

**WESTERN INDIA COMMERCIAL CO. LTD.**

CIN No. L67120WB1928PLC093924

21, STRAND ROAD, KOLKATA - 700 001  
 ☎ : 2213 0957, 2243 7725, 2230 7905, 2230 9601/9604 (4 LINES), Fax : 033-2213 1650  
 E.mail : westernindiacommercialcoltd@gmail.com

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**CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF WESTERN INDIA COMMERCIAL COMPANY LIMITED AT ITS BOARD MEETING HELD ON 21<sup>ST</sup> SEPTEMBER, 2022 AT 2:30 P.M. AT 21, STRAND ROAD, KOLKATA - 700001**

**"RESOLVED THAT** pursuant to the provisions of sections 230 to 232 of the Companies Act, 2013 ('the Act') and all other applicable provisions of the Act, and the rules framed thereunder, as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23<sup>rd</sup> November, 2021 (including, in each case, any amendment(s), statutory modification(s) or re-enactment(s) for the time being in force), and any other applicable provisions, if any, read with the relevant clauses of the memorandum of association and articles of association of Western India Commercial Company Limited (hereinafter referred to as 'the Transferor Company' or the 'Company' or 'Western India') and subject to the: (a) approvals of the shareholders, secured and unsecured creditors of the Company (if any) and N.B.I. Industrial Finance Company Limited (hereinafter referred to as 'the Transferee Company' or 'N.B.I. Industrial') (if any); (b) approval of the National Company Law Tribunal, Kolkata Bench ('NCLT'); (c) approval of the Reserve Bank of India ('RBI') (as applicable); (d) no objections / observation letter of the National Stock Exchange of India Limited ('NSE') and the Calcutta Stock Exchange Limited ('CSE') (collectively referred to as 'Stock Exchanges'); and (e) approvals from such other persons or Governmental authorities as may be set out in the Scheme of Amalgamation and subject to such conditions and modifications as may be prescribed or imposed by any Governmental authorities while granting such approvals, and upon taking note of: (i) the valuation report dated 21<sup>st</sup> September, 2022 ('Valuation Report') provided by RBSA Valuation Advisors LLP, a Registered Valuer, that determines the share exchange ratio under the Scheme, and (ii) other relevant documents placed before the board of directors ('Board') of the Company, the approval of the Board of the Company be and is hereby accorded to the Scheme of Amalgamation ('Scheme') amongst the Company and the Transferee Company, and their respective shareholders and creditors, as placed before the Board, for inter alia the following as set out in the Scheme:

- a. The amalgamation of the Company with the Transferee Company and dissolution of the Company without winding up;
- b. Cancellation of the share certificates, if any, and / or the shares in electronic form representing the shares held by the Transferee Company in the Company;
- c. Issuance of 4,98,044 equity shares of the Transferee Company to the equity shareholders (except the Transferee Company) of the Company in accordance with the Scheme;
- d. Transfer of authorized share capital of the Company to the Transferee Company;
- e. Listing of equity shares of the Transferee Company issued to the shareholders of Company on the NSE;
- f. Various other matters incidental, consequential or otherwise integrally connected therewith, pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ('the Act') in the manner provided for in the Scheme.



Handwritten signature/initials.



# WESTERN INDIA COMMERCIAL CO. LTD.

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E.mail : westemindiacommercialcoltd@gmail.com

**RESOLVED FURTHER THAT**, the report of the Audit Committee dated 21<sup>st</sup> September, 2022, recommending the draft Scheme, taking into consideration, inter alia, the Valuation Report, as placed before the Board be and is hereby accepted and taken on record.

**RESOLVED FURTHER THAT**, the report of the Board dated 21<sup>st</sup> September, 2022 in terms of Section 232(2)(c) of the Act, as placed before the Board, be and is hereby accepted and taken on record and that the same be signed on behalf of the Board by any of the directors of the Company.

**RESOLVED FURTHER THAT**, NSE be and hereby appointed as the Designated Stock Exchange for the purposes of the Scheme and for coordinating with SEBI in terms of SEBI Master Circular Number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November, 2021, issued by SEBI and applicable Listing Regulations.

**RESOLVED FURTHER THAT** any of the directors of the Company, and Ghanshyam Mohta, Company Secretary and Compliance Officer of the Company (collectively referred to as 'Authorized Persons') be and are hereby severally authorized to take all actions and decide all matters relating to and / or incidental to the Scheme and/or necessary or desirable for giving effect to the Scheme, including but not limited:

- a. to make any alterations, changes, or modifications to the Scheme, as may be expedient or necessary;
- b. to file appropriate application(s), documents, petitions, filings, affidavits, letters or writings before the NCLT, or such other appropriate authorities seeking directions as to convening / dispensing with the meeting of the shareholders, secured or unsecured creditors of the Company and, where necessary, to take steps to convene and hold such meetings as per the directions of the NCLT or such other appropriate authority;
- c. to file any affidavits, petitions, pleadings, applications, orders, forms or reports before the NCLT, Stock Exchanges, RBI or any statutory or regulatory authority including the Registrar of Companies, as may be necessary, in connection with the Scheme and/or in connection with the sanction thereof, and to do all such acts, deeds or things as may be deemed necessary or desirable in connection therewith or incidental thereto;
- d. to sign all applications, affidavits, petitions, pleadings, documents, filings, letters or writings relating to the Scheme, and represent the Company before the NCLT, Stock Exchanges, RBI and any other regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority to any other person by a valid power of attorney;
- e. to engage, dismiss or change counsels, advocates, solicitors, valuers and other professionals in connection with the Scheme;
- f. to sign and execute vakalatnama wherever necessary, and sign and issue public advertisements and notices in connection with the Scheme;
- g. to settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;



# WESTERN INDIA COMMERCIAL CO. LTD.

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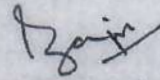
- h. to obtain approval from the NCLT, Stock Exchanges, RBI and such other authorities and parties including the shareholders, creditors and lenders as may be considered necessary, for the approval and sanction of the Scheme;
- i. to incur expenses as may be necessary to give effect to the Scheme, including payment of fees to attorneys, counsels and other expenses (such as stamp duty and other applicable taxes);
- j. to do all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- k. to delegate all or any of the above-mentioned powers to any other person.

**RESOLVED FURTHER THAT** the common seal of the Company, if required, be affixed to relevant documents wherever deemed necessary, as per the provisions of articles of association of the Company and in presence of any one of the above Authorized Persons and that the common seal be moved from the registered office, if required.

**RESOLVED FURTHER THAT** any one of the directors of the Company and the Company Secretary be and are hereby severally authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

**CERTIFIED TO BE TRUE COPY**

**For Western India Commercial Company Limited,**

✓   
Name: Subhas Jajoo

Designation: Chairman

Date: 21<sup>st</sup> September, 2022

Place: KOLKATA



**N. B. I. INDUSTRIAL FINANCE COMPANY LIMITED**

CIN No. L65923WB1936PLC065596

Regd. Office : 21, STRAND ROAD, (Ground Floor) KOLKATA-700 001

Phone : 2230 9601 - 9603 (3 Lines), 2243 7725, 2230 7905, Telefax : 033-2213 1650

e.mail : nbifinance@ymail.com

**CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF N.B.I.INDUSTRIAL FINANCE COMPANY LIMITED AT ITS BOARD MEETING HELD ON 21<sup>st</sup> SEPTEMBER, 2022 AT 3:30 P.M. AT 21, STRAND ROAD, KOLKATA - 700001**

**"RESOLVED THAT** pursuant to the provisions of sections 230 to 232 of the Companies Act, 2013 ('the Act') and all other applicable provisions of the Act, and the rules framed thereunder, as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23<sup>rd</sup> November, 2021 (including, in each case, any amendment(s), statutory modification(s) or re-enactment(s) for the time being in force), and any other applicable provisions, if any, read with the relevant clauses of the memorandum of association and articles of association of N.B.I.Industrial Finance Company Limited (the 'Company') and subject to the: (a) approvals of the shareholders, secured and unsecured creditors of the Company (if any) and Western India Commercial Company Limited (hereinafter referred to as 'the Transferor Company' or 'Western India') (if any); (b) approval of the National Company Law Tribunal, Kolkata Bench ('NCLT'); (c) approval of the Reserve Bank of India ('RBI') (as applicable); (d) no objections / observation letter of the National Stock Exchange of India Limited ('NSE') and the Calcutta Stock Exchange Limited (collectively referred to as 'Stock Exchanges'); and (e) approvals from such other persons or Governmental authorities as may be set out in the Scheme and subject to such conditions and modifications as may be prescribed or imposed by any Governmental authorities while granting such approvals, and upon taking note of: (i) the valuation report dated 21<sup>st</sup> September, 2022 ('Valuation Report') provided by RBSA Valuation Advisors LLP, a Registered Valuer, that determines the share exchange ratio under the Scheme, and (ii) other relevant documents placed before the board of directors ('Board') of the Company, the approval of the Board of the Company be and is hereby accorded to the Scheme of Amalgamation ('Scheme') amongst the Transferor Company and the Company, and their respective shareholders and creditors, as placed before the Board, for inter alia the following as set out in the Scheme:

- a. The amalgamation of the Transferor Company with the Company and dissolution of the Transferor Company without winding up;
- b. Cancellation of the share certificates, if any, and / or the shares in electronic form representing the shares held by the Company in the Transferor Company;
- c. Issuance of 4,98,044 equity shares of the Company to the equity shareholders (except the Company) of the Transferor Company in accordance with the Scheme;
- d. Transfer of authorized share capital of the Transferor Company to the Transferee Company;
- e. Listing of equity shares of the Company issued to the shareholders of the Transferor Company on the NSE;
- f. Various other matters incidental, consequential or otherwise integrally connected therewith, pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ('the Act') in the manner provided for in the Scheme.



# N. B. I. INDUSTRIAL FINANCE COMPANY LIMITED (5)

CIN No. L65923WB1936PLC065596

*Regd. Office : 21, STRAND ROAD, (Ground Floor) KOLKATA-700 001*

Phone : 2230 9601 - 9603 (3 Lines), 2243 7725, 2230 7905, Telefax : 033-2213 1650  
e.mail : nbifinance@ymail.com

**RESOLVED FURTHER THAT**, the certificate issued by Chaturvedi & Company, Statutory Auditor of the Company certifying the accounting treatment contained in the draft Scheme is in compliance with all accounting standards, as placed before the Board, and initiated by the Chairman for the purposes of identification, be and is hereby accepted and approved.

**RESOLVED FURTHER THAT**, the report of the Audit Committee dated 21<sup>st</sup> September, 2022, recommending the draft Scheme, taking into consideration, inter alia, the Valuation Report, as placed before the Board be and is hereby accepted and taken on record.

**RESOLVED FURTHER THAT**, the report of the Board dated 21<sup>st</sup> September, 2022 in terms of section 232(2)(c) of the Act, as placed before the Board, be and is hereby accepted and taken on record and that the same be signed on behalf of the Board by any of the directors of the Company.

**RESOLVED FURTHER THAT**, NSE be and hereby appointed as the Designated Stock Exchange for the purposes of the Scheme and for coordinating with SEBI in terms of SEBI Master Circular Number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November, 2021, issued by SEBI and applicable Listing Regulations.

**RESOLVED FURTHER THAT** any of the directors of the Company, Manoj Kumar Pasari, Vice President, S. P. Kumar, Chief Financial Officer of the Company and Ashish Kedia, Company Secretary and Compliance Officer of the Company (collectively referred to as 'Authorized Persons') be and are hereby severally authorized to take all actions and decide all matters relating to and / or incidental to the Scheme and/or necessary or desirable for giving effect to the Scheme, including but not limited:

- a. to make any alterations, changes, or modifications to the Scheme, as may be expedient or necessary;
- b. to file appropriate application(s), documents, petitions, filings, affidavits, letters or writings before the NCLT, or such other appropriate authorities seeking directions as to convening / dispensing with the meeting of the shareholders, secured or unsecured creditors of the Company and, where necessary, to take steps to convene and hold such meetings as per the directions of the NCLT or such other appropriate authority;
- c. to file any affidavits, petitions, pleadings, applications, orders, forms or reports before the NCLT, Stock Exchanges, RBI or any statutory or regulatory authority including the Registrar of Companies, as may be necessary, in connection with the Scheme and/or in connection with the sanction thereof, and to do all such acts, deeds or things as may be deemed necessary or desirable in connection therewith or incidental thereto;
- d. to sign all applications, affidavits, petitions, pleadings, documents, filings, letters or writings relating to the Scheme, and represent the Company before the NCLT, Stock Exchanges, RBI and any other regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority to any other person by a valid power of attorney;
- e. to engage, dismiss or change counsels, advocates, solicitors, valuers and other professionals in connection with the Scheme;



# N. B. I. INDUSTRIAL FINANCE COMPANY LIMITED <sup>6</sup>

CIN No. L65923WB1936PLC065596

Regd. Office : 21, STRAND ROAD, (Ground Floor) KOLKATA-700 001

Phone : 2230 9601 - 9603 (3 Lines), 2243 7725, 2230 7905, Telefax : 033-2213 1650  
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- f. to sign and execute vakalatnama wherever necessary, and sign and issue public advertisements and notices in connection with the Scheme;
- g. to settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- h. to obtain approval from the NCLT, Stock Exchanges, RBI and such other authorities and parties including the shareholders, creditors and lenders as may be considered necessary, for the approval and sanction of the Scheme;
- i. to incur expenses as may be necessary to give effect to the Scheme, including payment of fees to attorneys, counsels and other expenses (such as stamp duty and other applicable taxes);
- j. to do all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- k. to delegate all or any of the above-mentioned powers to any other person.

**RESOLVED FURTHER THAT** the common seal of the Company, if required, be affixed to relevant documents wherever deemed necessary, as per the provisions of articles of association of the Company and in presence of any one of the above Authorized Persons and that the common seal be moved from the registered office, if required.

**RESOLVED FURTHER THAT** any one of the directors of the Company and the Company Secretary be and are hereby severally authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

**CERTIFIED TO BE TRUE COPY**

**For N.B.I.INDUSTRIAL FINANCE COMPANY LIMITED**

*Ashish Kedia*

Name: Ashish Kedia

Designation: Company Secretary



Date: 21<sup>st</sup> September, 2022

Place: KOLKATA

**SCHEME OF AMALGAMATION**

**(UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)**

**BETWEEN**

**WESTERN INDIA COMMERCIAL COMPANY LIMITED  
("WESTERN INDIA" OR "TRANSFEROR COMPANY")**

**AND**

**N.B.I.INDUSTRIAL FINANCE COMPANY LIMITED  
("N.B.I.INDUSTRIAL" OR "TRANSFeree COMPANY")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**1. PREAMBLE AND OVERVIEW OF THE SCHEME**

- 1.1. This Scheme (as defined hereinafter) is presented under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder for amalgamation of Western India Commercial Company Limited ("**Western India**" or "**Transferor Company**") into N.B.I.Industrial Finance Company Limited ("**N.B.I. Industrial**" or "**Transferee Company**") and their respective shareholders and creditors with effect from the Appointed Date (as defined hereinafter).
- 1.2. In addition, this Scheme also provide for various other matters consequential, supplemental and/or otherwise integrally connected therewith.

**2. DESCRIPTION OF COMPANIES**

- 2.1. **Western India Commercial Company Limited** (hereinafter referred to as "**Western India**" or "**Transferor Company**") is a public limited company, originally incorporated on August 13, 1928 in the name of "Indian Investment Co. Ltd" under the Indian Companies Act, 1913, with CIN L67120WB1928PLC093924 and having its registered office at 21, Strand Road Kolkata – 700001, West Bengal, India. The company is carrying on the business as a Non-Banking Financial Company ("**NBFC**") and is registered with Reserve Bank of India (hereinafter referred to as "**RBI**") under section



45-IA of the Reserve Bank of India Act, 1934 having registration number B-05.06730. The company is engaged mainly in investment in shares, securities and financial activity. The equity shares of the Transferor Company are listed on Calcutta Stock Exchange Limited ("CSE").

- 2.2. **N.B.I. Industrial Finance Company Limited** (hereinafter referred to as "**N.B.I. Industrial**" or "**Transferee Company**"), is a public limited company, originally incorporated in the name of "The New Bank Limited" under the Indian Companies Act, 1913, with CIN L65923WB1936PLC065596 and having its registered office at 21, Strand Road Kolkata - 700001, West Bengal, India. It was incorporated on 21<sup>st</sup> December, 1936. The company is carrying on the business as a NBFC and is registered with RBI under section 45-IA of the Reserve Bank of India Act, 1934 having registration number 05.00252. The company is engaged mainly in investment in shares, securities and financial activity. The equity shares of the Transferee Company are listed on National Stock Exchange of India Limited ("NSE").

### 3. RATIONALE FOR THE SCHEME

The proposed amalgamation would be in the best interests of the Companies (as defined hereinafter) and their respective shareholders, employees, creditors and other stakeholders. The proposed amalgamation will yield advantages as set out inter alia below:

- 3.1. The shares of the Transferor Company are listed on Calcutta Stock Exchange and no trading activity is being undertaken in the shares of Transferor Company. Upon amalgamation of the Transferor Company into the Transferee Company, equity shares of the Transferee Company, listed on National Stock Exchange (as defined hereinafter) having nationwide trading terminal, would be issued to the shareholders of the Transferor Company. Thus, the amalgamation would result in providing better liquidity to the shareholders of Transferor Company while not being prejudicial to the interest of Transferee Company and its shareholders, creditors, employees or any stakeholders.
- 3.2. The amalgamation would result in improving the potential for further expansion of the businesses by way of consolidation of capital base and increased borrowing strengths of the combined entity.





- 3.3. The amalgamation will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions being carried out by both the Companies.
- 3.4. Greater size, scale, financial strength and flexibility for the merged Transferee Company will result in maximizing and unlocking overall shareholders value.
- 3.5. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Companies with saving in administrative cost and deriving economies of scale.

4. **PARTS OF THE SCHEME:**

This Scheme is divided into the following parts:

- 4.1. **PART A** deals with the definitions of the capitalized terms and interpretations used in this Scheme, date of taking effect of this Scheme and Share Capital of the Companies;
- 4.2. **PART B** deals with clauses in relation to amalgamation of Western India into N.B.I. Industrial, consideration for amalgamation and accounting treatment for amalgamation;
- 4.3. **PART C** deals with general terms and conditions applicable to this Scheme.



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**PART A – DEFINITIONS AND SHARE CAPITAL**

**5. GENERAL DEFINITIONS AND INTERPRETATIONS**

5.1. In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

"Act" means the Companies Act, 2013 and the rules and regulations and/or other guidelines or notifications made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamation" or "amalgamation" means amalgamation of the Transferor Company with the Transferee Company, on a going concern basis in accordance with section 2(1B) of the Income-Tax Act, 1961, in terms of Part B of the Scheme;

"Applicable Law(s)" means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, law enacted or issued or sanctioned by any Appropriate Authority (as defined hereinafter) including any modification or re-enactment thereof for the time being in force;

"Appointed Date" for the purpose of this Scheme and the IT Act (as defined hereinafter) means 1<sup>st</sup> April 2022 or such other date as may be mutually agreed to by the Board of Directors (as defined hereinafter) of Transferor Company and Transferee Company or such other date as may be fixed or approved by the NCLT (as defined hereinafter) or any other Appropriate Authority (as defined hereinafter);

"Appropriate Authority" means any Governmental Authority (as defined hereinafter), statutory, regulatory, departmental or public body or authority of the relevant jurisdiction, including Registrar of Companies, Regional Director, Official Liquidator, NCLT, Stock Exchanges (as defined hereinafter), SEBI (as defined hereinafter), Reserve Bank of India, any relevant tax authority and any other relevant competent authorities;

"Board of Directors" or "Board" in relation to the Transferor Company and/ or the Transferee Company, as the case may be, means their respective Board of Directors and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/ or any other matter relating thereto;



**"Companies"** shall collectively mean the Transferor Company and the Transferee Company;

**"Effective Date"** or **"On the Scheme becoming effective"** means the date on which last of the approvals or events specified under clause 19 of Part C of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. References in this Scheme to the date of "upon this Scheme becoming effective" or "coming into effect of this Scheme" shall mean the Effective Date;

**"Governmental Authority"** means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body or any of its ministries, departments, secretariats, agencies or any legislative body, commission, authority, court or tribunal or entity and any other authority exercising jurisdiction over the Companies;

**"IT Act"** means the Income-tax Act, 1961 and the rules, regulations, circulars, any statutory modifications, re-enforcements or amendments thereof for the time being in force;

**"National Company Law Tribunal"** or **"NCLT"** or **"Hon'ble NCLT"** means the National Company Law Tribunal at Kolkata having jurisdiction in relation to the Transferor Company and the Transferee Company;

**"Record Date"** for the purpose of this Scheme shall mean the date to be fixed by the Board of Directors of the Transferee Company in consultation with Board of Directors of Transferor Company for the purpose of determining the shareholders of the Transferor Company who are eligible to get the shares of the Transferee Company respectively as per Part B of this Scheme;

**"Registrar of Companies"** means Registrar of Companies of State of West Bengal;

**"RBI's Directions"** means Reserve Bank of India's direction DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 and any amendment thereto;



**"SAST Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**"Scheme"** means this Scheme of Amalgamation presented under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and/ or Companies Act, 1956 in the present form or with such modification(s) approved or directed by the NCLT;

**"SEBI"** means Securities Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;

**"SEBI Circular"** means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, the circular no. CFD/DIL3/CIR/2017/105 dated 21 September 2017, circular no. CFD/DIL3/CIR/2018/2 dated 3 January 2018, circular no. SEBI /HO/CFD/DIL 1 /CIR/P/2019/192 dated 12 September 2019; circular no. SEBI /HO/CFD/DIL1 /CIR/P /2020 /215 dated 3 November 2020; circular no. SEBI/ HO/CFD/DIL2/CIR / P/2021 /0000000657 dated 16 November 2021; circular no. SEBI /HO/CFD/DIL2/CIR/ P/2021/ 0000000659 dated 18 November 2021 each issued by the SEBI and all other applicable circulars and regulations issued by SEBI and as amended or replaced from time to time;

**"SEBI Listing Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and shall include any statutory modification, amendment and reenactment thereof for the time being in force or any act, regulations, rules, guidelines, etc. that may replace such regulations;

**"Share Exchange Ratio"** means ratios for determining the issuance of shares by Transferee Company to the shareholders of Transferor Company under Part B of this Scheme, as set out in the Share Exchange Ratio Report dated 21<sup>st</sup> September, 2022 issued by RBSA Valuation Advisors LLP (Registration No. IBBI/RV-E/05/2019/110), Registered Valuer, Kolkata, West Bengal;

**"Share Exchange Ratio Report"** means the report stating Share Exchange Ratio issued by RBSA Valuation Advisors LLP (Registration No. IBBI/RV-E/05/2019/110), Registered Valuer, Kolkata, West Bengal dated 21<sup>st</sup> September, 2022;



**"Stock Exchanges"** means the Calcutta Stock Exchange Limited ("CSE") and the National Stock Exchange of India Limited ("NSE");

**"Transferor Company" or "Western India"** means Western India Commercial Company Limited, a company incorporated under the Indian Companies Act, 1913, and having its registered office at 21, Strand Road Kolkata -700001, West Bengal, India;

**"Transferee Company" or "N.B.I. Industrial"** means N.B.I. Industrial Finance Company Limited, a company incorporated under the Indian Companies Act, 1913, and having its registered office at 21, Strand Road Kolkata -700001, West Bengal, India.

5.2. All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, guidelines/notifications/circulars, as the case may be or any statutory modification or amendment or re-enactment thereof for the time being in force.

5.3. In this Scheme, unless the context otherwise requires:

- a) references to "persons" includes individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- b) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and do not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
- c) references to one gender includes all genders;
- d) words in the singular shall include the plural and vice versa;
- e) words "include" and "including" are to be construed without limitation;
- f) terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Scheme or specified clauses of this Scheme, as the case may be;



- g) a reference to "writing" or "written" includes printing, typing, electronic mailing, and other means of reproducing words in a visible form excluding a text or an instant message;
- h) reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;
- i) reference to the recital or clause are references to the recital or clause of this Scheme; and
- j) references to any provision of law or legislation or regulation include:
  - i. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced;
  - ii. all subordinate legislations (including circulars, notifications, clarifications, guidelines or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment thereto.

**6. DATE OF TAKING EFFECT**

6.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

**7. SHARE CAPITAL**

7.1. The share capital of Western India as per the audited Balance Sheet as at March 31, 2022 is as under:



Share Capital	Amount in INR
<b><u>Authorized Share Capital</u></b>	
35,000 equity shares of INR 100/- each	35,00,000
<b>Total</b>	<b>35,00,000</b>
<b><u>Issued, subscribed and paid-up share capital</u></b>	
18,000 equity shares of INR 100/- each	18,00,000
<b>Total</b>	<b>18,00,000</b>

The equity shares of Western India are listed on CSE. Further, as on March 31, 2022, the N.B.I. Industrial holds 11.69% shares of Western India as a promoter group company.

Subsequent to the above date and as on the date of filing this Scheme with the Hon'ble NCLT, there has been no change in the issued, subscribed and paid-up share capital of Western India.

7.2. The share capital of N.B.I. Industrial as per the audited Balance Sheet as at March 31, 2022 is as under:

Share Capital	Amount in INR
<b><u>Authorized Share Capital</u></b>	
2,00,00,000 equity shares of INR 5/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b><u>Issued share capital</u></b>	
24,59,058 equity shares of INR 5/- each	1,22,95,290
<b>Total</b>	<b>1,22,95,290</b>
<b><u>Subscribed and paid-up share capital</u></b>	
24,56,806 equity shares of INR 5/- each	1,22,84,030
<b>Total</b>	<b>1,22,84,030</b>

The equity shares of N.B.I. Industrial are listed on NSE.

Subsequent to March 31, 2022 and as on the date of filing this Scheme with the Hon'ble NCLT, there has been no change in the issued, subscribed and paid-up share capital of N.B.I. Industrial.



**PART B - AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

**8. TRANSFER AND VESTING**

8.1. With effect from the opening business hours of Appointed Date and on the Scheme becoming effective, the entire business of the Transferor Company shall, pursuant to the provisions of sections 230-232 and all other applicable provisions of the Act and section 2(1B) of the IT Act, and without any further act, instrument, deed, matter or thing, stand transferred to and vested, as a going concern, into the Transferee Company by virtue of and in the manner provided in this Scheme.

This Scheme has been drawn up complying with the conditions relating to amalgamation as specified under section 2(1B) of the IT Act. Further, if any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date, resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the IT Act. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Companies, which power shall be exercised reasonably in the best interests of the Companies and their stakeholders.

8.2. Without prejudice to the generality of clause 8.1, in respect of assets of the Transferor Company, the same shall be transferred to and vested into the Transferee Company, as follows:

8.2.1. all assets of the Transferor Company, that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and /or by endorsement and delivery or by vesting and recordal of whatsoever nature, including plant and machinery, equipment, if any, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by





vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and no conveyance deed shall be required accordingly;

8.2.2. all other moveable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company and that appropriate entry should be passed in their respective books to record the aforesaid changes. The investments held in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferor Company and the Transferee Company, being a date after the sanction of the Scheme by the Hon'ble NCLT;

8.2.3. all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, if any, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be



liable to pay the ground rent and taxes and fulfil all obligations in relation or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law(s). The mutation or substitution of title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by Governmental Authorities pursuant to the sanction of this Scheme by the Hon'ble NCLT and upon the Scheme becoming effective in accordance with the terms hereof;

- 8.2.4. all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records.
  
- 8.3. With effect from the Appointed Date and on the Scheme becoming effective, all debts, liabilities, contingent liabilities, subject to provisions of clause 8.1, duties and obligations, secured or unsecured, of every kind, nature and description of the Transferor Company, shall, to the extent that they are outstanding on the Appointed Date and/or on the Scheme becoming effective, under the provisions of this Scheme and under provisions of sections 230-232 of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become, 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 clause.
  
- 8.4. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by Transferor Company after the Appointed Date, over the assets of Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.



- 8.5. Subject to Applicable Laws, any undertaking of the Transferor Company, which is binding on the Transferor Company, if any, as on the Appointed Date of this Scheme, to give a guarantee to any person in respect of any obligation of the Transferor Company shall continue in full force and effect against the Transferee Company.
- 8.6. Where any of the liabilities and obligations attributed to the Transferor Company on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 8.7. With effect from the Appointed Date and on the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, lease, tenancy rights, liberties, special status and/or other benefits or privileges enjoyed or conferred upon or availed of or held by the Transferor Company shall stand transferred to or vested into the Transferee Company, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions including statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest into and become available to the Transferee Company pursuant to this Scheme. The Companies shall receive relevant approvals from the Governmental Authority as may be necessary in this behalf.
- 8.8. Any question that may arise as to whether a particular asset or liability pertains or does not pertain to the Transferor Company or whether it arises out of the activities or operations of the Transferor Company shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company.
- 8.9. **LEGAL PROCEEDINGS**
  - 8.9.1. If any suit, action, claims, appeal or other proceeding of whatsoever nature by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and may be continued, prosecuted and/or enforced by or against the Transferee Company, as effectually and in the same manner and to the same extent as



it would or might have been continued, prosecuted and/or enforced by or against the Transferor Company as if this Scheme had not been made.

8.9.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, transferred in its name and to have the same continued, prosecuted and/or enforced by or against the Transferee Company to the exclusion of the Transferor Company to the extent legally permissible after the Scheme becoming effective.

**8.10. CONTRACTS, DEEDS ETC.**

8.10.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements, schemes and other instruments, if any, of whatsoever nature, pertaining to the Transferor Company or to the benefit of which the Transferor Company may be eligible, which is subsisting as on the Effective Date or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

8.10.2. Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party, in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

8.10.3. Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company are a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the



Transferee Company, in so far as it is permissible so to do, till such time as the transfer is affected.

**8.11. TREATMENT OF TAXES**

8.11.1. All the taxes of any nature, duties, cess or any other deduction or any other like payment made by the Transferor Company to any statutory authorities such as income tax, advance tax, tax paid under Minimum Alternative Tax ("MAT"), Goods and Service tax ("GST"), custom duty etc. or any tax deduction/ collection at source, credits (including GST credit, MAT credit), etc., if any, of the Transferor Company shall be deemed to have been on account of or on behalf of or paid by the Transferee Company, without any further act, instrument, deed, matter or thing being made, done or executed, and the Transferee Company shall be entitled to claim credit for such taxes deducted (at source)/paid against its tax duty liabilities/MAT credit, GST, custom duty, etc., on the Scheme becoming effective, notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Transferor Company. Further, upon the coming into effect of this Scheme, all tax compliances under the applicable tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

8.11.2. All the deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of Tax Deducted at Source ("TDS") (such as section 43B, section 40, section 40A etc. of the IT Act) will be eligible for deduction to the Transferee Company, upon fulfillment of conditions, if any, required under the IT Act. All benefits, entitlements, incentives, issues, refund, under the IT Act, GST laws, custom duty law or other Applicable Laws, regulations dealing with taxes, duties, land levies, levies due to the Transferor Company consequent to the assessment made on the Transferor Company (including any refund for which no credit is taken in the books of accounts of the Transferor Company on the Appointed Date) shall belong to and be received by the Transferee Company without any further act, instrument, deed, matter or thing being made, done or executed, become the property of the Transferee Company



- 8.11.3. On the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax returns, withholding tax returns, GST returns, TDS returns, TDS certificates, and other statutory returns and filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to claim refunds, advance tax and withholding tax credits, etc., pursuant to the provisions of this Scheme. The Transferee Company is expressly permitted to amend tax deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to its incomes/ transactions from the Appointed Date.
- 8.11.4. On and from the Appointed Date, if any certificate for TDS or any other tax credit certificate relating to the Transferor Company is received in the name of the Transferor Company, it shall be deemed to have been received in the name of the Transferee Company, which alone shall be entitled to claim credit for such tax deducted amount.
- 8.11.5. The accumulated losses and the allowances for unabsorbed depreciation of the Transferor Company shall be deemed to be the loss and allowance for unabsorbed depreciation of the Transferee Company in accordance with section 72A of the IT Act and all other applicable provisions of the IT Act and amendments thereof.
- 8.11.6. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company. As and from the effective date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.

8.12. **EMPLOYEES**



8.12.1. On the Scheme becoming effective, all staff workmen and employees of the Transferor Company who are in service as on the Effective Date shall become staff, workmen and employees of the Transferee Company without any break in their service, on the basis of continuity of service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company with any union/employee of the Transferor Company.

8.12.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or such other special fund, if any, or trusts (hereinafter collectively referred as "Funds") created for the benefit of the staff, workmen and employees of the Transferor Company, if any, shall, with the approval of the Appropriate Authorities, either continue as Funds of the Transferee Company, or shall be transferred to or merged with other similar funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective trust deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employee will be treated as having been continuous for the purpose of the said Funds.

**9. INCREASE IN AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY**

9.1. On the Scheme becoming effective and with effect from the Appointed Date and pursuant to the provisions of section 232(3) of the Act, the authorized share capital of the Transferee Company shall automatically stand increased by merging with the authorized share capital of the Transferor Company, without any further act, instrument or deed on the part of the Transferee Company by only upon filing the requisite forms with the Appropriate Authority, and no separate act, procedure or



instrument or deed or payment of any stamp duty and registration fees shall be required to be made or followed under the Act.

9.2. The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended and no future resolutions under section 13, 14, 61 or 64 and any other applicable provisions of the Act shall be required to be separately passed. The stamp duties and fees paid on the authorised capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and shall be deemed to have been so paid by the Transferee Company for increase in the authorised share capital on such combined authorised share capital and accordingly no extra stamp duty and/or fee shall be payable by the Transferee Company for increase in the authorised share capital to that extent. The Memorandum and Articles of Association of the Transferee Company shall be amended as may be required to give effect to this clause.

9.3. Consequently, subject to the above clauses, Clause V of the Memorandum of Association of the Transferee Company shall be replaced by the following clause:

"The Authorised Share Capital of the Company INR 10,35,00,000/- (Rupees ten crores thirty five lakhs only) divided into 2,07,00,000 Equity Shares of INR 5/- (five) with such rights , privileges or conditions attached thereto as may be determined by the Board at the time of issue, with powers to increase and decrease the Capital and to divide the shares into several classes."

9.4. It is clarified that the consent of the members of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and shall also be deemed to be their consent / approval to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act and referred in clause 9.2 of the Scheme.

9.5. Pursuant to this Scheme, Transferee Company shall file the requisite documents/ information (if any) with the Registrar of Companies or any other Appropriate Authority for such increase of the authorized share capital.

**10. CONSIDERATION**

10.1. Upon the Scheme coming into effect and in consideration of the amalgamation, the shareholders of the Transferor Company (other than for shares already held by the





Transferee Company in the Transferor Company), whose name appears in the register of members as on the Record Date (as defined in the Scheme), or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, shall be eligible to receive 94 (ninety four) fully paid up equity shares of face value of INR 5/- each of the Transferee Company for every 3 (three) fully paid up equity shares of face value of INR 100/- each of the Transferor Company held by such shareholder as provided in Share Exchange Ratio Report.

- 10.2. Upon the Scheme becoming effective, intercompany investments held by the Transferor Company and Transferee Company in each other shall without any application or deed stand cancelled.
- 10.3. Where equity shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 10.4. The shares issued pursuant to the provisions of the Scheme as per clause 10.1 (herein after referred to as "New Equity Shares"), shall be issued to the shareholders of the Transferor Company in dematerialized form into the account in which shares of Western India are held or such other account as is intimated in writing by the shareholders to Western India and/ or its registrar provided such intimation has been received by Western India and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of Western India in physical form shall also receive the equity shares to be issued by N.B.I.Industrial, in dematerialized form provided the details of their account with the depository participant are intimated in writing to Western India and/ or its registrar provided such intimation has been received by Western India and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of Western India in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of N.B.I.Industrial, then N.B.I.Industrial may, subject to Applicable Laws, either issue physical shares or at its discretion hold such equity shares in abeyance



until details of such shareholder's account with the depository participant are intimated in writing to N.B.I.Industrial and/ or its registrar, in writing.

- 10.5. If any shareholder becomes entitled to any fractional shares or entitlements on the issue and allotment of the New Equity Shares by the Transferee Company in accordance with clause 10.1 above, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated equity shares to a trustee nominated by the Transferee Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators, successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, distribute the net sale proceeds (after deduction of applicable taxes and costs incurred) to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.
- 10.6. On the approval of this Scheme by the shareholders of the Transferee Company pursuant to sections 230-232 of the Act and/or the relevant provisions of the Act, if applicable, it shall be deemed that the said shareholders have also accorded their consent under sections 13, 42, 61, and 62(1)(c) of the Act and/or any other applicable provisions of the Act and rules framed thereunder as may be applicable for the aforesaid issuance of New Equity Shares to the equity shareholders of the Transferor Company, and no further resolution or actions shall be required to be undertaken by the Transferee Company.
- 10.7. The equity shares to be issued and allotted by the Transferee Company in terms of clause 10.1 shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company.
- 10.8. Further, the equity shares to be issued in terms of clause 10.1 on amalgamation shall rank pari passu with the existing equity shares of the Transferee Company.
- 10.9. The New Equity Shares of the Transferee Company issued in terms of this Scheme, shall pursuant to the SEBI Circular and subject to compliance with requisite formalities, be listed and/or admitted to trading only on NSE, i.e., the stock exchange



on which equity shares of Transferee Company are listed. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with formalities of the relevant stock exchange. On such formalities being fulfilled, the NSE shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading.

- 10.10. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the NSE, for the issue and allotment by the Transferee Company of the equity shares to the shareholders of the Transferor Company pursuant to the Scheme.
- 10.11. The equity shares, in the Transferee Company allotted pursuant to the Scheme, shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange, i.e., NSE.
- 10.12. Post the issue of New Equity Shares pursuant to clause 10.1, there shall be no change in the control in the Transferee Company between the Record Date and the listing which may affect the status of the approval by the Stock Exchanges.
- 10.13. In the event that the Companies restructure their equity share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 10.14. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof, of the Transferee Company, at the sole discretion, shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date, as the case may be, to effectuate such a transfer in Transferor Company as if such changes in the registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.



- 10.15. Upon coming into effect of this Scheme and upon shares being issued and allotted by Transferee Company to the shareholders of Transferor Company in accordance with above clauses, the investment held by the shareholders in the equity share capital of Transferor Company shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, and / or the shares in electronic form representing the shares held by the shareholders of the Transferor Company in Transferor Company shall be of no effect, and be extinguished and be deemed to have been automatically cancelled, on and from issue and allotment of shares in Transferee Company.
- 10.16. The New Equity Shares to be issued by the Transferee Company pursuant to clause 10.1 of the Scheme in respect of such equity shares of the Transferor Company, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.

**11. ACCOUNTING TREATMENT**

**11.1. IN THE BOOKS OF TRANSFEEE COMPANY**

- 11.1.1. The Transferee Company shall record the assets, liabilities and reserves of the Transferor Company, as on Appointed Date, vested in it pursuant to the Scheme at their respective carrying values as per 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) in accordance with Appendix C of "Business Combinations of entities under common control" under the Companies (Indian Accounting Standards) Rules, 2015. No adjustment shall be made to reflect the fair values, or recognise any new assets or liabilities.
- 11.1.2. The identity of the reserves of Transferor Company shall be preserved and shall appear in the financial statements of the Transferee Company in the same form, in which they appeared in the financial statements of the Transferor Company.
- 11.1.3. Upon coming into effect of this Scheme, the Transferee Company shall issue New Equity Shares to the shareholders of the Transferor Company (other than for shares, if any, held by Transferee Company into the Transferor Company). These New Equity Shares shall be issued and recorded at face



value and accordingly the aggregate face value of the shares to be issued shall be credited to Transferee Company's share capital account.

11.1.4. The carrying value of investments in the financial statements of the Transferee Company in the equity share capital of the Transferor Company shall stand cancelled pursuant to the Scheme becoming effective and there shall be no further obligation in that behalf.

11.1.5. Upon coming into effect of this Scheme, to the extent there are inter-corporate loans/ advances, deposits, balances or other obligations as between Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end, and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

11.1.6. Upon the Scheme coming into effect, the surplus/ deficit, if any, of the net value of assets, liabilities, reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 11.1.1 of the Scheme over the sum of (a) face value of New Equity Shares issued and allotted to the shareholders of the Transferor Company, and (b) the value of investments cancelled pursuant to clause 11.1.4 of the Scheme, shall be adjusted in capital reserves account in the financial statement of the Transferee Company.

11.1.7. In case of any difference in accounting policy between the Transferee Company and the Transferor Company, the impact of the same will be quantified and the same shall be appropriately adjusted against the capital reserves of the Transferee Company.

11.1.8. The costs and expenses relating to the Scheme shall be accounted for in the statement of Profit and Loss.

**11.2. IN THE BOOKS OF TRANSFEROR COMPANIES**

11.2.1. There will be no accounting treatment in the books of the Transferor Company as it shall cease to exist pursuant to application of the Scheme. All costs, charges, stamp duty incurred in connection with giving effect to this Scheme shall be debited by the Transferee Company to its statement of Profit and Loss.



## 12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Upon filing the Scheme with the NCLT and upto and including the Effective Date:

### 12.1. The Transferor Company:

12.1.1. shall be deemed to have been carrying on and shall carry on the business and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for the Transferee Company with utmost prudence, until the Effective Date.

12.1.2. shall carry on the business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or any part thereof.

12.1.3. shall not vary the terms and conditions of any agreements or contracts except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.

12.1.4. shall not vary the terms and conditions of employment of any of their employees, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.

12.1.5. shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

12.2. With effect from the Appointed Date all the profits or losses or income or expenditure of the Transferor Company shall for all purposes be treated and be deemed to be accrued as the profits or losses or income or expenditure, as the case may be, of the Transferee Company.



- 12.3. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 12.4. On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company, in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company, after the Effective Date shall be accepted by the banker of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.

**13. SAVING OF CONCLUDED TRANSACTION**

- 13.1. The transfer of assets, properties and liabilities of the Transferor Company into the Transferee Company, transfer of all employees of Transferor Company, continuation of legal proceedings, and the effectiveness of contracts and deeds, under above mentioned clauses, shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by or on behalf of the Transferor Company.

**14. DIVIDENDS**

- 14.1. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.
- 14.2. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies 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 Companies, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Companies.

**15. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 15.1. On the Scheme becoming effective, the Transferor Company shall stand dissolved automatically without winding up in accordance with the provisions of sections 230-232 of the Act and rules and regulations made thereunder.

**16. EXEMPTION UNDER SAST REGULATIONS**

- 16.1. For the avoidance of doubt, it is clarified that pursuant to Amalgamation of the Transferor Company into the Transferee Company, the issuance of New Equity Shares of the Transferee Company to the shareholders of the Transferor Company as consideration for the Amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme is exempt under the provisions of Regulation 10(1)(d)(ii) of the SAST Regulations, and therefore, the requirement to make an 'open offer' shall not be triggered in terms of the provisions of the SAST Regulations.





**PART C - GENERAL TERMS AND CONDITIONS**

**17. APPLICATION TO NCLT**

17.1. The Transferor Company and the Transferee Company, as may be directed by the Hon'ble NCLT shall make all necessary applications and petitions under sections 230-232 read with other applicable provisions of the Act and the rules made thereunder for seeking approval of the Scheme.

**18. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

18.1. The Transferor Company and the Transferee Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the NCLT or any other Appropriate Authorities under law may deem fit to approve, direct and/or impose. The aforesaid powers of the Transferor Company and the Transferee Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any person authorized in that behalf by the concerned Board of Directors subject to approval of the Hon'ble NCLT or any other Appropriate Authorities under Applicable Law.

18.2. In the event that any conditions proposed by the NCLT are found unacceptable for any reason whatsoever by the respective Companies, then the respective Companies shall be entitled to withdraw the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Companies or any of them.

**19. CONDITIONALITY OF THE SCHEME**

This Scheme shall be conditional upon and subject to:

- 19.1. the Stock Exchanges having issued their observation / no-objection letter as required under the SEBI Listing Regulations read with the SEBI Circular;
- 19.2. the Scheme being approved by the respective requisite majorities of shareholders and creditors (as applicable) of the Transferor Company and the Transferee Company as



required under the Act and as applicable under SEBI Circular, subject to any dispensation that may be granted by the NCLT;

- 19.3. the requisite consent, approval or permission of the Reserve Bank of India (as per RBI's Directions) or any other Appropriate Authority, which by law may be necessary for the implementation of this Scheme;
- 19.4. the Scheme being sanctioned by the NCLT or any other Appropriate Authority under sections 230-232 of the Act and the rules made thereunder;
- 19.5. the certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company;
- 19.6. the Scheme shall not come into effect unless the aforementioned conditions mentioned in clause 19.1 to 19.5 above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person.

## 20. EFFECT OF NON-RECEIPT OF APPROVALS

- 20.1. In the event of any of the said sanctions and approvals referred to in clause 19 not being obtained and / or the Scheme not being sanctioned by the Hon'ble NCLT or such other Appropriate Authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and as agreed upon between the respective Companies to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.
- 20.2. It is further provided in a case if the Board of Directors of any of the Companies as being part of this Scheme, at any stage prior to the Scheme coming into effect, decides not to proceed further with the Scheme and withdraw the consent of the respective company to the Scheme, in such a case, the Scheme in its entirety shall not be proceeded with by any party and this Scheme shall stand revoked, cancelled and be of no effect.



**21. COSTS, CHARGES AND EXPENSES**

- 21.1. Save and except as provided elsewhere in the Scheme or expressly otherwise agreed, all costs, charges, taxes including duties, levies and all other expenses of Transferor Company and Transferee Company arising out of or incurred in carrying out and/or implementing this Scheme and matters incidental thereto, shall be borne by Transferee Company.
  
- 21.2. In the event that this Scheme fails to take effect or the Scheme is revoked in terms of clause 20 of this Scheme, then the Transferor Company and the Transferee Company, shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

**22. SEVERABILITY**

- 22.1. If any clause of this Scheme is found invalid, unworkable for any reason whatsoever, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, the same shall not, subject to the decision of Board of Directors, affect the validity or implementation of the other clauses of this Scheme.

N.B.I. Industrial Finance Co. Ltd.

*J. P. Mung*  
Director



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Date: September 21, 2022

Report Reference Number: RVA2223BOMREP163

The Board of Directors  
N.B.I. Industrial Finance Company Limited  
21, Strand Road,  
Kolkata 700 001

The Board of Directors  
Western India Commercial Company Limited  
21, Strand Road,  
Kolkata 700 001

**Subject: Recommendation of Share Exchange Ratio for proposed amalgamation of Western India Commercial Company Limited into N.B.I. Industrial Finance Company Limited**

Dear Sirs,

We refer to our engagement letter dated August 05, 2022 whereby the Board of Directors of N.B.I. Industrial Finance Company Limited ("NBIIFCL") and Western India Commercial Company Limited ("WICCL") have appointed RBSA Valuation Advisors LLP ("RBSA"/ "Valuer") to recommend the Share Exchange Ratio for the proposed amalgamation of WICCL into NBIIFCL on a 'going concern value' premise, pursuant to a Scheme of Amalgamation between NBIIFCL, WICCL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). NBIIFCL and WICCL are together referred to as the "Specified Companies")\

The Share Exchange ratio for the purpose of this report ("Report") refers to the number of fully paid-up equity shares of face value INR 5/- each to be issued by NBIIFCL to the equity shareholders of WICCL as consideration for the proposed amalgamation of WICCL into NBIIFCL on a 'going concern value' premise, pursuant to the Scheme (the "Share Exchange Ratio").

This Report is our deliverable to recommend the Share Exchange Ratio to the Board of Directors of the Specified Companies, for the proposed amalgamation of WICCL into NBIIFCL pursuant to the Scheme.

This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

**CONTEXT AND PURPOSE OF THIS REPORT**

We understand that the management of WICCL and NBIIFCL (together referred to as the "Management") are contemplating the amalgamation of WICCL into NBIIFCL on a 'going concern' basis. As consideration for amalgamation, NBIIFCL would issue its equity shares to the shareholders of WICCL, pursuant to the Scheme (the "Proposed Transaction").

In this context, the Board of Directors of NBIIFCL and WICCL have jointly appointed RBSA, a Registered Valuer Entity, to recommend the Share Exchange Ratio for the proposed amalgamation of WICCL into NBIIFCL on a 'going concern value' premise, pursuant to the Scheme.



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## SOURCES OF INFORMATION

In connection with this exercise, we have considered the following information received from the Management and/ or obtained from the public domain:

- Audited financial statements of the Specified Companies for FY2021 and FY2022;
- Provisional financial statements of the Specified Companies for the three months period ended June 30, 2022;
- Latest available financial statements of key investee companies of the Specified Companies;
- Draft Scheme of Amalgamation between NBIIFCL, WICCL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;
- Websites of NSE India and BSE India and databases such as CapitalIQ and Mergermarket,;
- Discussions and correspondence with the Management;
- Other information and documents considered relevant for the purpose of this engagement;
- We have also obtained the explanations, information, and representations, which we believed were reasonably necessary and relevant for our exercise from the Management.

## PROCEDURES ADOPTED

Procedures adopted for our analysis included such substantive steps as we considered necessary under the circumstances, including, but not limited to the following:

- Discussion with the Management to inter-alia:
  - Understand the business and fundamental factors that affect the business of the Specified Companies;
  - Understand historical financial performance, current state of affairs and expected future financial performance of the Specified Companies;
- Analysis of audited financial statements of the Specified Companies for FY2021 and FY2022;
- Analysis of Provisional financial statements of the Specified Companies for the three months period ended June 30, 2022;
- Analysis of the latest available financial statements of the key investee companies of the Specified Companies;
- Considered the draft Scheme;
- Selection of appropriate valuation approach and methodology/(ies);
- Determination of the Share Exchange Ratio for the proposed amalgamation of WICCL into NBIIFCL.



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### BACKGROUND

#### N.B.I. Industrial Finance Company Limited

NBIIFCL, incorporated in December 1936, is a public limited company incorporated under the Indian Companies Act, 1913 with CIN L65923WB1936PLC065596 and has its registered office at 21, Strand Road Kolkata - 700001, West Bengal, India.

NBIIFCL is a Non-Banking Financial Company ("NBFC") and is registered with the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934. NBIIFCL is engaged in investment in shares, securities, and financial activity.

The subscribed equity share capital of NBIIFCL as of June 30, 2022 is INR 12.28 Mn consisting of 2,456,806 equity shares of face value of INR 5 each fully paid up. The equity shares of NBIIFCL are listed on National Stock Exchange of India Limited ("NSE").

The shareholding pattern of NBIIFCL as of June 30, 2022 is as under:

Sr. No.	Shareholder category	No. of shares	Percentage
1.	Promoter and Group	1,826,292	74.34
2.	Public shareholders	630,514	25.66
<b>Total</b>		<b>2,456,806</b>	<b>100.00</b>

Source: NSE filing

#### Western India Commercial Company Limited

WICCL, incorporated in August 1928, is a public limited company incorporated under the Indian Companies Act, 1913 with CIN L67120WB1928PLC093924 and has its registered office at 21, Strand Road Kolkata - 700001, West Bengal, India.

WICCL is a NBFC and is registered with the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934. WICCL is engaged in investment in shares, securities, and financial activity.

The issued and subscribed equity share capital of WICCL as of June 30, 2022 is INR 1.8 Mn consisting of 18,000 equity shares of face value of INR 100 each. The equity shares of WICCL are listed on the Calcutta Stock Exchange ("CSE").

The shareholding pattern of WICCL as of June 30, 2022 is as under:

Sr. No.	Shareholder category	No. of shares	Percentage
1.	Promoter and Group	13,490	74.94
2.	Public shareholders	4,510	25.06
<b>Total</b>		<b>18,000</b>	<b>100.00</b>

Source: Information provided by the Management



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## VALUATION APPROACH & METHODOLOGY

**Valuation Base:** Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. Considering the nature of this exercise, we have adopted Relative Value as the Valuation base.

**Premise of Value:** Premise of Value refers to the conditions and circumstances how an asset is deployed. Considering the nature of this exercise, we have adopted 'Going Concern Value' as the premise of value.

**Intended Users:** This Report is intended for consumption of the Board of Directors of NBIIFCL and WICCL and may be submitted to the shareholders of NBIIFCL and WICCL and relevant regulatory and judicial authorities as may be mandatorily required under the laws of India, in connection with the Proposed Transaction.

It should be understood that the valuation of any entity or business is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond the control of the Management. In performing our analysis, we have relied on explanations, information, provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Management and respective Companies. This valuation could fluctuate with the passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Specified Companies, and other factors which generally influence the valuation of companies and their assets.

Commonly accepted approach/ methods for determining the value of the equity shares of a company/ business, include:

- Income Approach – Discounted Cash Flow method
- Market Approach
- Asset Approach – Net Asset Value method

There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the Share Exchange Ratio, which have been considered in the present case, to the extent relevant and applicable, and subject to the availability of detailed information.

### Income Approach – Discounted Cash Flow (“DCF”)

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 capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.



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Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company/ asset that are available to the providers of the company's capital – both debt and equity.
- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The Specified Companies are primarily engaged in investment in shares, securities, and financial activity. Considering *inter-alia* the nature of the business of the Specified Companies and significant uncertainties in preparation of the medium/ long term forecast, the Management has not provided us the financial projections of the Specified Companies. Considering the aforementioned, we have not adopted the Income Approach for the valuation.

## Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

### **Market Price Method:**

Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such companies as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. There could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when market prices do not seem to be reflective of financial performance. Further, in the case of a merger / amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of NBIIFCL and WICCL are listed on the NSE and CSE respectively. While the equity shares of NBIIFCL are traded on the NSE, the trading volume is irregular and erratic. Since CSE has been derecognized as a stock exchange, the equity shares of WICCL are not traded. Considering the aforementioned, we have not adopted market price method for present valuation exercise.





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## Comparable Transaction Multiple (CTM) Method

Under Comparable Transaction Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

## Comparable Companies Multiple (CCM) Method:

Under this method, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Considering inter-alia, the business of Specified Companies (investments holding companies), lack of comparable listed companies, we have not adopted this method for present valuation exercise.

## Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The approach considers fair value of assets and liabilities, to the extent possible, the respective asset would fetch, or liability settled on the Valuation Date.

The Specified Companies are primarily engaged in investment in shares, securities, and financial activity and are investment holding companies. The fair value of the Specified Companies have been estimated based on Asset Approach - Adjusted Net Asset Value Method, considering *inter-alia* the following adjustments

- i. Fair value of Quoted shares based on their average market prices over an appropriate period;
- ii. Fair value of Unquoted shares of key investee companies based on valuation approach, as appropriate.

## DISCLOSURE OF RV INTEREST OR CONFLICTS

We do not have any financial interest in the Specified Companies, nor do we have any conflict of interest in carrying out this valuation as of this Report Date. We are independent of the Specified Companies and their promoters and have not been under any direct or indirect influence, which may affect the valuation exercise.

