effect of this Scheme and subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favor, as the case may be, of the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

Without prejudice to the provisions of clauses above, with effect from the Appointed Date, all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra party transactions for all purposes.

- b) All deposits and any amount remaining unpaid / unclaimed, if any, relating thereto of the Transferor Company shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting.
- c) The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.

5. Legal, Taxation and Other Proceedings

No investigation or proceedings pending against the Transferor Company and the Transferee Company. However upon the coming into effect of the Scheme, all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

6. Conduct of Business

- a) With effect from the Appointed Date and up to the Effective Date, the Transferor Company shall carry on and be deemed to carry on all its businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company.
- b) All the profits accruing to the Transferor Company or losses arising or incurred (including the effect of taxes, if any, thereon) by it shall, for all purposes, be treated as the profits or losses of the Transferee Company.
- c) The Transferor Company hereby undertakes to carry on their business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or encumber or otherwise deal with the assets or any part thereof except in the ordinary course of its business.
- d) The Transferor Company shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure without the written consent of the Transferee Company, except in the ordinary course of business.
- e) The Transferor Company shall not, without the written consent of the Transferee Company, undertake any new business.
- f) The Transferor Company shall not vary the terms and conditions of the service of its staff, workmen and employees except in the ordinary course of business.

7. Operative Date of The Scheme

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date

8. Transferor Company employees [Staff and Workmen]:

- a) All employees of the Transferor Company in service on the Effective Date, shall become employees of the Transferee Company, without any break or

interruption in service and on terms and conditions as to remuneration not less favorable than those subsisting with reference to the Transferor Company as on the said date.

- b) It is provided that so far as the Gratuity of employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall make contributions, if any, in accordance with payment of the Gratuity Act. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of payment of Gratuity.
- c) It is provided that so far as the Provident Fund scheme existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the same shall merge into such scheme(s) applicable to the Transferee Company subject to fulfillment of procedural requirement, if any. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the benefit of Provident Fund.

9. Issue of Shares by The Transferee Company

- a) Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot the Equity Shares of Rs. 100/- (Rupees Hundred Only) each credited and as fully paid-up in the Capital of the Transferee Company to the members of the Transferor Company whose names appear in the Register of Members of the Transferor Company on a Record Date to be fixed by the Board of Directors of the Transferee Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company and approved by them to be placed on its register of names in the following proportions :
 - 1 (One) Equity Shares of Rs. 100/- each credited as fully paid-up in the Transferee Company for every 8500 (Eight Thousand Five Hundred) equity share of Rs. 100/- each fully paid-up held by such member in the capital of the Transferor Company.

- b) Upon this Scheme becoming effective, the issue, subscribed, and paid up Share Capital of the Transferee Company shall stand suitably increase consequent upon the issuance of new Equity shares in accordance with 9 (a) above. It is clarified that no Special Resolution u/s 42 of the Act shall be required to be passed by the Transferee Company separately in a General Meeting for issue of shares to the members of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of Shares of the Transferee Company to the members of the Transferor Company in accordance with clause 9 (a) above.
- c) As a part of this Scheme, and, upon the coming into effects this Scheme, the Authorized Share Capital of the Transferee Company shall automatically stand increase, without any further act, instrument or deed, on the part of the Transferee Company, including payment fees of Registrar of Company, to the extent of Authorized Share Capital of the Transferor Company.
- d) The capital clause of the Memorandum of Association and Articles of Association, shall as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be **replaced** by the following clause:

Memorandum of Association

Clause V

The Authorized Share Capital of the Company is Rs 8,00,00,000/- (Rupees Eight Crores only) divided into 8,00,000 (Eight Lakh) Equity Shares of Rs. 100/- (Rupees Ten) each.

Articles of Association

As above

It is clarified that for the purpose of Clause 9 (c) and 9 (d) above, the consent of the Shareholder of the Transferee Company to this scheme shall be sufficient for the purpose of effecting the above amendments or increase in the Authorized Share Capital of the Transferee Company, and no further Resolution u/s 13 and 61 or any other applicable provisions of the Act, would be required to be separately passed.

The stamp duties and fees (including registration fee) paid on the Authorized Share Capital of the Transferor Company shall be set-off against any fees

payable by the Transferee Company on its authorized capital subsequent to the amalgamation.

- e) The Equity Shares issued to the members of the Transferor Company by the Transferee Company pursuant to Clause 9 (a) above shall be credited to the account of the members on such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof.
- f) In the event of there being any pending share transfers, whether lodged or outstanding of any members of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the record date, to effectuate such a transfer as if such changes in registered holder were operative as on the record date. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company
- g) In case any shareholder's holding in Transferor Company is such that the Shareholder becomes entitled to a fraction of an Equity Share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder.

Part III - DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS

10. ACCOUNTING TREATMENT

Indian Accounting Standards (Ind ASs) & Accounting Standards issued by ICAI are Standards prescribed under Section 133 of the Companies Act, 2013 and Ind ASs applies to Companies having net worth of Rs. 250 Crore. Upon the Scheme becoming effective, the Transferee Company shall adopt pooling of interest method for accounting as provided under Accounting Standard 14 issued by ICAI, as applicable as on date, explained as under:

- a) The assets, liabilities and all reserves of the Transferor Company shall be recorded at the values appearing in the books of Transferor Company as on operative date except adjustments to follow uniform set of accounting policies.
- b) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) to ensure that the financial

statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.

- c) Pursuant to the Clause 3 (e) of the Scheme, 49980 (Forty-Nine Thousand Nine Hundred Eighty) Equity Shares of Rs 100/- each held by the Transferee Company in the Transferor Company, shall be canceled.
- d) The respective balance/s appearing under the head “Miscellaneous Expenditure (to the extent not written off or adjusted)” in the books of the Transferor Company shall be debited by the Transferee Company to Miscellaneous Expenditure (to the extent not written off or adjusted) Account” and the same shall thereafter be dealt with, in the same manner as they would have been, had they been incurred by the Transferee Company.
- e) An amount equal to the balance lying in the Profit and Loss Account in the books of the Transferor Company shall be reflected by the Transferee Company in its Profit and Loss Account.
- f) An amount equal to the balance lying in the Reserves and Surplus Account in the books of the Transferor Company including the Share Premium Account shall be reflected by the Transferee Company in its respective Reserves and Surplus Account.
- g) The difference between assets and liabilities of Transferor Company is to be credited to amalgamation reserves of the Transferee Company.
 - i. Excess of consideration paid over paid up share capital (equity and preference) is to be adjusted against:
 - a) Free reserves of the Transferor Company
 - b) Secondly against free reserves of the Transferee Company
 - c) Lastly, debit profit and loss A/C.

11. Declaration of Dividend

- a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the Transferor Company shall not make any such declaration, except with the prior approval of the Board of Directors of the Transferee Company.
- b) The shareholders of the Transferor Company and Transferee Company shall, save as expressly provided otherwise in this scheme, continue to enjoy their

existing rights under their respective Articles of Association including the rights to receive dividends.

- c) It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, is an enabling provision only and shall not be deemed to confer any right on any member of any of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.

12. CONDITIONS PRECEDENT

- a) The effectiveness of the scheme is conditional upon and subject to:
 - i. this scheme being approved by the respective requisite majorities of the shareholders and / or creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and
 - ii. the requisite orders of the Hon'ble NCLT being obtained.
- b) On the approval of this scheme by the shareholders of the Transferor Company and the Transferee Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the act to the same extent applicable in relation to Amalgamation set out in this scheme, related matters and this scheme itself.
- c) In the events of scheme failing to take effect by September 2020, or such later date as may be agreed by Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter-se the Transferor Company and the Transferee Company or its shareholders or creditors or any other person. In such case, the Transferor Company and the Transferee Company shall bear its own cost and expenses as may be mutually agreed.

13. DISSOLUTION OF TRANSFEROR COMPANY

Upon the coming into effect of this Scheme, the Transferor Company shall be dissolved without winding up and without any further act or deed.

14. APPLICATIONS TO HON'BLE NCLT

The Transferor Company and the Transferee Company shall make applications under Sections 230 and 232 and other applicable provisions of the Act to the NCLT for sanctioning this Scheme and for dissolution of the Transferor Company without winding up.

15. MODIFICATION / AMENDMENT TO THE SCHEME

The Transferor Company and the Transferee Company, through its Board of Directors, may give consent to any modifications or amendments to the Scheme or agree to any terms or conditions which the Hon'ble NCLT may deem fit to impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

16. EXPENSES CONNECTED WITH THE SCHEME

Subject to the provisions of Clause 12 (c) of this scheme, all costs, charges, and expenses (including, by not limited to, any taxes, and duties, stamp duty, registration charges, etc) of/payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this scheme shall be borne by the Transferee Company.

17. EFFECTS OF AMALGAMATION

On order of sanction of arrangement in the nature of amalgamation (including this Scheme) by Hon'ble NCLT:

- a) the whole of the undertaking, property and liabilities of the Transferor Company from appointed date unless the Tribunal, decides otherwise, shall be transferred to the Transferee Company;
- b) the Transferee Company shall allot equity shares as referred under clause 9 (a) herein above in the company to the shareholders of the Transferor Company on such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof;

- c) any legal proceedings pending by or against the Transferor Company on the date of transfer, shall be continued by or against the Transferee Company;
- d) all employees of the Transferor Company in service shall become employees of the Transferee Company, without any break or interruption in service and on terms and conditions as to remuneration not less favorable than those subsisting with reference to the Transferor Company
- e) the Transferor Company shall be dissolved without being wound up; and the authorized capital of the Transferee Company shall automatically stand increase to Rs 8,00,00,000/-, as referred under clause 9 (d) herein above, and the fee, paid by the Transferor Company on its authorized capital shall be set-off against fees payable by the Transferee Company on its authorized capital subsequent to the amalgamation;
- f) The liabilities of the Transferor Company shall be paid and discharged by the Transferee Company in accordance with the terms of contract by the Transferor Company.

18. Approval by the Board of Directors

This scheme was approved by the Board of M/s Mamata Extrusion Systems Private Limited (Transferor Company) on 23/12/2019, and the Board of M/s Mamata Machinery Private Limited (Transferee Company) on 23/12/2019.



**ABSTRACT FROM THE MINUTES OF THE 217th BOARD MEETING OF
DIRETORS OF MAMATA MACHINERY PRIVATE LIMITED HELD ON
MONDAY, THE 23RD DAY OF DECEMBER, 2019, AT SURVEY NO. 423/P,
SARKHEJ - BAVLA ROAD, N.H. NO. 8A, TAL. - SANAND, MORAIYA,
AHMEDABAD- 382213 AT 12:30 P.M.**

Item no. 9

Report under section 232 (2) (c) of the Companies Act, 2013.

The Chairman informed that the Board was required to adopt a report on effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders vis a vis the share exchange ratio, specifying any special valuation difficulties on valuation of shares of amalgamating Company. Thereafter the Board adopted following report addressed to stakeholders unanimously.

To

The Stakeholders

Sub: Report under section 232 (2) (c) of the Companies Act, 2013.

The Board has evaluated the Scheme of Amalgamation and explains its effect as under:

1) On each class of shareholders

The Company has only one class of shareholders. On amalgamation the whole of the undertaking, property and liabilities of the transferor company from appointed date unless the Tribunal, decides otherwise, shall be transferred to the transferee company and the transferee company shall allot equity shares as referred under clause 9 (a) of the Scheme to the shareholders of the Transferor Company on such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof.



MAMATA MACHINERY PVT. LTD.

Regd. Office : 53, Madhuban, Nr. Madalpur Underbridge, Ellisbridge,
Ahmedabad - 380006, India. • Phone : +91-79-2644 0331, 2644 3236
Fax : +91-79-2642 1324 • E-mail : mamatagroup@mamata.com
CIN : U29259GJ1979PTC003363

Factory : Survey No. 423/P, Sarkhej - Bavla Highway,
Moraiya, Tal.: Sanand, Dist.: Ahmedabad-382 213, India.
Phone : +91-2717-630800 • E-mail : info@mamata.com
Website : www.mamata.com



2) On key managerial personnel

Section 203 of the Companies Act, 2013 is not applicable to the Company and the Company does not have Key Managerial Personnel. Hence effect of amalgamation on key managerial personnel is not applicable.

3) On Promoters and Non promoters

There is only one class of shareholder in the Transferor Company and the Transferee Company. There are no non promoter shareholders in the Transferor Company and the Transferee Company. The Equity Shareholders of Transferor Company shall be allotted Equity Shares as referred under clause 9 (a) of the Scheme.

4) Valuation of Shares

In the opinion of the Board of both the Companies, this Scheme of Amalgamation will be of advantage and beneficial to the shareholders of both the Companies and the terms of the Scheme are fair and reasonable and the valuer did not come across any valuation difficulties while computing share exchange ratio.

Share exchange ratio: 1(One)Equity Shares of Rs. 100/- each credited as fully paid-up in the Transferee Company for every 8500 (Eight Thousand Five Hundred) equity share of Rs. 100/- each fully paid-up held by such member in the capital of the Transferor Company, Mamata Extrusion Systems Private Limited.

For & On Behalf of the Board of Directors

Mahendra N. Patel
Managing Director
(DIN: 00104997)



MAMATA MACHINERY PVT. LTD.

Regd. Office : 53, Madhuban, Nr. Madalpur Underbridge, Ellisbridge,
Ahmedabad - 380006, India. • Phone : +91-79-2644 0331, 2644 3236
Fax : +91-79-2642 1324 • E-mail : mamatagroup@mamata.com
CIN : U29259GJ1979PTC003363

Factory : Survey No. 423/P, Sarkhej - Bavla Highway,
Moraiya, Tal.: Sanand, Dist.: Ahmedabad-382 213, India.
Phone : +91-2717-630800 • E-mail : info@mamata.com
Website : www.mamata.com

VALUATION
OF
EQUITY SHARES
(FINANCIAL INSTRUMENT)
OF
MAMATA EXTRUSION SYSTEMS PRIVATE LIMITED
AND
MAMATA MACHINERY PRIVATE LIMITED
TO DETERMINE EXCHANGE RATIO
IN THE MATTER OF
SCHEME OF ARRANGEMENT
IN THE NATURE OF AMALGAMATION

Prepared By:

PINAKIN SHAH

REGISTERED VALUER

Reg No. IBBI/RV/05/2019/10728

INDEX

SR. NO.	PARTICULARS	PAGE NO.
I	Appointing Authority and Objective	1
II	Key elements of valuation exercise	2
III	Valuation Date	2
IV	Valuation base	2
V	Profile of Client as on valuation date	3
VI	Purpose of Valuation	11
VII	Source of Information relied upon	11
VIII	Valuation Standards	12
IX	Background Information of Assets Being Valued	12
X	Valuation Methodology & Approach	13
XI	Valuation	16
XII	Opinion on value of equity	17
XIII	Share Exchange Ratio	18
XIV	Disclosure of Interest	18
XV	Limitations and Disclaimer	19
	Annexure 1	21
	Annexure 2	24

I. APPOINTING AUTHORITY AND OBJECTIVE

I Pinakin Shah, Registered Valuer, (Reg No. IBBI/RV/05/2019/10728) Ahmedabad, having office at A 201, Siddhi Vinayak Towers, Off: S. G. Highway, Makarba, Ahmedabad - 380051, have been engaged on 01/12/2019 by Board of Directors of Mamata Machinery Private Limited (Hereinafter referred as "Transferee Company" or as "MMPL"), and Mamata Extrusion Systems Private Limited (Herein after referred as "Transferor Company" or "MESPL").

The objective of engagement is to carry out an independent assessment of the Swap/Exchange Ratio for the proposed amalgamation of Transferor Company with Transferee Company in accordance with the provisions of Section 232 read with 230 of the Companies Act, 2013 effective from 01/04/2019, subject to approval by National Company Law Tribunal, Ahmedabad (herein after referred as the "NCLT").

As informed to us, amalgamation of business activities would achieve following benefits:

- 1) Consolidation of operations and infrastructure of all the companies under the common management and thereby it is expected to give rise to savings in the administrative and other overheads, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of infrastructure and related costs.
- 2) Reduction in multiplicity of legal and regulatory compliances which are required at present to be separately carried out by the Transferor and the Transferee Companies.
- 3) Benefits of operational synergies, efficiencies and cost competitiveness in terms of sourcing, more focused operational efforts and simplification of business processes.

- 4) Improved organizational capability and leadership, arising from the combination of human capital who collectively have diverse skills, talented vast experience to compete successfully in an increasingly competitive industry;
- 5) The combination of the business would increase the long-term value for shareholders;

II. KEY ELEMENTS OF VALUATION EXERCISE CONDITIONS

- 1) During the preparation of this report we have not conducted a site review of the business premises, nor have we audited or otherwise reviewed, or compiled the Financial Statements, which have been provided by the management of Transferee and Transferor Companies. It was assumed that these financial statements are true and accurate. The financial information presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report.
- 2) Because of the limited purpose as mentioned in the report, it may contain departures from generally accepted accounting principles prevailing in the country. Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

III. VALUATION DATE

The Analysis of the Fair Value of the equity of the Company has been carried out as on 01/04/2019.

IV. VALUATION BASE

We have selected combination of following as valuation base which are appropriate for the intended purpose of the valuation.



a) highest and best use;

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible. This base provides maximum value through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities.

b) going concern value;

Going concern value is the value of a business that is expected to continue to operate in the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, the necessary licenses, marketing systems, and procedures in place etc.

c) as is where is value;

As-is-where-is basis is the existing use of the asset which may or may not be its highest and best use.

d) synergies

Synergies is a concept which indicates that the combining effect of merged entities in terms of their value and benefits that is likely to be, greater than that of their individual values on a standalone basis. Synergy results from incremental benefits that accrue to the Transferee Company on account of post-acquisition factors, such as realisation of increased discretionary cash flow (as a result of the combinations of two or more business operations over and above the aggregate discretionary cash flow of the two-business viewed separately), or reduced risk in attaining same when two businesses combines.

**V. PROFILE OF CLIENTS AS ON VALUATION DATE
TRANSFEREE COMPANY**

1) Name:



Mamata Machinery Private Limited (GSTIN: 24AABCM8241P1Z5)

2) Registered office:

Survey No. 423/P, Sarkhej □ Bavla Road, N.H. No. 8a, Tal. □ Sanand,
Moraiya, Ahmedabad- 382213.

3) Board of Directors:

Name and Address	DIN	Designation
Shri Mahendra Narsinhbhai Patel 12/ A, Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	00104997	Managing Director
Shri Chandrakant Baldevbhai Patel 100, Surdhara Bungalows, Opp. T.V. Station, Mahalaxmi Society, Ahmedabad, Gujarat- 380054.	00380810	Managing Director
Smt. Nayana Mahendra Patel 12/ A, Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	00105627	Director
Ms Tarana Mahendrabhai Patel 12/ A, Kairavi Bungalows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	03449948	Director

4) Main object:

The main objects provided under Memorandum of Association are as
under:

To manufacture and deal in industrial machinery and equipment including size
separation equipment, size reduction equipment, liquid solid separation

equipment, mixing and grinding equipment, granulators, anti-pollution equipment, blowers, driers and evaporators, heat exchanges, chemical pumps, vessels, tanks, conveying equipment for chemicals, fertilizers, paper sugar, mining and other industry, road making machineries, building and construction machineries, chemical machineries, precision machinery, sheet metal machinery, machine tools, rolling mills, engraving machinery, mechanical, structural and electrical machinery, injection moulding and extrusion machinery, welding equipments, hydraulic equipments, chemical equipments, laboratory equipments, agricultural equipments, implements pumps, engines, presses, apparatus and other machinery, plant, accessories, tools, fittings, ancillaries, components and engineering goods of every description.

To undertake structural, fabrication, machining, rubberizing, coating and lining of all machineries, equipments, appliances, machine tools, contrivances involving, mechanization and components thereof including pipes, tubes, sheets, moldings and other articles made of metals, plastics, rubber, fiber reinforced, plastics and other materials.

To manufacture, produce, repair, alter, convert, recondition, improve, exchange, barter, prepare for sale, buy, sell, hire, import, export, let out on hire, trade and deal in all kinds of machineries, plant, accessories, apparatuses, fittings, engineering goods, substances, implements, tools, trailers, forgings, castings, rolling stock and hardware for industrial, agricultural, building, mining, traffic, sporting, military or for any other applications.

To carry on business as precision engineers, mechanical engineers, electrical engineers, automobile engineers, chemical engineers, process engineers and general engineers and to draw, design, manufacture, erect, install, commission, operate, repair, advise for plants projects, machinery, equipments, tools, accessories, ancillaries, fittings, general hardware, components and systems and to render all kinds of consulting and technical services in connection therewith.

To promote, represent, organize, undertake, establish, conduct, handle, arrange, manage, own, operate, participate, facilitate, sponsor, encourage and provide the business as package tour operators for religious education and picnic purpose,



daily passenger service operators, conducted tour operators, traveling agent for booking and reserving accommodations, seats, berths, compartments, coupe, complete bogie on railways, motor ships, motor boats, Aeroplan's, steam ships, motor bus and omni buses, vehicle booking agents, hotel booking agent, authorized railway tour booking agent, ship booking agent, authorized airline ticket booking agent, representative of other travelling agencies, courier service agent, correspondence, parcel and postage booking agents, telephone booth operators to provide necessary services for passport and visa, to handle conferences and meetings, to handle inward foreign tourist activities in India and abroad, to provide for guides, safe deposits and baggage transports, to act as an agent of bankers and to arrange travelers cheques, coupon drafts and other mode of foreign exchanges on their behalf; To publish magazines, bulletins and other literature for tourism contractors or arrange buses, coaches, bogies, charter flights, helicopter, motor launches, boats, taxis, rickshaws and other vehicles for tourist and passengers and to provide such facilities for national and international tourist as may be incidental or necessary for accomplishment of above objects.

To carry on the business of the manufacturers of, processors of, assemblers of, installers of, maintainers of, repairers of, dealers of, importers of, as principals and agents or otherwise in electronics and electricals instruments, apparatus, equipment's, special purpose machineries and controls of every description including microprocessors based controls, control panels, computers, variable speed controls, temperature controls, electrical motor controls, displays, disc drives, key- boards, computer peripherals of every type electronics or electrical products, their accessories of and in, electronic components, sub-assemblies and assemblies like printed circuit board, transistor, diodes, relays, thyristors, thermistors, integrated circuits of every type and description such as microprocessors, Rproms, EEproms, ROMs, RAMs, SRAMs, Logic circuits, applications specific integrated circuits, capacitors, resistors, coils, potentiometers, transformers, switches, power suppliers, inverters, converters,



frequency generators, filters, control cables and electrical and mechanical components fitting parts, apparatus accessories and equipment's of every kind.

To carry on the business of manufactures of processors of assemblers of maintainers of, repairers of, dealers of, importers of, as principals and agents or otherwise in or electrical motors of every type and size and description including A.C., D.C., torque, steppers, servo, permanent magnet, pancake, solid rotor, micro motion, linear, synchronous motors of every construction and style and from every materials and non-metals and their accessories and all other equipment's of every kinds capable of being used in connection therewith.

To carry on leasing business, hire purchase business of any and all of its branches in respect of movable and immovable property, including plant and machinery, land and building, appliances, equipment's, furniture and fixtures, computers and business. machine, electronic, electrical and mechanical instruments, vehicles, of all kinds, agricultural machinery, aero planes, launches, boats mechanical or otherwise, sewing machines, musical instruments, house hold equipment's, refrigeration and air conditioning plants, equipment's and commercial, industrial and the trading assets as the company may deem fit.

To carry on the business as an holding and investment company and to purchase or otherwise acquire, underwrite invest in acquire, hold trade or deal in immovable and movable properties of all kinds in any part of the country and in particulars lands, building, hereditaments, objects of art and decoration, gems, jewelry, precious stones and metals, mortgages, charges, debenture stocks, annuities, shares, stocks, debentures bonds, obligations, securities, concessions, options, product policies, book debts, and claims and any interests in immovable and movable property and any claims against such property or against any person or company and to vary all or any of the aforesaid investments.

5) Share Capital structure:

A. Equity Share Capital

Particulars	No. of Shares	Amount in Rs.
Authorised Share Capital	3,00,000	3,00,00,000/-
Issued, Subscribed and Paid-up Capital	2,85,200	2,85,20,000/-

134

B. Preference Share Capital

NIL

6) Shareholding:

Sr. No.	Name of Shareholder	No. of Equity Shares held	% of Equity Shares	No. of Preference Shares held	% of Preference Shares
1	Mr. Mahendra N. Patel	63680	22.33	-	-
2	Smt. Nayanaben M. Patel	23500	8.24	-	-
3	Mamata Group Corporate Services Pvt. Ltd.	82302	28.86	-	-
4	Mamata Management Services LLP	61318	21.50	-	-
5	Mr. Chandrakant B. Patel	6200	2.17	-	-
6	Mrs. Bhagvati C. Patel	37200	13.04	-	-
7	Mr. Hasmukhbhai K. Patel jointly with Mrs. Charuben H. Patel	2000	0.70	-	-
8	Mrs. Charuben H. Patel jointly with Mr. Hasmukhbhai K.	1800	0.63	-	-

135

	Patel				
9	Mr. Harshadbhai S. Patel jointly with Mrs. Alkaben H. Patel	1800	0.63	-	-
10	Mrs. Alkaben H. Patel jointly with Mr. Harshadbhai H. Patel	1800	0.63	-	-
11	Mrs. Nayanaben M. Patel jointly with Mr. Bhavin M. Patel	2800	0.98	-	-
12	Mr. Bhavin M. Patel jointly with Mrs. Nayanaben M. Patel	800	0.28	-	-
	Total	285200	100.00	-	-

TRANSFEROR COMPANY

1) Name:

Mamata Extrusion Systems Private Limited (GSTIN: 24AABCM0530D1ZA)

2) Registered office:

53 Madhuban, Nr Madalpurunderbridge, Ellisbridge, Ahmedabad 380006.

3) Board of Directors:

Name and Address	DIN	Designation
Shri Mahendra Narsinhbhai Patel Kairavi Bunglows, Vastrapur Road, Nr. Sarathi Hotel, Bodak Dev, Ahmedabad, Gujarat- 380054.	00104997	Director

Shri Chandrakant Baldevbhai Patel 100, Surdhara Bungalows, Opp. T.V. Station, Mahalaxmi Society, Ahmedabad, Gujarat- 380054.	00380810	Wholetime Director
---	----------	--------------------

4) Main object:

The main objects provided under Memorandum of Association are as under:

To carry on the business to manufacture, produce, assemble, alter, acquire, build, construct, commission, convert, commercialize, dismantle, design, develop, display, demonstrate, erect, equip, establish, fabricate, finish, hold, handle, install, hire, let on hire, lease, repair, maintain, modify, market, own, Operate, Protect, Pull Down, reconstruct, renovate, recondition, remodel, import, export, buy, sell, resale, exchange, service, act as an agent, broker, financier, stockiest, contractor, consultant, engineers, collaborators or otherwise deal in all types of automatic and semi-automatic plants and machineries, including extrusion plants, injection moulding machines, dies, mould, material, handling equipment's, apparatus and related equipment's used in various plastics processing industries.

To carry on the business to manufacture, produce, assemble, alter, acquire, build, convert, commercialize, dismantle, design, develop, display, demonstrate, market, import, export, buy, sell, resale, exchange, act as an agent, broker, stockiest, collaborator or otherwise deal in parts, components, instruments, systems, devices, fitting, tools, tackles and accessories relating to various plastic processing industries.



137

5) Share Capital structure:

Particulars	No. of Equity Shares	Amount in Rs.
Authorised Share Capital	5,00,000	5,00,00,000/-
Issued, Subscribed and Paid-up Capital	1,00,000	1,00,00,000/-

6) Shareholding:

Sr. No.	Name of Shareholder	No of Shares held	% Shares held
1	Mamata Machinery Private Limited	49,980	49.98
2	Mahendra Patel	25,010	25.01
3	Chandrakant Patel	25,010	25.01
	Total	1,00,000	100.00

VI. PURPOSE OF VALUATION

The valuation exercise is being carried out to ascertain the swap ratio for the proposed amalgamation of Transferor Company with Transferee Company in terms of provisions of Section 230 and 232 of the Companies Act, 2013.

The information contained herein is intended only for the sole use of the shareholders of the Transferor and Transferee Companies, and regulatory approvals for the proposed amalgamation.

VII. SOURCE OF INFORMATION RELIED UPON

We relied upon the following information made available to us by the management of Transferee Company and Transferor Companies for the purpose of this valuation:

- Memorandum and Articles of Association
- Audited Accounts for the Financial Year ended on March 31, 2018, March 31, 2019 and unaudited management certified for the period ended on 30/11/2019.
- Shareholding Pattern.

- d) Income Tax Return for previous three years.
- e) Valuation Report received from Mr. in respect of following real estate:
- f) Draft scheme of arrangement for the proposed amalgamation of Transferor Company with Transferee Company.
- g) Discussions with representative of the Management which were considered relevant for the purpose of the Analysis.
- h) Compliance documents maintained under the Companies Act, Income Tax and GST provisions.
- i) Such other information and explanations as may be required by us and provided by the management.

VIII. VALUATION STANDARDS

The Report has been prepared in compliance with the Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation.

IX. BACKGROUND INFORMATION OF ASSETS BEING VALUED

To carry out an independent assessment of the Swap Ratio for the proposed arrangement in the nature of amalgamation of Transferor Company with Transferee Company.

There is no Regulatory Advisory on valuation of share under amalgamation but we have considered principles, wherever applicable, provided under determination of fair market value under Rule 11UA [(1)] of Income Tax Rules 1962 and notification No. 620 dated 12.07.2017, notified by the Central Board of Direct Taxes ('CBDT'), on rules for determination of Fair Market Value ('FMV') for unquoted shares relevant for section 50 CA of the Income tax Act, 1961.



X. VALUATION METHODOLOGY AND APPROACH

Valuation of the enterprise or its equity shares is not an exact science. This exercise may be carried out based on the generally accepted methodologies, the relative emphasis of each often varying with factors such as;

- i. Specific nature of the business
- ii. Listing and liquidity of the equity, in case of a listed Company.
- iii. Economic life cycle in which the industries or the company is operating and
- iv. Extent to which comparable company information is available

These factors are not evident on the face of the Balances sheet as well as on the records of the Company. However, these factors will directly influence the worth and ultimately the fair value of the share. The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and commonly in vogue.

In this regard, we have evaluated suitability of three commonly used approaches on valuation to determine the fair value of companies.

The ICAI Valuation Standard 103 provides guidance for following three main valuation approaches:

- a) Market approach;

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices. The following are some of the instances where the market approach is applied:

- i. where comparable or identical company is traded in the active market; or
- ii. there is a recent, orderly transaction in the asset to be valued; or
- iii. there are recent comparable orderly transactions identical or
- iv. comparable asset(s) and information for the same is available and reliable.

As all companies being private limited, comparable information available from the active market would not be effective bench mark to value the price per share of each company as there would be material differences between the companies to be valued and the market comparable, and require significant adjustments, hence we have not used this methodology in the Analysis.

Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

We have not considered this methodology in the Analysis as we understand that there are no comparable transactions in the sector to which the Company belongs.

b) Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Valuation method to be applied under income approach is Discounted Cash Flow (DCF) Method. The DCF method is one of the most common methods for valuing shares, businesses, etc. This method involves discounting of future cash flows

expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value.

This approach is not to be used if:

- a. there is significant uncertainty on the amount and timing of income/future cash flows;
- b. there is amalgamation of existing activities;
- c. the client has not shared information relating to the future cash flow, e.g., projections/budgets or growth expectations specific to the business.

We have not considered this methodology in the Analysis as the future cash flows have not been provided and there is amalgamation of existing activities.

c) **Cost approach**

We have used this method in the Analysis.

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize and valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence. The management of the Transferor and Transferee Companies has obtained fair value report from Valuers for Land & Building.

This methodology ignores:

- the future returns the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

- the true business value of the Company as the current NAV would not be reflective of its growth potential going forward and thus would not reveal.

XI. VALUATION

The valuation under Cost Approach i. e. combined Historical Cost and Replacement Cost Method.

- As apparent from the Balance sheets, the major portion of the assets held by the companies is fixed assets and current assets including short term loans and advances. As has been informed, no revaluation of the immovable assets held by the companies was made out in the past.
- As informed, all the current assets, loans and advances are stated at the values that can be realized in the ordinary course of the business. None of the Loans and Advances is doubtful of recovery.
- Fixed assets other than real estate, held by the companies are valued as per their Book Value, whereas real estate (land/buildings) are valued at approximate market value as per the Valuation Report taken by the Companies from the Registered Valuer, Mr. Parag Kishorbhai Sheth (Reg. No- IBBI/RV/07/2019/11235). As observed from the valuation report, the present market value of fixed assets of Transferee company is higher than their present book value.
- As informed, there are no contingent liabilities other than provided in the accounts.
- The Transferee Company has investment of 49,980 Equity Shares in Transferor Company and shall be cancelled post amalgamation.

Transferee Company

- Mamata Machinery Private Limited

Adjusted Book Value per Equity Share of Rs 100/-

As on 31/03/2019

Rs (277.60/-)

The balance sheet value of real estate and investments is adjusted based on the valuation report provided by the management i. e. cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

Transferor Company

b) Mamata Extrusion Systems Private Limited

Adjusted Book Value per Equity Share of Rs 100/-

As on 31/03/2019

Rs 8582.43/-

The balance sheet value of assets is adjusted for advance payment of tax.

XII. OPINION OF FAIR VALUE OF THE EQUITY

Based on the Analysis of the Business of the Companies, in our assessment, the fair value as at valuation date calculated on Cost Method i. e. Replacement Cost is as follows:

Transferee Company

c) Mamata Machinery Private Limited

Adjusted Book Value per Equity Share of Rs 100/-

As on 31/03/2019

Rs (277.60/-)

Transferor Companies

a) Mamata Extrusion Systems Private Limited

Adjusted Book Value per Equity Share of Rs 100/-

As on 31/03/2019

Rs 8582.43/-

In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, the swap ratio worked out is as under:

Exchange ratio		
	Value per equity share Rs	Swap ratio/exchange ratio
<u>Transferor Company</u>		
Mamata Extrusion Systems Private Limited Face Value Rs 100/-	Rs 1/-	8500
<u>Transferee Company</u>		
Mamata Machinery Private Limited Face Value Rs 100/-	Rs 8500/-	1

XIII. SHARE EXCHANGE RATIO

1 (One) equity shares of Mamata Machinery Private Limited of INR 100/- each fully paid up for every 8500 (Eight Thousand Five Hundred) equity shares of Mamata Extrusion Systems Private Limited of INR 100/- each fully paid up.

XIV. DISCLOSURE OF INTEREST

We acknowledge that we have no present or contemplated financial interest in the Transferor and Transferee Companies. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to

- modify this report for events and circumstances occurring subsequent to the date of this report.

XV. LIMITATIONS AND DISCLAIMER

The scope of the report does not include detailed corroborative examination of the financial assertions and representation of management. However, although our work was not designed to verify the accuracy or reliability of any information given to us, a prima-facie review has been performed by us. It may be mentioned that all the Companies have been provided the opportunity to review the draft report (excluding our valuation analysis and recommendation) for the current job as a part of our standard practise to make sure that factual inaccuracies / omissions are avoided in our report.

- The information contained herein and our report is absolutely confidential. It is intended only for the sole use and information of the companies and only in connection with the proposed amalgamation as aforesaid including *for the purpose of obtaining regulatory approvals for the proposed amalgamation*. We are not responsible to any other person/party for any decision of such person of party based on this report.
- This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

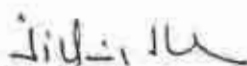
Our valuation is subject to the following Limitations / Exclusions:

- i. The report is to be read in totality and not in parts and in conjunction with the relevant documents referred to therein.
- ii. We have considered circumstances existing at the valuation date and events occurring up to the valuation date.
- iii. Valuation analysis and results are specific to the purpose of valuation and valuation date mentioned in the report is as agreed as per term of our engagement. It may not be valid if done on the behalf of any other entity.



- iv. This report is issued on the understanding that the Companies have drawn our attention to all material information, which they are aware of concerning their financial positions and any other matter, which may have impact on my opinion, on the fair value, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to last audited balance sheet. We have no responsibility to update this report for events and circumstances occurring after the valuation date of this report.
- v. In the course of the valuation, we are provided with both written and verbal information. We have however, evaluated the information provided to us through broad inquiry, analysis and review (but have not carded out a due diligence or audit of the company for the purpose of this engagement). Our conclusion is based on the information given by/on behalf of the Companies. However, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements.
- vi. The valuations worked out are indicative and may differ substantially from actual transactions.
- vii. All the workings for valuation worked out are rounded off to the nearest rupee in thousand.
- viii. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, except in connection with proposed arrangement as aforesaid, can be done only with our prior permission in writing.

Place: Ahmedabad
Date: 20/12/2019


Pinakin Shah
Registered Valuer
Reg No. IBBI/RV/05/2019/10728

147

Annexure 1

TRANSFEREE COMPANY

Mamata Machinery Private Limited

Table 1. Income Statement Reconstruction.

Rs in Lakh

	2017-18	2018-19
<u>Gross Revenues</u>	7728.24	8095.27
Less returns and discounts	0.00	0.00
<u>Net Sales</u>	7728.24	8095.27
Cost of goods sold (COGS)	3793.46	4065.24
<u>Gross Profit</u>	3934.78	4030.03
Total operating expenses	3975.94	3768.90
Operating income	-41.16	261.13
Other income / (expenses)	1371.62	1335.07
Net pre-tax income	1330.46	1596.20
Taxes	376.77	143.65
<u>Net Income</u>	953.69	1452.55
Adjustments		
Depreciation and Amortization expense	169.53	172.17
Interest expense (income)	463.27	314.15
<u>EBITDA</u>	1963.26	2082.52

pm

148

Table 2. Balance Sheet Reconstruction.

Rs In Lakh

As of Date:	31/03/2019		
Balance Sheet Items	Recorded	Adjustments	Adjusted
Assets			
Current Assets			
Cash and cash equivalents	81.40	0.00	81.40
Accounts Receivable	1749.81	0.00	1749.81
Investments	1285.00	-49.48	1235.52
Deposits	2.55	0.00	2.55
Inventory	2310.54	0.00	2310.54
Other current assets	3364.04	0.00	3364.04
Total Current Assets	8793.34	-49.48	8743.86
Fixed Assets			
Furniture and fixtures	181.81	0.00	181.81
Equipment	432.41	0.00	432.41
Other fixed / long-term assets	702.18	0.00	702.18
Real estate	3120.67	881.29	4001.96
Total Fixed Assets	4437.07	881.29	5318.36
Less Accumulated Depreciation	1506.41	-489.85	1016.56
Net Fixed Assets	2930.66	1371.14	4301.80
Loans & Advances	13.77	0.00	13.77
Total Assets	11737.77	1321.66	13059.43
Liabilities			
Current Liabilities			
Accounts Payable	2496.13	0.00	2496.13
Taxes payable	118.05	-102.16	15.89
Short-term portion of bank loan	50.76	0.00	50.76
Other current liabilities	882.35	0.00	882.35

12/21

149

Total Current Liabilities	3547.29	-102.16	3445.13
Long-term Liabilities			
Bank loan	893.69	0.00	893.69
Inter Corporate	138.18	0.00	138.18
Members & Directors	0.00	0.00	0.00
Total Long-term Liabilities	1031.87	0.00	1031.87
Total Liabilities	4579.16	0.00	4477.00
Net Worth	7158.61	1423.82	8582.43
Equity Capital	285.20		285.20
Reserve & Surplus	6873.41	1423.82	8297.23

Rs in Lakh

	Recorded	Adjustments	Adjusted
Book Value	2510.03		3009.27
Fair Value Computation			
BOOK VALUE OF ASSETS			
A	11737.77	1321.66	13059.43
Adjusted by following			
Transferor Company Investment	-49.48		
Differed Tax	0.00		
Real Estate Valuation	1371.14		
AA	1321.66		
A+AA	13059.43		
BOOK VALUE OF LIABILITIES			
B	4579.16	0.00	4477.00
Adjusted by following			
Preference Capital	0.00		
provisions for tax liabilities	-102.16		
BB	-102.16		
B+BB	4477.00	0.00	4477.00
A-B	8582.43	1423.82	8582.43
PE	285.20		285.20
PV PER SHARE	100		100
FAIR VALUE	3009.27		3009.27
NO OF EQUITY SHARES	285200		285200

150

Annexure 2

TRANSFEROR COMPANY

Mamata Extrusion Systems Private Limited

Table 1. Income Statement Reconstruction.

Rs in Lakh

	2017-18	2018-19
Gross Revenues	777.94	1033.22
Less returns and discounts	0.00	0.00
Net Sales	777.94	1033.22
Cost of goods sold (COGS)	422.10	523.95
Gross Profit	355.84	509.27
Total operating expenses	436.45	587.40
Operating income	-80.61	-78.13
Other income / (expenses)	86.77	84.82
Net pre-tax income	6.16	6.69
Taxes	-0.89	-0.86
Net Income	7.05	7.55
Adjustments		
Depreciation and Amortization expense	4.93	5.08
Interest expense (income)	30.63	17.81
EBITDA	41.72	29.58

151

Table 2. Balance Sheet Reconstruction.

Rs In Lakh

As of date:	31/03/2019		
Balance Sheet Items	Recorded	Adjustments	Adjusted
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	9.65	0.00	9.65
Accounts Receivable	263.19	0.00	263.19
Investments	0.00	0.00	0.00
Deposits	32.37	0.00	32.37
Inventory	911.31	0.00	911.31
Other current assets	181.38	-9.20	172.18
Total Current Assets	1397.90	-9.20	1388.70
<u>Diffrrd Tx Assets</u>	3.42	-3.42	0.00
<u>Long Term Loans & Advances</u>	18.79	-16.81	1.98
<u>Non Current Assets</u>	22.21	-20.23	1.98
<i>Fixed Assets</i>			
Furniture and fixtures	13.25	0.00	13.25
Equipment	18.58	0.00	18.58
Other fixed / long-term assets	44.61	0.00	44.61
Real estate	0.00	0.00	0.00
Total Fixed Assets	76.44	0.00	76.44
Less Accumulated Depreciation	51.86	0.00	51.86
Net Fixed Assets	24.58	0.00	24.58
Total Assets	1444.69	-29.43	1415.26
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	1318.87	0.00	1318.87
Taxes payable	0.00	0.00	0.00
Short-term portion of bank loan	0.00	0.00	0.00

152

Other current liabilities	9.99	0.00	9.99
Total Current Liabilities	1328.86	0.00	1328.86
Long-term Liabilities			
Bank loan	29.00	0.00	29.00
Shareholder loan	235.00	0.00	235.00
Subordinated loan (e.g. seller financing note)	0.00	0.00	0.00
Total Long-term Liabilities	264.00		264.00
Total Liabilities	1592.86	0.00	1592.86
Net Worth	-148.17	-29.43	-177.60
Equity	100.00		100.00
Reserve	-248.17		-277.60

Rs in Lakh

	Recorded	Adjustments	Adjusted
Book Value	-148.17		-177.60
Fair Value Computation			
BOOK VALUE OF ASSETS			
A	1444.69	-29.43	1415.26
Adjusted by following			
tax paid as deduction at source	-16.81		
Prepaid Exp	-9.20		
unamortised amount of deferred expenditure	-3.42		
Revaluation effect of Real Estate	0.00		
Adjustment of Investment	0.00		
AA	-29.43		

A-AA	1415.26		
BOOK VALUE OF LIABILITIES			
B	1592.86	0.00	1592.86
Adjustment of Investment			
provision for Dividend	0.00		
provisions for tax liabilities	0.00		
BB	0.00		
B-BB	1592.86		
A-B	-177.60		-177.60
PE	100.00		100.00
PV PER SHARE	100		100
Adjusted Fair Value	-177.60		-177.60
NO OF EQUITY SHARES	100000		100000



154

Table 3

Computation of Exchange Ratio

AS ON 01/04/2019	Rs in Lakh			
Particular	MMPL	MSEPL		MSEPL
Equity Share Capital	285.20	100.00		
Reserves	6,873.41	(248.17)		
Net-Worth	7,158.61	(148.17)		
No of Equity Shares with FV of Rs.100.00 each	285,200	100,000		100,000
Book Value per Equity Share	2,510.03	-148.17		
Adjusted Net Worth	8582.43	-277.60		
Adjusted Book Value	8,580.00	-277.60		
Fair Value	8,580.00	1.00		1.00
Exchange Ratio	1	8,580.00		8,580.00
	1	8,500		8,500
Shares to be cancelled	-			49,980.00
Allotment by Exchange Ratio	6			6
Post Allotment	285,206			
Exchange Allotment by Value	0.00	-		0.00
Post Amalgamation Capital	28.52			-



PRE AND POST SHARE HOLDING PATTERN						VALUE FOR TRUST
SR. NO.	NAME OF THE SHARE HOLDERS	HOLDING IN TRANSFEREE COMPANY	HOLDING IN TRANSFEROR COMPANY	ALLOTMENT EXCHANGE RATIO (8500:1)	TOTAL NO. OF SHARES	PERCENTAGE OF POST SHARE HOLDING
1	Mrs. Nayanaben M. Patel	23500		0.0	23500	8.24
2	Mr. Chandrakant B. Patel	6200	25010	2.9	6203	2.17
3	Mr. Mahendra N. Patel	63680	25010	2.9	63683	22.33
4	M/s. Mamata Group Corporate Services Private Limited	82302		0.0	82302	28.86
5	Mrs. Bhagvati C. Patel	37200		0.0	37200	13.04
6	M/s. Mamata Management Services LLP	61318		0.0	61318	21.50
7	Mr. Hasmukhbhai K. Patel jointly with Mrs. Charuben H. Patel	2000		0.0	2000	0.70
8	Mrs. Charuben H. Patel jointly with Mr. Hasmukhbhai K. Patel	1800		0.0	1800	0.63
9	Mrs. Alkaben H. Patel jointly with Mr. Manjil H. Patel	3600		0.0	3600	1.26
10	Mrs. Nayanaben M. Patel jointly with Mr. Bhavin M. Patel	2800		0.0	2800	0.98
11	Mr. Bhavin M. Patel jointly with Mrs. Nayanaben M. Patel	800		0.0	800	0.28
12	Mamata Machinery Private Limited		49980	0.0	0	0.00
		285200	100000		285206	100.00

Date: 18th July, 2020
Place: Ahmedabad

Mahendra N. Patel
Chairman & Managing Director
(DIN:00104997)



MAMATA MACHINERY PVT. LTD.

Regd. Office : 53, Madhuban, Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380006, India. • Phone : +91-79-2644 0331, 2644 3236
Fax : +91-79-2642 1324 • E-mail : mamatagroup@mamata.com
CIN : U29259GJ1979PTC003363

Factory : Survey No. 423/P, Sarkhej - Bavla Highway, Moraiya, Tal.: Sanand, Dist.: Ahmedabad-382 213, India.
Phone : +91-2717-630800 • E-mail : info@mamata.com
Website : www.mamata.com

IN THE NATIONAL COMPANY LAW TRIBUNAL AT AHMEDABAD
Company Application CA (CAA) No. 31/NCLT/AHM/2020of 2020

In the matter of Scheme of arrangement in the nature of
Amalgamation of
Mamata Extrusion Systems Private Limitedwith Mamata Machinery
Private Limited
And

In the matter of Mamata Machinery Private Limited, a company
incorporated under the Companies Act, 1956 having its registered
office at Survey No. 423/P, Sarkhej-Bavla Road, N.H. No. 8a, Tal.

-Sanand, Moraiya, Ahmedabad- 382213.

..... Applicant Company (Transferee Company)

PROXY FORM

Name of the Creditor(s) :
Registered Address :
E-Mail ID :
Folio No/DP ID & Client ID :
Amount INR :

I/We, being the Secured Creditor(s) of the Mamata
Machinery Private Limited, hereby appoint Mr. /
Ms._____ and failing him / her Mr.
/Ms._____ and failing him / her Mr.
/Ms._____ as my / our proxy and
whose signature(s) are appended below to attend and vote
(on Poll) for me/us and on my/our behalf at the NCLT
CONVENED MEETING of the secured creditors of the
Company to be held on Thursday the 20th August, 2020at
11:30 a.m. at Survey No. 423/P, Sarkhej- Bavala Road, N.H.
No. 8A, Tal. Sanand, Moraiya, Ahmedabad- 382213and at any
adjournment thereof in respect of such resolutions and in
such manner as are indicated below:

Description of Resolution	For	Against
Resolution pursuant to provisions of Section 230 and 232 of the Companies, Act 2013 read with relevant Rules for approval of the Arrangement in the nature of Amalgamation between Mamata Extrusion Systems Private Limited with Mamata Machinery Private Limited.		

Signed this _____ day of _____ 2020

Signature of Secured Creditor

Signature of first Proxy Holder

Signature of Second Proxy Holder

Signature of Third Proxy Holder

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please affix revenue stamp before putting signature.
3. Please select the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Alterations, if any, made in the Form of Proxy should be initialed.

5. In case of multiple proxies, the Proxy later in time shall be accepted.
6. 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 Transferor Company at its registered office not later than FORTY EIGHT hours before the time scheduled / fixed for the said Meeting.

IN THE NATIONAL COMPANY LAW TRIBUNAL AT AHMEDABAD

Company Application CA (CAA) No. 31/NCLT/AHM/2020 of 2020

In the matter of Scheme of arrangement in the nature of

Amalgamation of

Mamata Extrusion Systems Private Limited with Mamata Machinery

Private Limited

And

In the matter of Mamata Machinery Private Limited, a company incorporated under the Companies Act, 1956 having its registered office at Survey No. 423/P, Sarkhej-Bavla Road, N.H. No. 8a, Tal.

-Sanand, Moraiya, Ahmedabad- 382213.

. Applicant Company (Transferee Company)

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall of NCLT convened meeting on Thursday the 20th August, 2020 at 11:30 a.m. at Survey No. 423/P, Sarkhej- Bavala Road, N.H. No. 8A, Tal. Sanand, Moraiya, Ahmedabad- 382213.

Name of the secured Creditor :

Folio No. / DP ID & Client ID :

Value of debt :

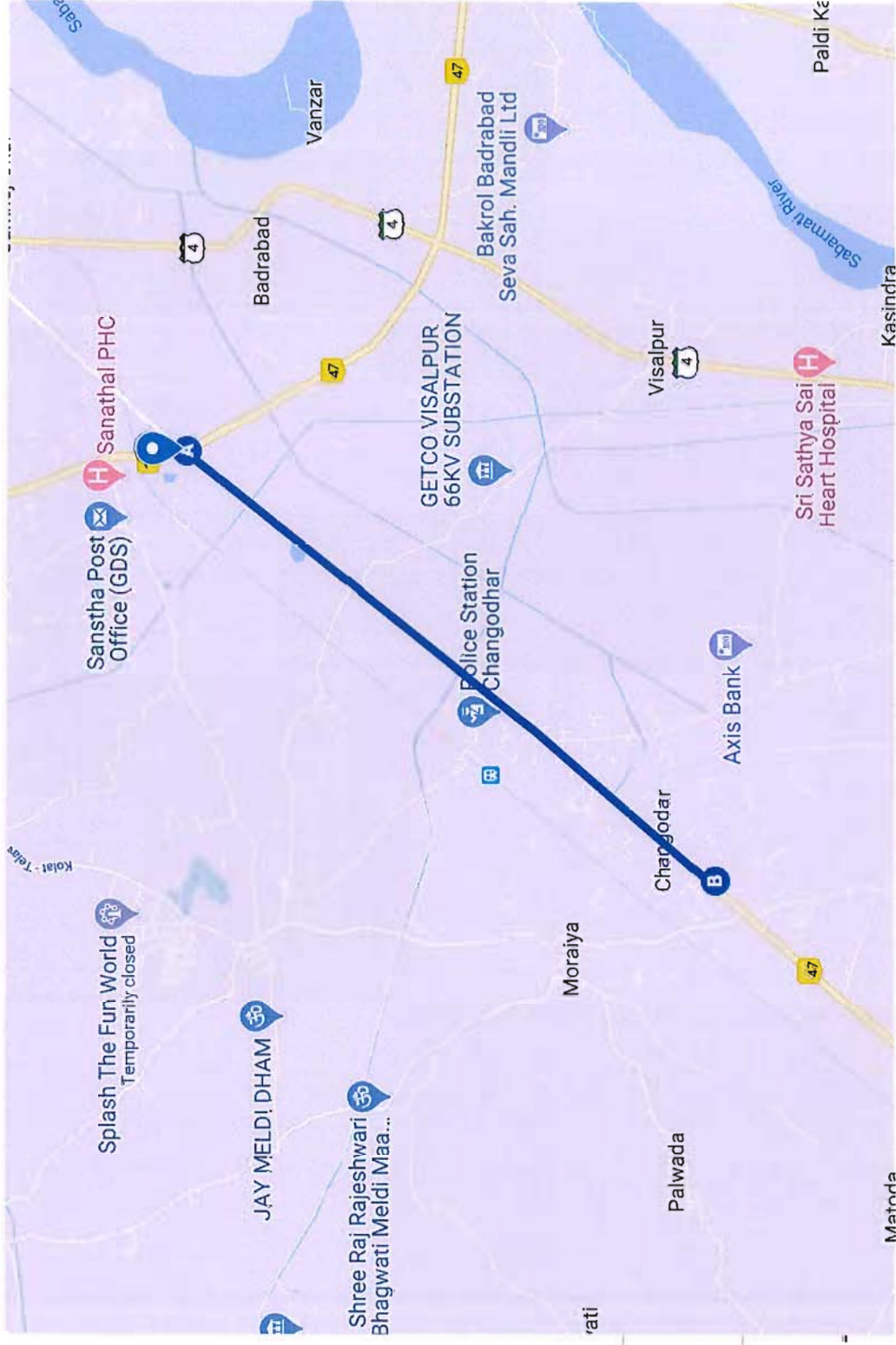
I/ We certify that I/ We am/ are Secured Creditor / proxy for the Secured Creditor of the Company. I/ We hereby record my presence at the NCLT CONVENED MEETING of the Company to be held at Survey No. 423/P, Sarkhej- Bavala Road, N.H. No. 8A, Tal. Sanand, Moraiya, Ahmedabad- 382213 on Thursday the 20th August, 2020 at 11:30 a.m.

Secured Creditor's / Proxy's name in BLOCK letters

Signature of Shareholder /Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall.

MMPL-MESPL Merger - Creditors Meeting Venue Site-Map



Directions from Sanathal Circle,
Ahmedabad, Gujarat to Mamata
Machinery Pvt.Ltd - Total
Solutions For Flexible Packaging |
Plastic Bag & Pouch Making
Machines | VFFS | HFFS
Machines Manufacturers &
Exporter

- A** Sanathal Circle, Ahmedabad,
Gujarat
- B** Mamata Machinery Pvt.Ltd -
Total Solutions For Flexible
Packaging | Plastic Bag &
Pouch Making Machines |
VFFS | HFFS Machines
Manufacturers & Exporter

SANATHAL CIRCLE
SANATHAL CIRCLE

Address: Survey No. 423/P,
Sarkhej-Bavla Road, N.H. 8A,
Moraiya, Sanand, Ahmedabad -
382213, Gujarat, India



Handwritten signature in blue ink.