

DRAFT

**SCHEME OF AMALGAMATION
OF**

**MADRAS SUGARS LIMITED
(TRANSFEROR COMPANY)**

WITH

**BANNARI AMMAN SUGARS LIMITED
(TRANSFeree COMPANY)**

**(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)**

PART-I

1. PREAMBLE

1.1 The Scheme

This Scheme of Amalgamation provides for the amalgamation of Madras Sugars Limited (Transferor Company) with Bannari Amman Sugars Limited (Transferee Company) pursuant to the applicable provisions of the Companies Act.

1.2 The Scheme is divided into following parts:

Part - 1 deals with Preamble

Part - 2 deals with Definitions

Part -3 deals with Amalgamation of Transferor company with the Transferee Company

Part - 4 deals with general terms and conditions that would be applicable to the entire scheme

1.3 Transferor Company:

- a. Madras Sugars Limited is a company incorporated under the Companies Act, 1956 on 30th April, 2009 bearing Corporate Identity Number: U15420TZ2009PLC015974 and has its Registered Office presently at 1212, Trichy Road, Coimbatore 641 018 (hereinafter referred to as "Transferor Company")
- b. The Main Objects for which the Transferor Company was formed as set forth in the Memorandum of Association are as under:
 1. To carry on in India or elsewhere the business of manufacture of sugar and its by-products.



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For BANNARI AMMAN SUGARS LTD

C. Palaniswamy
(C. PALANISWAMY)
COMPANY SECRETARY
ACS No : 12580

2. To cultivate, purchase, produce, manufacture, process, prepare and generally trade and deal in sugarcane, sugar beat, sugar, sugar candy, jaggery, confectionery syrups, aerated waters, essences, molasses, alcohol, bagasse, pressmud, molasses based products, alcohol based products, bagasse based products and pressmud based products.
3. To carry on the business of generating, selling, transmitting, distributing, supplying either directly or through others, electricity/power for the above objects and for industries, domestic or other purpose and also feed to the grids of Electricity Boards or other power grids.
- c. The Authorised Share Capital of the Madras Sugars Limited (Transferor Company) is Rs.15,00,00,000/- consisting of 1,50,00,000 equity shares of Rs.10/- each. The total issued, subscribed and paid up share capital as on 1.1.2016 is Rs.15,00,00,000/- divided into 1,50,00,000 equity shares of Rs.10/- each.
- d. The Transferor Company is a wholly owned subsidiary of M/s SVB Holdings Private Limited in which the promoters of Transferee Company hold entire share capital.
- e. The Transferor Company has a sugar mill with the cane crushing capacity of 3600 tonnes per day and a co-generation plant with an installed capacity of 25 MW in Tamilnadu.
- f. The Holding Company of the Transferor Company, has advanced as interest free un-secured loan from time to time to the Transferor Company, aggregating to a sum of Rs.177,53,13,602 as on appointed date, out of which a sum of about Rs.112 crores was towards pre-operative capital expenditure. The Transferor Company is under an obligation not to repay the said sum, in its covenants favoring its Bankers, except on discharge of term loan liability to the Bankers.
- g. During the last two sugar season (October-September) i.e 2014-2015 and 2015-2016 the transferee company is drawing sugarcane from the cane area allotted to the Transferor Company and also procuring sugar from the transferor company.
- h. The turnover of the Transferor Company during 2014-15 was Rs.124.23 Crores. In the current financial year, during nine months ended 31.12.2015, the turnover is Rs.218.99 crores. The Net Profit after tax for the year ended 31.3.2015 was Rs.0.55 Crores and for the nine months ended 31.12.2015 the transferor company has incurred a loss of Rs.53.66 crores

1.4 Transferee Company

- a. Bannari Amman Sugars Limited, is a listed company incorporated under the Companies Act, 1956 on 1st December, 1983 bearing Corporate Identity Number: L15421TZ1983PLC001358 and has its Registered Office presently at 1212, Trichy Road, Coimbatore-641 018 (hereinafter referred to as "Transferee Company")



- b. The Main Objects for which the Transferee Company is incorporated is as follows:
1. To carry on the business of manufacture of sugar and its by-products in all its branches.
 2. To plant, purchase, produce, manufacture, process, prepare and generally trade and deal in sugarcane, sugar beat, sugar, sugar candy, jaggery, confectionery syrups, aerated waters, essences, molasses, alcohol, bagasse, molasses based products, alcohol based products and bagasse based products of all kinds.
 3. To plant, cultivate, manufacture, produce, process, prepare, buy, sell and deal in soya-beans, soyamilk, soyamilk products and preparations, soyabean-based foods including spray dried milk, powders, cheese, curd, ice-cream, baby foods, protein foods and other preparation of soya-cereals and lentils including flour and dal, soya snack, foods, soya sweets, soya cookies, and confectioneries, including biscuits, breads, cakes, pastries, nuts, toffees and chocklates and soya beverages and other products and preparations of every kind, nature and description.
 4. To manufacture, sell and deal in all kinds of papers, boards and newsprint.
- c. The Authorised Share Capital of the Bannari Amman Sugars Limited (Transferee Company) is Rs.50,00,00,000/- consisting of 2,90,00,000 Equity Shares of Rs.10/- each and 21,00,000 Redeemable Preference Shares of Rs.100/- each. The issued, subscribed and paid up share capital of the Transferee Company as on 1.1.2016 is Rs.11,43,97,000 divided into 1,14,39,700 Equity Shares of Rs.10/- each. The promoters are holding 54.72% of the share capital in the transferee company.
- d. The Transferee Company has two sugar mills in Tamilnadu and two sugar mills in Karnataka with the aggregate cane crushing capacity of 20100 tonnes per day (TCD). The Transferee company has established co-generation plants in all its sugar factories and wind mills in southern parts of Tamilnadu and the aggregate installed capacity of co-generation plants is 104.80 MW and the wind mills is 8.75 MW. The Transferee company has two distillery units one in Tamilnadu and the other in Karnataka with the aggregate installed capacity of 127.50 Kilo Liters Per Day (KLPD). The Transferee Company also has granite processing facilities in Tamilnadu. The Transferee company is also a producer of bio-compost.
- e. The turnover of the Transferee Company during 2014-15 was Rs.919.42 Crores. In the current financial year, during nine months ended 31.12.2015, the turnover is Rs.1004.93 crores. The Net Profit after tax for the year ended 31.3.2015 was Rs.1.03 Cores and for the nine months ended 31.12.2015 the transferee company has incurred net loss of Rs.22.85 crores.



- f. The present Scheme proposed is the amalgamation of the Transferor Company with the Transferee Company for the purpose of synergy in operations, better management and control.

1.5 RATIONALE OF THE PROPOSED SCHEME OF AMALGAMATION

- a) Both the Transferor and Transferee Companies are engaged in the similar line of business. The proposed amalgamation will provide a stronger and consolidated operational structure to the businesses of the companies.
- b) M/s. Madras Sugars Limited (Transferor Company) has its sugar factory with the crushing capacity of 3600 TCD and co-generation plant with an installed capacity of 25 MW at Vengur village, Thirukoilur Taluk, Viluppuram District in the State of Tamilnadu. The factory is located in the midst of excellent cane area. Considering the potential for cane development in the area, the crushing capacity of the factory can be expanded to 7,000 TCD due to favourable climatic and other prevailing conditions. Sugarcane Breeding Institute, Coimbatore has assessed the potential of the demarcated cane area and estimated the cane potential at 1.29 million tonnes.
- c) M/s Bannari Amman Sugars Limited (Transferee Company) has one of sugar factories with 5000 TCD and 28.8 MW co-generation plant at Kolundampattu Village, Thandampattu Taluk, Thiruvannamalai District in the State of Tamilnadu. The cane area allotted to the sugar undertaking of the Transferor Company is contiguous to this sugar unit of the Transferee Company and sugarcane cultivation can be optimized by using available resources. In fact, the said unit of Transferee Company, had to source 2,75,132 M.Ts and 1,32,405 M.Ts of sugar cane during sugar season 2014-15 and 2015-16 (till 7.4.2016) from the cane command area of the Transferor Company, to tide over the shortfall in cane availability.
- d) The Transferor Company has enough land to put up a distillery plant at the aforesaid location and the unit of the transferee company situated at the aforesaid place does not have enough land to put a distillery plant within the premises. The present scheme of amalgamation facilitates the transferor and transferee company to put of a distillery unit at the place of Transferor Company and thereby optimizes the utilization of available molasses for the production of alcohol/ethanol.
- e) While the outlook for sugar was very gloomy a year back, there have been some positive developments in the recent past. The global sugar production which was at 189 million tons as in 2014-15 sugar year, has come down to 172.80 Million tons in 2015-16 sugar year. Likewise, domestic sugar production which was at 28.3 Million Tons in 2014-15 sugar year has come down to less than 260 Million tons in 2015-16 sugar year. The sugar price which was ruling between Rs.20-22 per kg, has seen a very significant increase. The Government of India has introduced minimum indicative export quota to ensure off-take of sugar and thereby ensured that remunerative prices are realized for domestic supply. The Government of India has also introduced a scheme whereby



an exporter, subject to meeting the export quota, is eligible for subsidy of Rs.45/- per tonne of cane. With a view to further stabilize the sugar industry, the Government of India has increased the Import Duty on import of sugar from Rs.25% to 40%. In order to encourage production of Ethanol, Excise Duty has been waived from 1st October 2015. This significantly benefits the sugar industry, since Ethanol is produced from molasses which is the by-product in the process of manufacture of sugar. The Government of India has constituted sugar stabilization fund with the intent behind the proposal being that if the FRP fixed by the Central Government is higher than price determined under revenue sharing formula which is 75% of the sugar price realization, the obligation would be met from the fund thereby insulating the sugar industry. The proposed amalgamation, in this positive scenario when it is expected that sugar industry is poised for growth, will benefit the amalgamating Companies.

- f) The present scheme of amalgamation has been proposed to facilitate management, administration, financial efficiencies, co-ordination and streamlining day-today operations of both Transferor and Transferee companies.
- g) The amalgamation will facilitate consolidation of the businesses of both the Transferor Company and Transferee Company into a single corporate entity. The arrangement would create synergies of operations besides economies in administrative, managerial costs by combining operations and it would result in improved performance for the Transferee Company.
- h) The Transferee Company after amalgamation will have the benefit of stability of operation and would help to achieve efficient utilization of resources and facilities. The consolidation of business will achieve rationalization of management structures and economies of scale for further and stable growth, expansion and diversification and for better and more profitable utilization of the combined resources.

1.6 Both Transferor Company and Transferee Company intend that the amalgamation in accordance with this Scheme shall take effect from the Appointed Date as defined hereinafter, but will be operative from the Effective Date as defined hereinafter.

PART-II

2. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 2.1 "Act" or "Companies Act" means the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and/or the Companies Act, 2013 (from the date of



applicability as may be notified by the Government, including statutory modification or re-enactment thereof)

- 2.2 "Appointed Date" means the 1st day of January, 2016 or such other date as the Court may direct for the purposes of this Scheme and for the Income Tax Act, 1961
- 2.3 "Audit Committee" means the audit committee of the Transferor Company and Transferee Company, as constituted from time to time;
- 2.4 "Board of Directors" or "Board" in relation to each of the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company;
- 2.5 "Effective Date" means the date when the certified copy of the order sanctioning the Scheme of Amalgamation by the Hon'ble High Court of Madras are filed with the Registrar of Companies, Coimbatore in pursuance of Section 394 (3) of the Companies Act, 1956.
- 2.6 "High Court" or "Court" means the Hon'ble High Court of Judicature at Madras exercising jurisdiction over the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal (NCLT) or such other forum or authority, as may be vested with any of the powers of the High Court under the Companies Act, if applicable.
- 2.7 "Record Date" means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of reckoning names of the shareholders of the Transferor Company, who shall be entitled to receive the shares of the Resulting Company upon coming into effect of this Scheme, as specified in this Scheme.
- 2.8 "SEBI Circulars" means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement;
- 2.9 "The Scheme" means this Scheme of Amalgamation in its present form or with any modifications approved or imposed or directed by the Hon'ble High Court at Madras or by the shareholders of Transferor Company and Transferee Company in General Meeting or through Postal Ballot/E-Voting.
- 2.10 "Schedules" shall mean the Schedules to the Scheme
- 2.11 "Stock Exchange" means the Stock Exchange/s on which the shares of the Transferee Company are listed.
- 2.12 "Undertaking" shall mean:
"Undertaking" means and include all the business, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company, on a going concern basis, together with all its assets, liabilities and employees and shall include (without limitation):



- a) all immovable properties (including those described specifically in Schedule A hereto)
- b) all moveable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, packing, packaging material, leasehold assets and other properties, real, corporeal and incorporeal, in possession or otherwise, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, cane area allocation, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangible items (whether or not recorded in the books of Transferor Company), industrial and other licenses, permits, authorizations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre-qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature (including but not limited to benefits of tax exemptions/incentives/benefits and/or exemption or rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source, minimum alternate tax credit, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by Transferor Company, as on the Appointed Date;



- c) All the debts, loans, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date; and
- d) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company.
- 2.13. 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 1956 Act or the 2013 Act, as applicable, the Income Tax Act, 1961 the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 2.14. References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 2.15. The headings herein shall not affect the construction of this Scheme.
- 2.16. The singular shall include the plural and vice versa; and references to one gender include all genders.
- 2.17. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.18. References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councilor employee representatives body (whether or not having separate legal personality).
- 2.19. References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 2.20. Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and



- (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision(as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART - III

THE SCHEME

3. Transfer and vesting of assets of Transferor Company

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 3.2. Without prejudice to the generality of Clause 3.1.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date:
- 3.2.1. all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts,



stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.

3.2.2. Such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties 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 accordingly.

3.2.3. All other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.

3.2.4. The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this



Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

- 3.2.5. 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 licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and 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 fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof, without requirement of any further instrument or Deed.
- 3.2.6. All lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent, or lease or license fee as provided for in



such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

3.2.7. All permissions, approvals, consents, subsidies, incentives, cane area allocations, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and Liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and Liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

3.2.8. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever



nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.

- 3.2.9. Without prejudice to the generality of the foregoing, all leave and licence agreements/deeds, lease agreements/ deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
- 3.2.10. All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.



- 3.2.11. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, or goods and service tax, as applicable, excise duty, wealth tax, fringe benefit tax and tax collected at source, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc. of the Transferor Company (including unabsorbed business loss and unabsorbed depreciation available to the Transferor Company in view of any arrangement undertaken, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, prior to the Appointed Date), up to the Appointed Date, shall be available to Transferee Company w.e.f. from Appointed Date in terms of section 72A of Income Tax Act, 1961.
- 3.2.12. The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 3.2.13. All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other applicable law for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relatable to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.



- 3.2.14. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.
- 3.2.15. The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- 3.2.16. Such of the assets comprised in the Undertaking and which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.
- 3.3. Without prejudice to the generality of Clause 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:



- 3.3.1. All the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- 3.3.2. All Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- 3.3.3. Any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- 3.3.4. All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of



applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.

- 3.3.5. Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- 3.3.6. Without prejudice to the generality of the foregoing, the interest free unsecured loan from the promoters of the Transferor Company to the Transferor Company, shall stand transferred to the Transferee Company, from the Appointed Date, on the Scheme becoming Effective, and the same will continue to be the interest free unsecured loan in the Transferee Company and be repayable with the consent of the Board of Directors subject to the recommendation of Audit Committee of the Transferee Company after reviewing the cash flow position of the Transferee Company.
- 3.4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.



- 3.5. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- 3.6. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 3.7. The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4. **Conduct of Business till Effective Date**

- 4.1. With effect from the Appointed Date and up to the date on which this Scheme finally takes effect, the Transferor Company shall be deemed to carry on all the business and activities and stand possessed of the properties so to be transferred for and on account of, in trust for and be answerable to the Transferee Company and that the profits accruing to the Transferor Company or losses arising or incurred by it shall for all purposes be treated as the profits or losses of the Transferee Company as the case may be and that the Transferor Company shall not alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business, without the consent of the Transferee Company and that the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.
- 4.2. Until amalgamation takes place, Transferee Company may on authority of board resolution of the Transferee Company, make such advances as it may deem necessary, to the Transferor Company, provided however that, in the event of the Scheme not becoming Effective, the monies so advanced shall be required to be repaid forthwith by the Transferor Company and the Promoters of the Transferor Company severally with simple interest @ 10 % p.a. The sanction of the Scheme, shall be deemed sufficient compliance with Act and other applicable Law in this regard



5. Contracts, Deeds, Bonds and Other Instruments

- 5.1. Subject to the other provisions of this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this Scheme becomes finally effective, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 5.2. With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copy rights, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government Body, local authority or by any other person of every kind and description of whatsoever nature in relation to the Transferor Company or to the benefit of which the said Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or oblige thereto.
- 5.3. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to carry on the operations of the said Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.
- 5.4. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the said Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary.



- 5.5. For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company, without the process of winding up as contemplated hereinafter, shall not affect the previous operations of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party and shall not affect any right, privilege, obligation or liability, acquired, deemed to be vested or incurred under any such contracts, agreements, deeds, or any instrument and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference to the Transferee Company with effect from the Effective Date.

6. Continuation of Legal Proceedings

- 6.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company and pending on the Effective Date, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company also undertakes to deal with all legal or other proceedings which may be initiated by or against the Transferor Company or the Transferee Company after the Effective Date in respect of the period up to the Effective Date, in its own name and account and to the exclusion of the Transferor Company, and further undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period up to the Effective Date, and any reasonable costs incurred by the Transferor Company in respect of such proceedings started by or against it relating to the period up to the Effective Date upon submission of necessary evidence by the Transferor Company to the Transferee Company for making such payment.

7. Increase of Authorised Capital on Scheme coming into effect

- 7.1. Upon the coming becoming effective, the authorised share capital of the transferor Company would become the authorised capital of the transferee Company, without any further action, deed or separate resolution or application or action or payment of further filing fee or registration and the authorised share capital of the transferee would stand increased as set out hereunder and Clause V of the Memorandum of Association shall stand replaced as under:



"The Authorised Share Capital of the Company is Rs.65,00,00,000/- (Rupees Sixty Five Crores Only) divided into 21,00,000 Redeemable Preference Shares of Rs.100/- each and 4,40,00,000 Equity Shares of Rs.10/- each with power to increase or reduce or alter the capital in accordance with the provisions of the Companies Act, 2013"

8. Transition and Dissolution of Transferor Company

- 8.1. The Board of Directors (or any committee thereof) of the Transferor Company shall without any further act, instrument or deed be and stand dissolved on the Scheme coming into effect.
- 8.2. Subject to an order being made by the Hon'ble High Court under the applicable provisions of the Companies Act, the Transferor Company shall be dissolved without the process of winding-up, upon the Scheme becoming effective, in accordance with the provisions of the Act and rules made thereunder.
- 8.3. The resolutions and / or agreements, if any, of the Transferor Company and / or Transferee Company which is valid and subsisting on the effective date shall continue to be valid and subsisting till the end of the period covered under the resolutions and / or agreements irrespective of the increase in paid-up capital of the Transferee Company arising out of issue of new equity shares under the Scheme.

9. Issue of Shares of Transferee Company

- 9.1. Upon the Scheme becoming fully effective, in consideration of the transfer and vesting of the entire undertaking of the Transferor company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further act or deed, issue and allot to the Equity Shareholders in the Transferor Company, whose names are recorded in the Register of Members, on the Record Date to be fixed by the Board of Directors of the Transferee Company, Equity Shares ranking *pari passu* in all respects with the existing Equity Shares of the Transferee Company in the following manner:-

11 (Eleven) fully paid up equity shares of Rs.10/- (Ten) each of the Transferee Company will be issued to the shareholders of the Transferor Company for every 150 (One Hundred and Fifty) equity share of Rs.10/-(Ten) each held by such shareholders in the Transferor Company.

- 9.2. No fractional shares shall be issued by the Transferee Company in respect of fractional entitlement to which the shareholders of Transferor Company may be entitled to on issue and allotment of shares as aforesaid by the Transferee Company. All such fractions shall be consolidated into full equity shares which shall be allotted by the Board of Directors of Transferee Company at its discretion to any nominees of Transferee Company upon trust to sell the shares so



allotted and to distribute the sale proceeds to those shareholders of the Transferor Company who are entitled to such fractions in the proportion to which they are so entitled.

- 9.3. Pursuant to the Scheme of Amalgamation 11,00,000 Equity Shares of Rs.10/- each of Transferee Company shall be issued and allotted to the shareholders of Transferor Company. The shareholding pattern of the Transferee Company Pre and Post the Scheme of Amalgamation coming into effect is as under, based on the shareholdings pre-amalgamation shareholding reckoned as on 25.4.2016 (viz. date of the Board Resolution sanctioning the Scheme of Amalgamation)

Category	Pre-amalgamation		Post-amalgamation	
	Number of shares of Rs.10/- each	%	Number of shares of Rs.10/- each	%
Promoters	6260276	54.72	7360276	58.70
Non-Resident Indians	157235	1.37	157235	1.25
Banks / Indian Financial Institutions	264	0	264	0
Foreign Portfolio Investors	19701	0.17	19701	0.16
Overseas Corporate Bodies	45000	0.39	45000	0.36
Foreign Institutional Investor (FIIs)	163	0	163	0
Bodies Corporate	1321152	11.55	1321152	10.54
Mutual Funds	100	0	100	0
Public	3635809	31.78	3635809	28.99
Total	11439700	100	12539700	100

10. Tax Treatment

- 10.1. Upon the Scheme coming into effect, all taxes payable by the Transferor Company under the Income Tax Act, Customs Act, The Central Excise Act, State Sales Tax laws, Central Sales Tax Act, or other applicable laws/regulations dealing with taxes/duties/levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; all CENVAT/Service Tax Credit or any other tax credit of the Transferor Company shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company.; Similarly all credit for tax deduction at source on the income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further



Minimum Alternate Tax (MAT) paid by the Transferor Company under Section 115JB and/or other provisions (as applicable) of the Income Tax Act, 1961 shall be deemed to have been paid on behalf of the Transferee Company, and the MAT credit (if any) of the Transferor Company as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Further, all tax returns, filings, assessments, payments, deductions, withholding, rebates, benefits, incentives, set-offs, carry-forward tax losses, unabsorbed depreciation and other rights, liabilities and obligations whatsoever of the Transferor Company, shall also be and stand transferred or deemed to be transferred, without further act, instrument, deed, matter or thing, to the Transferee Company, pursuant to the provisions of Companies Act/Income Tax Act/Tax Laws, so as to become as and from the Appointed Date, the rights, liabilities and obligations of the Transferee Company. The carry forward of the tax losses, unabsorbed depreciation and 80 IA benefit of the Transferor Company shall be available to the Transferee Company. The Transferee Company shall have the right to rectify tax returns and file revised tax returns and seek re-assessment or revisions in assessment or rectification of mistakes in filings, returns or assessment in respect of any period(s) prior to the Effective Date in the manner and to the same extent as would or might have been done by or against the Transferor Company. Similarly, the export incentives, draw backs and other similar entitlements, benefits available or accrued to the Transferor Company without any further instrument, deed, matter or thing, shall be available to the Transferee Company. For the purpose of giving effect to the provisions of this Clause, it shall not be necessary to obtain the consent of any third party or authority.

11. Accounting Treatment

- 11.1. As per the Scheme, this Amalgamation shall be "Amalgamation in the Nature of Merger" and method of accounting shall be "Pooling of Interest Method" under Accounting Standard 14 as notified under the Companies Act, 2013.
- 11.2. The Transferee Company shall upon the Scheme becoming effective, record the assets and liabilities of the Transferor Company transferred to and vested in it pursuant to this Scheme at their book values as appearing in the books of the Transferor Company as at the close of business of a day immediately preceding the Appointed Date.
- 11.3. The difference if any between the share capital issued / allotted under this Scheme and the amount of share capital of the Transferor Company shall be credited to the General Reserves of the Transferee Company.
- 11.4. All Loans & Advances, outstanding balances or other obligations, if any between Transferor Company and Transferee Company will stand cancelled.



- 11.5. The debit balance in Statement of Profit & Loss appearing in the financial statement of the transferor company shall be transferred to and adjusted against the General Reserves of the Transferee Company.
- 11.6. With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure arising or incurred by the Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of the Transferee Company.
- 11.7. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the General Reserve Account to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.8. Notwithstanding anything contained in these clauses, all adjustments against Reserves in the books of accounts of the Transferee Company shall be in accordance with Accounting Standard 14 notified under Companies Act.
- 11.9. Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Act, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company.
- 11.10. The financial statement, as on the Appointed Day, on giving effect to the Scheme, in terms hereof, shall be as set out in Schedule-II hereto.

12. Employees

- 12.1. Upon the Scheme becoming effective, all the employees in service of the Transferor Company, on the date immediately preceding the date on which this Scheme finally takes effect i.e. "The Effective date" shall become the employees of the Transferee Company on the basis that:
 - a) Their services shall have been continuous and shall not have been interrupted by reason of amalgamation.
 - b) The terms and conditions of service applicable to the said employees after such transfer shall not in any way be less favourable than those applicable to them immediately before the transfer.
 - c) It is expressly provided that as far as Provident Fund, Gratuity Fund, Super Annuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and the employees of the said Transferor Company is concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contribution to the said Funds in accordance



with the provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the said Transferor Company under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the said Transferor Company will also be treated as having been continuous for the purpose of the aforesaid Funds.

PART - 4

13. General Terms

13.1. The Transferor Company and the Transferee Company shall, with all reasonable despatch, make applications / petitions under the applicable provisions of the Companies Act to the Hon'ble High Court of Judicature at Madras or any other Competent Authority under the Act for sanctioning this Scheme of Amalgamation and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.

14. Modifications/Amendments to the Scheme

14.1. The Transferor Company and the Transferee Company through their respective Board of Directors or other persons duly authorized by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Hon'ble High Court of Judicature at Madras or any other Competent Authority under law may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, questions or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this scheme into effect.

14.2. After dissolution of the Transferor Company, the Transferee Company by its Board of Directors or other persons, duly authorized by its Board in this regard, shall be authorized, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Hon'ble High Court of Judicature at Madras or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and /or matters concerning or connected therewith.

15. Operative date of the Scheme

15.1. The Scheme shall be operative with effect from the Appointed Date ie. 1st January, 2016 but shall be effective from the Effective Date.

16. Scheme conditional on approval/sanctions:

16.1. This Scheme is conditional upon and subject to:-

- a) The Scheme being agreed to (in the manner prescribed) by the respective requisite majorities of the shareholders and / or creditors of



the Transferor Companies and the Transferee Company, as the case may be, as required under the Act and / or the SEBI Circulars, as applicable,

- b) Compliance with and requisite approval or consent, if any required under the Competition Act from the Competition Commission of India
- c) and the requisite order of the High Court of Judicature at Madras being obtained;
- d) For the Transferee Company, the approval of the shareholders shall be through special resolution passed through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, and such special resolution shall be acted upon only if the votes cast by public shareholders in favour of the Scheme are more than the number of votes cast by public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- e) Such other sanctions and approvals including any statutory or regulatory authority, as may be required by law and
- f) Filing of the certified copies of the orders of the High Court sanctioning the Scheme with the Registrar of Companies, Tamilnadu, Coimbatore within such time as may be specified by the High Court or such extended time as approved by the High Court.

17. Effect of non-receipt of approvals/sanctions

- 17.1. In the event of the Scheme not being sanctioned by the Hon'ble High Court of Judicature at Madras and / or the order or orders not being passed as aforesaid before 31st December, 2015 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through, and by their respective Board of Directors, the Scheme shall become null and void and in that event no rights and liabilities shall, inter se accrue between the parties in terms of the Scheme.

18. Expenses connected with the Scheme

- 18.1. All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company. In the event of this Scheme not being implemented each party shall bear its respective costs, charges and expenses.



SCHEDULE I**DETAILS OF IMMOVEABLE ASSETS OF THE TRANSFEROR COMPANY
COMPRISED IN THE UNDERTAKING BEING TRANSFERRED AND
VESTED IN THE TRANSFEREE AS A CONSEQUENCE OF MERGER**

The whole of the immovable properties pertaining to the Transferor Company wherever situate and whatever the form it may be including land and buildings, plant and machinery and all rights, title interest appurtenant thereto, all documents of title pertaining thereto and all easementary and other rights attributable thereto including the lands situated at :

**Vengur, Venmar, Eravalam & T. Mudiyanur Villages
Thirukovilur Sub Registration, Villupuram Registration District**

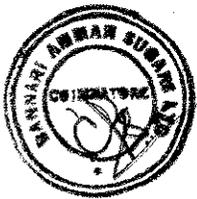
Sl No.	Document No./ Date	Name of the Village	S F No.	Extent (in Acres)
(1)	(2)	(3)	(4)	(5)
1	893/2010	Vengur	268/4	0.72
	30.10.2009	"	267/3B	0.06
		"	268/2	0.64
		"	278/1	0.29
		"	268/3	1.80
		"	268/5B	3.26
		"	268/7A	0.37
		"	268/7B	0.47
		"	268/7C	0.72
		"	268/7D	0.34
		"	268/7E	0.34
		"	268/7F	0.23
		"	270/4E	0.66
		"	283/2F	0.69
		"	281/1(P)	0.13
		"	281/3	1.25
		Venmar	45/2	4.10
		"	46/2	4.73
		"	49/1	0.86
			Total	21.66



(1)	(2)	(3)	(4)	(5)
2	894/2010	Vengur	272/5C	0.72
	30.10.2009	"	272/5D	0.66
		"	279/3	3.26
		"	281/1(P)	4.84
		"	294/1	1.96
		"	295/2(P)	1.02
		Venmar	41/7(P)	0.71
		"	45/1	3.79
		"	46/1	3.70
			Total	20.66
3	895/2010	Vengur	293/1	2.56
	30.10.2009	"	294/2	5.58
		"	294/7	4.27
		"	279/2A	0.41
		"	279/2B	0.42
		"	279/2C	0.41
		"	271/2	1.23
		"	298/3	1.38
		"	269/2A	0.15
		"	269/2B	0.82
		"	269/2C	0.65
		Venmar	41/2	0.70
		"	41/4	0.71
		"	43/1	1.06
		"	41/1	0.77
		"	43/2	0.19
		"	41/3	0.62
		"	41/8	0.48
		"	42	2.62
		"	31/8A	0.25
		"	31/8B	0.36
			Total	25.64



(1)	(2)	(3)	(4)	(5)
4	896/2010	Vengur	268/5C	1.16
	30.10.2009	"	273/4	3.36
		"	273/7	0.94
		"	274/1B	1.12
		"	274/3	1.07
		"	278/2	0.27
		"	278/4	3.91
		"	283/3A	0.27
		"	283/3C	0.70
		"	283/3B	0.41
		"	284/4	3.00
		"	270/4C	0.19
		"	270/4G	0.26
		"	270/4I	0.42
		"	270/4B	0.27
		"	270/4D	0.16
		"	270/4H	0.24
		"	270/4J	0.26
		"	283/2A	0.24
		"	283/2C	0.10
		"	266/3	1.24
		"	270/5A	0.48
		"	270/5B	0.10
		"	270/6	0.06
		"	283/1	0.82
		Venmar	47/2	0.20
		"	31/6B	0.56
		"	31/7	0.25
		"	31/10B	0.52
		"	31/3	4.02
		"	41/6	0.37
			Total	26.95



(1)	(2)	(3)	(4)	(5)
5	897/2010	Vengur	272/4	1.84
	30.10.2009	"	282/3A	0.27
		"	282/3C	0.79
		"	282/3D	0.07
		"	282/5B	0.53
		"	282/5C	0.15
		"	282/5D	0.12
		"	280/3	1.06
		"	280/1	2.43
		"	278/6A	0.93
		"	278/6B	0.10
		"	278/6C	0.75
		"	282/3B	0.15
		"	282/5A	0.21
		"	282/4	1.48
		"	271/1A	0.28
		"	271/1C	0.14
		"	271/1I	1.01
		"	271/1E	1.20
		"	271/1D	0.15
		"	271/1F	0.64
		"	271/1H	0.44
		"	271/1G	0.26
		"	271/1B	0.27
		"	270/1	0.79
		"	270/2	1.04
		"	270/3	0.33
		"	282/2	0.79
		"	272/5B	1.52
		"	282/1B	1.11
		"	282/1A	0.79
		Venmar	31/4B	0.27
		"	31/5A	0.19
		"	31/5B	0.10
		"	31/6A	0.56
			Total	22.76



(1)	(2)	(3)	(4)	(5)
6	898/2010	Vengur	272/5E	0.71
	30.10.2009	"	272/1	2.12
		"	272/5A	1.62
		"	272/3A	1.85
		"	272/3B	0.20
		"	272/3C	1.62
		"	280/4B	1.00
		"	278/5	1.14
		"	266/1D	0.33
		"	266/3D	0.35
		"	283/3D	0.70
		"	274/6	1.33
		"	278/3A	0.52
		"	278/3B	0.52
		"	278/3C	0.67
		"	278/3D	0.67
		Venmar	40/4	0.25
		"	40/5	0.42
		"	31/1	1.00
		"	35/3	0.66
		"	35/4	0.44
		"	35/5	0.27
		"	35/6	0.19
		"	39/1	1.33
		"	29/2	1.10
		"	29/3	1.31
		"	30/7B	0.32
		"	35/2	1.06
			Total	23.69



(1)	(2)	(3)	(4)	(5)
7	899/2010	Vengur	295/3	1.65
	30.10.2009	"	294/4	1.43
		"	298/5	1.81
		"	266/1A	0.67
		"	266/1B	0.18
		"	266/1C	0.27
		"	267/1	0.62
		"	267/2A	0.09
		"	267/2B	0.29
		"	267/2C	0.20
		"	267/4A	1.71
		"	267/4B	0.33
		"	267/4C	0.46
		"	267/4D	0.45
		"	268/6	0.90
		"	268/1	2.27
		"	269/1	2.52
		"	269/4	1.90
		"	268/5A	0.32
		"	269/3	2.47
		"	269/5	0.42
		"	269/6	1.08
		"	270/4A	0.22
		"	270/4F	0.25
		"	283/3A	1.66
		"	270/4K	0.45
		"	283/2D	0.56
		"	270/5B	0.69
		"	270/6	0.89
		Venmar	47/1	2.89
		"	46/1	1.00
			Total	30.64



(1)	(2)	(3)	(4)	(5)
8	900/2010	Vengur	292/3A	0.70
	30.10.2009	"	292/3B	0.72
		"	294/5	0.64
		"	294/6	0.64
		"	292/2	1.21
		"	292/1B	0.30
		"	293/2B	0.93
		"	292/1B	0.08
		"	292/2	1.21
		"	293/4A	0.94
		"	293/3	1.85
		"	292/1A	1.41
		"	293/2A	0.10
		"	276/9	1.73
		"	295/1A	0.62
		"	295/1B	1.14
		"	295/4A	0.63
		"	295/4B	1.28
		"	276/2A	0.99
		"	276/2B	1.09
		"	276/4	0.43
		"	276/6	0.22
		"	276/1	0.79
		"	277	9.93
		"	280/5	1.06
			Total	30.64
9	901/2010	Vengur	270/5A	0.55
	30.10.2009	"	274/2	2.22
		"	273/8	0.49
		"	283/2B	0.19
		"	283/2E	0.69
		"	298/4	1.40
		"	284/7	0.59
		"	284/8	0.57



(1)	(2)	(3)	(4)	(5)
		"	284/9	0.57
		"	284/10	0.57
		"	284/11	0.52
		"	284/12	0.52
		"	284/13	0.52
		"	284/14	0.50
		"	284/3	0.42
		"	284/6	2.47
		"	281/1	0.49
		"	281/2	1.00
		"	280/4	1.86
		"	280/1	0.58
		"	282/1A	0.32
		Venmar	40/1A	0.65
		"	39/2	1.26
		"	40/3	0.93
		"	40/1B	0.56
		"	40/2B	0.57
		"	40/2C	0.64
		"	40/2G	0.26
		"	40/6	0.19
		"	16/5	0.22
		"	16/6	0.48
		"	36/1	0.21
		"	36/2A	0.40
		"	36/2B	0.34
		"	36/3	0.24
		"	36/4	0.56
		"	36/5	0.58
		"	36/6	0.48
		"	36/7	0.40
		"	38/1	0.27
		"	38/2	1.31
			Total	27.59



(1)	(2)	(3)	(4)	(5)
10	1005/2010	Vengur	285/24	0.20
	30.10.2009	"	285/25	0.20
		"	285/26	0.20
		"	285/27	0.20
		"	285/28	0.20
		"	294/3	1.05
		"	279/1	0.37
		"	279/4	0.37
		"	279/5	0.36
		"	279/6	0.36
		"	284/1	0.24
		"	284/5	0.22
		"	284/15	0.22
		"	284/16	0.25
		"	284/17	0.25
		"	284/18	0.25
		"	284/19	0.25
		"	284/20	0.25
		"	284/21	0.25
		"	284/22	0.25
		"	284/23	0.24
		"	284/24	0.24
		"	284/25	0.25
		"	284/26	0.25
		"	285/1	0.25
		"	285/5	0.20
		"	285/36	0.25
		"	285/37	0.24
		"	280/2	0.20
		"	280/6	0.20
		"	280/7	0.19
		"	280/8	0.17
		"	280/9	0.17
		"	280/10	0.17
		"	280/11	0.17
		"	280/12	0.25
		"	280/13	0.25
		"	280/14	0.19
		"	280/15	0.22
		"	280/16	0.22



(1)	(2)	(3)	(4)	(5)
		"	280/17	0.22
		"	280/18	0.22
		"	280/19	0.24
		"	280/20	0.24
		"	285/21	0.19
		"	285/22	0.20
		"	285/23	0.20
		"	285/4	0.20
		"	285/29	0.20
		"	285/30	0.20
		"	285/31	0.20
		"	285/32	0.20
		"	285/33	0.20
		"	285/34	0.20
		"	285/35	0.20
		"	274/4	0.51
		"	274/7	0.12
		"	274/8	0.51
		"	274/9	0.40
		"	285/3	0.15
		"	285/5	0.20
		"	285/6	0.20
		"	285/7	0.20
		"	285/8	0.20
		"	285/9	0.20
		"	285/10	0.20
		"	285/11	0.20
		"	285/12	0.05
		"	285/13	0.12
		"	285/14	0.19
		"	285/15	0.20
		"	285/16	0.20
		"	285/17	0.15
		"	285/18	0.18
		"	285/19	0.20
		"	285/20	0.19
			Total	17.94



(1)	(2)	(3)	(4)	(5)
11	1381/2010	Venmar	31/2	1.15
	1.3.2010	"	40/7	3.07
		"	41/5	0.86
		"	48	2.70
		"	100	4.11
Total				11.89
12	Exchange deed No.1383/2010 dt.3.3.2010 Correction deed No. 3086/2010 dt.9.4.2010	"	40/2A	0.58
		"	40/2D	0.62
		"	40/2E	0.09
		"	40/2F	0.19
Total				1.48
13	1382/2010	Eravalam	111/1	1.55
	3.3.2010	Vengur	275/1	0.73
Total				2.28
14	3503/2010	Vengur	275/1	0.12
	7.4.2010	"	275/4	0.74
		"	275/3	0.77
		"	276/3	0.27
		Eravalam	111/3	0.34
		"	8/2	0.25
		"	8/5	0.27
		"	8/6	0.27
		"	8/7	0.27
		"	8/8	0.27
		"	8/9	0.27
		"	8/10	0.26
Total				4.10
15	3075/2010	Venmar	31/1B	1.33
	9.4.2010			
Total				1.33
16	3082/2011	T.Mudiyannur	33/11A	0.10
	13.7.2011			
Total				0.10
17	2604/2013	Vengur	293/4B	0.88
		"	292/6B	0.45
		"	292/8B	0.53
Total				1.86



(1)	(2)	(3)	(4)	(5)
18	3301/2013	Vengur	292/6A	0.25
			292/8A	0.27
			Total	0.52
19	3302/2013	Vengur	292/6A	0.25
			292/8A	0.28
			Total	0.53
20	Pending Registration	Vengur	286/2	3.20
GRAND TOTAL IN ACRES				275.44



SCHEDULE-II**BALANCE SHEET OF THE TRANSFEREE COMPANY, ON THE
APPOINTED DAY ON GIVING EFFECT TO THE SCHEME**

PARTICULARS	Rs in lakhs	
I. EQUITY AND LIABILITIES		
(1) SHAREHOLDERS' FUNDS		
a) Share Capital	1253.97	
b) Reserves and Surplus	86268.58	
		87522.55
(2) NON-CURRENT LIABILITIES		
a) Long term borrowings	54943.11	
b) Deferred tax liabilities (Net)	5126.07	
c) Other Long term liabilities		
c) Long term provisions	258.63	60327.81
(3) CURRENT LIABILITIES		
a) Short term borrowings	75074.22	
b) Trade payables	15598.94	
c) Other current liabilities	19783.83	
d) Short term provisions	3281.55	113738.54
TOTAL		261588.90
II. ASSETS		
(1) NON- CURRENT ASSETS		
a) Fixed Assets		
i) Tangible assets	114066.42	
ii) Capital work in progress	2219.15	
b) Non - current investments	35.00	
c) Long-term loans and advances	9770.99	126091.56
(2) CURRENT ASSETS		
a) Inventories	105087.02	
b) Trade Receivables	9428.04	
c) Cash and cash equivalents	291.78	
d) Short-term loans and advances	11026.61	
e) Other current assets	9663.89	135497.34
TOTAL		261588.90

