

SCHEME OF AMALGAMATION
OF
AMRUTANJAN PHARMAESSENCE PRIVATE LIMITED
WITH
AMRUTANJAN HEALTH CARE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE:

This Scheme of Amalgamation ('Scheme') is presented under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act (as defined hereinafter) of Amrutanjan Pharmaessence Private Limited with Amrutanjan Health Care Limited. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith. It is hereby clarified and stated that upon the relevant Sections of the Companies Act 2013 pertaining to Scheme of Compromise, Arrangement, or Amalgamation of companies being notified by the Ministry of Corporate Affairs ("MCA"), this Scheme shall be deemed to have been formulated and presented under Sections 230 to 240 of the Companies Act, 2013 read with rules made thereunder.

RATIONALE

Amrutanjan Pharmaessence Private Limited is engaged in business of manufactures of and dealers in chemicals including drugs as active Pharmaceutical Ingredients and as drug products, heavy or fine, industrial or chemical manufacturing, pharmaceutical, medical, physical, mineralogical, metallurgical or biological and other compounds, organic and/or inorganic, all kinds of acids, alkalis, sodas, salts and ashes. In order to enable greater focus and attain synergy benefits, this scheme provides for amalgamation of Amrutanjan Pharmaessence Private Limited with Amrutanjan Health Care Limited.

Amongst others, the amalgamation of Amrutanjan Pharmaessence Private Limited would result in the following benefits:

- Integration of operations;
- Simplification the group structures;
- Elimination of multiple entities within the group; and
- Optimal utilization of resources and better administration and cost reduction.

PARTS OF THE SCHEME

The Scheme is divided into following parts:

1. **Part A** deals with the Definitions, Interpretation and Share Capital;
2. **Part B** deals with the amalgamation of Amrutanjan Pharmaessense Private Limited with Amrutanjan Health Care Limited;
3. **Part C** deals with the General Terms and Conditions that would be applicable to the Scheme.

TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME-TAX ACT, 1961.

The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961. If any of the terms or provisions of Part B of the Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

PART A

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them

1.1 "**Act**" or "**The Act**" means the Companies Act, 1956, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013 the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government;

1.2 "**Appointed Date**" means **July 1, 2016** or such other date as the High Court of Judicature at Madras may direct / fix

1.3 "**Appropriate Authority**" means any governmental, statutory, departmental or public body or authority, including Registrar of Companies, Regional Director, Company Law Board, Competition Commission of India, National Company Law Tribunal and the High Court.

1.4 "**Board**" means the Board of Directors or in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such Company, and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to the Scheme and/or any other consequential or incidental matter in relation thereto.

1.5 "**Court**" or "**High Court**" means the Hon'ble High Court of Judicature at Madras under the Companies Act, 1956 or such other Tribunal (i.e.) the National Company Law Tribunal ("**NCLT**") & the National Company Law Appellate Tribunal ("**NCLAT**") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013.;

1.6 "**Effective Date**" means the last of the dates on which all the conditions and matters referred to in Clause 16 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;

1.7 "**Encumbrance**" means any options, pledge, hypothecation, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term "Encumbered" shall be construed accordingly.

1.8 "**Registrar of Companies**" means the Registrar of Companies Chennai, Tamil Nadu;

1.9 "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Amalgamation in its present form as submitted to the Hon'ble High Court or this Scheme with such modification(s), if any made, as per Clause 15 of the Scheme;

1.10 "**APPL**" or "**the Transferor Company**" means Amrutanjan Pharmaessence Private Limited (CIN: U24232TN2011PTC078918), a company incorporated under the Act and having its registered office at No.103 (Old No.42-45), Luz Church Road, Mylapore, Chennai – 600 004, Tamil Nadu.

1.11 "**AHCL**" or "**the Transferee Company**" means AMRUTANJAN HEALTH CARE LIMITED (CIN: L24231TN1936PLC000017), a company incorporated under the Act and having its registered office at No.103,(Old No.42-45) Luz Church Road, Mylapore Chennai – 600004, Tamil Nadu.

1.12 "**Stock Exchange**" means the BSE Limited and/or the National Stock Exchange;

1.13 "**Undertaking**" means all the undertakings and the entire business of the Transferor Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, plant and machinery, equipment, land, buildings and structures, offices, residential and other premises (including rights in leasehold land), capital work-in-progress, furniture, fixtures, office equipment, computers, appliances, accessories, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), cash equivalents, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, share of any joint assets, and other facilities, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kinds and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- (b) all permits, quotas, rights, entitlements, licenses including but not limited to export license, import license, industrial and other licenses, bids, tenders, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations,

all records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions and other benefits, receivables, 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;

(c) all earnest moneys and/or security deposits paid or deemed to have been paid by the Transferor Company;

(d) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company; and

(e) all employees of Transferor Company employed/engaged as on the Effective Date;

(f) all intellectual property rights, trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company;

1.14 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, 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.

1.15 References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.

1.16 The headings herein shall not affect the construction of this Scheme.

- 1.17 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.18 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.
- 1.19 References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 15 of the Scheme, shall be effective from the Appointed Date for amalgamation of the Transferor Company into the Transferee Company, but shall be operative from the Effective Date.

3 SHARE CAPITAL

- 3.1 The share capital of AMRUTANJAN HEALTH CARE LIMITED ("the Transferee Company") as on March 31, 2016 is as under:

| Share Capital | Amount (Rs. in Lakhs) |
|--|--------------------------|
| Authorized Share Capital | |
| 2,50,00,000 Equity Shares of Rs. 2/- each | 5,00,00,000 |
| TOTAL | 5,00,00,000 |
| Issued and Subscribed Share Capital | |
| 1,46,15,315 Equity Shares of Rs. 2/- each fully paid | 29,230,630 |
| Paid-up Share Capital | |

| Share Capital | Amount (Rs.) |
|--|--------------------|
| 1,46,15,315 Equity Shares of Rs. 2/- each fully paid | 2,92,30,630 |
| TOTAL | 2,92,30,630 |

3.2 The share capital of Amrutanjan Pharmaessence Private Limited ("the Transferor Company") as on March, 31 2016 is as under:

| Share Capital | Amount (Rs. in Lakhs) |
|--|--------------------------|
| Authorized Share Capital | |
| 100,000 Equity shares of Rs. 10 each | 10,00,000 |
| TOTAL | 10,00,000 |
| Issued, subscribed and paid-up Share Capital | |
| 50,000 Equity shares of Rs. 10 each, fully paid up | 500,000 |
| TOTAL | 500,000 |

The entire issued, subscribed and paid-up equity and preference share capital of the Transferor Company is held by the Transferee Company.

PART B

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4 TRANSFER AND VESTING

- 4.1 Upon the Scheme coming into effect 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 applicable provisions, if any, of the Act, be and 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 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. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.
- 4.2 Without prejudice to the generality of Clause 4.1 hereinabove, upon the Scheme coming into effect and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and wheresoever situated shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be and 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 going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- 4.3 Notwithstanding Clause 4.2 above, the immovable property of the Transferor Company shall stand transferred to the Transferee Company either under the Scheme or by way of a separate conveyance
- 4.4 Without prejudice to the provisions of Clause 4.2 above, in respect of 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, the same shall stand so transferred by the Transferor Company upon the coming into effect of the Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.
- 4.5 In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause 4.4 above) including 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, investments, earnest money and deposits with any Government, quasi government, local or other

authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.

4.6 All the licenses, permits, entitlements, quotas, approvals, sanctions, permissions, registrations, incentives, exemptions and benefits, subsidies, concessions, holidays, grants, rights, claims, leases, tenancy rights, trademarks, patents, brands, copyrights, liberties, special status (including the licenses / approvals granted by any Government, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith) and other benefits or privileges 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 shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, entitlements, quotas, approvals, sanctions, permissions, registrations, incentives, exemptions and benefits, subsidies, concessions, holidays, grants, rights, claims, leases, tenancy rights, trademarks, patents, brands, copyrights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.7 With effect from the Appointed Date in accordance with the CENVAT Credit

Rules 2004 framed under the Central Excise Act, 1944 as are prevalent at the time of sanction of the Scheme; the CENVAT Credit including the service tax credits lying un-utilised in the Transferor Company shall stand transferred to the Transferee Company as if the same were the CENVAT credit utilized in the Transferee Company's accounts. It is declared that the transfer of the CENVAT Credit including for service tax credits stands allowed as stock of inputs as such or in process, including capital goods and service tax paid for the input services are also transferred by the Transferor Company to the Transferee Company. The inputs including services or capital goods on which the credit has been availed of have been duly accounted for.

4.8 The Transferor Company may be entitled to various benefits under incentiveschemes and policies under various laws, regulations and notifications. Pursuant to this Scheme it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever' including tax concessions (not limited to income tax, unexpired credit for minimum alternate tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and others) and incentives shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and policies, subject to continued

compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes and policies were made available to the Transferor Company.

4.9 Pursuant to the Scheme coming into effect each of the permissions, approvals, consents, sanctions, remissions (including remissions under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Transferor Company shall stand transferred under this Scheme to the Transferee Company and the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file.

4.10 Benefits of any and all corporate approvals as may have already been taken by Transferor Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 62, 180, 181, 185, 186 and 188 of Companies Act 2013 read with the rules and regulations made thereunder, shall stand vested in Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by Transferee Company.

4.11 The transfer and vesting of the entire business and assets and liabilities as aforesaid of the Transferor Company, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however, any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company.

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

4.12 From the 'Effective Date' and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

5 CONSIDERATION FOR AMALGAMATION

The entire issued, subscribed and paid up equity share capital of the Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, no

shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire share capital of the Transferor Company shall stand cancelled.

6 ACCOUNTING TREATMENT

With effect from the Appointed Date, upon the Scheme coming into effect, the accounting for the amalgamation would be done in accordance with the pooling of interests method of accounting referred in Accounting Standard 14, Accounting for Amalgamation (AS 14). Accordingly, the Transferee Company shall record in its books of accounts as under:

- 6.1 As on the Appointed Date for Amalgamation, the Transferee Company shall record the assets, liabilities and reserves of the Transferor Company vested in it pursuant to the Scheme at their existing carrying amounts;
- 6.2 The identity of the reserves of the Transferor Company shall be maintained and the same shall be aggregated with the balances of similar reserves, if any, in the books of the Transferee Company.
- 6.3 The equity shares held by the Transferee Company in the Transferor Company will stand cancelled as on the Effective Date and there shall be no further obligation in that behalf;
- 6.4 The inter-corporate deposits / loans and advances outstanding between the Transferee Company and the Transferor Company as on the Effective Date will stand cancelled and there shall be no further obligation in that behalf;
- 6.5 The excess, being the net asset value of the Transferor Company (i.e. the book value of assets minus the book values of the liabilities and reserves of the Transferor Company as on the Appointed Date for Amalgamation) taken over as per Clause 6.1 and 6.2, after accounting for the cancellation in Clause 6.3 and Clause 6.4, shall be credited by the Transferee Company to its reserves. In case the difference results in a deficit, it shall be debited by the Transferee Company to its reserves;
- 6.6 Further, in case of any differences in accounting policy between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company will prevail and the difference in recognition of assets and liabilities which are appearing or should appear in the books of the Transferor Company on the Appointed Date, as the case may be, will be quantified and adjusted in the Profit and Loss Account of the Transferee Company mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 6.7 All the costs, charges and expenses (including but not limited to any taxes, duties, stamp duty, registration charges, etc.) in relation to any matter arising out of the Scheme including transfer of assets of the Transferor Company to the Transferee

Company in accordance with the Scheme shall be charged to the Profit and Loss Account of the Transferee Company.

- 6.8 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

7 COMBINATION OF AUTHORISED SHARE CAPITAL

As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company by the authorized share capital of the Transferor Company.

Consequently, Clause V of 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, reclassified and amended pursuant to section 13, 14, 61, 64 & other applicable provisions of Companies Act, 2013 and rules made thereunder read with Section 391-394 of Companies Act, 1956 and other applicable provisions of the Act as follows:

Clause V of Memorandum of Association of the Transferee Company shall read as under:

(a) "The Authorized Capital of the Company is Rs. 5,10,00,000 (Rupees Five Crore and Ten Lakhs only) divided into 2,55,00,000 (Two crore and Fifty five lakhs) Equity Shares of Rs.2/- (Rupee two) each with or without voting rights with a power to consolidate or subdivide into such classes and to increase or reduce the capital whenever the circumstance warrant."

(b) The Company has got power to increase or reduce the capital and divide the shares in the capital for the time being into several classes, to issue the new shares upon such terms and conditions and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act, 1956 and Companies Act, 2013 and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manners as may, (may be provided by the Companies Act, 1956 and Companies Act, 2013) for the time being, be provided by the Articles of the Company.

The alteration of Authorized capital as aforesaid in Clause V, shall be effected as a part of the Scheme only and approval / consent to the Scheme by the High Court shall be deemed to be due compliance of the relevant provisions of the Act for alteration of the share capital clause in the Memorandum of Association and Articles of Association of the Transferee Company.

Upon the Scheme becoming effective, Clause 3 of the Articles 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 pursuant to

sections 391 and 394 and other applicable provisions of the Companies Act, 1956, as the case may be, in the manner set out below and be replaced by the following:

"The Authorized Capital of the Company is Rs. 5,10,00,000 (Rupees Five Crore and Ten Lakhs only) divided into 2,55,00,000 (Two crore and Fifty five lakhs) Equity Shares of Rs.2/- (Rupees two) each with power to divide the shares in the capital for the time being in to several classes, to issue the new shares upon such terms and conditions and to attach thereto such preferential, deferred, qualified or special rights , privileges or conditions as may be determined by or in accordance with Companies Act, 1956 and Companies Act, 2013 and to vary, modify, amalgamate, abrogate any such rights, privileges or conditions in such manner as may be provided by the Companies Act, 1956 and Companies Act, 2013"

The filing fee already paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fee for such combined authorized share capital.

8 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 8.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to its business and undertaking for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold their said assets with utmost prudence until the Effective Date.
- 8.2 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company pertaining to the business and undertaking of the Transferor Company shall for all purposes be treated as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 8.3 All taxes (including, without limitation, income tax, minimum alternate tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Undertaking before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Undertaking with effect from the Appointed Date up to and including the Effective Date , the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 8.4 No assets of the Transferor Company shall be alienated, charged, hypothecated, mortgaged or Encumbered and the Transferor Company shall carry on the business and activities not expressly prohibited herein with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other

liabilities or expenditure, issue any additional or fresh guarantees, indemnities, letters of comfort or commitments either for itself or any third party, except in each case in the following circumstances:

(i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court;

(ii) if the same is expressly permitted by this Scheme; and

(iii) if prior written consent of the Board of Directors of the Transferee Company has been obtained.

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

8.6 The Transferee Company shall be entitled, pending the 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 the Transferee Company may require pursuant to this Scheme.

8.7 Except by mutual consent of the Boards of Directors of Transferor Company and Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by Transferor Company and/or Transferee Company as on the date of sanction of this Scheme by the Board of Directors of Transferee Company, or except as contemplated in this Scheme, pending sanction of this Scheme, Transferor Company and/or Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures, convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization or in any other manner, which would have the effect of re-organisation of capital of Transferor Company and / or Transferee Company.

8.8 All assets acquired and all liabilities incurred by the Transferor Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions.

8.9 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Company earlier carried on by the Transferor Company.

9 LEGAL PROCEEDINGS

9.1 If any suit, appeal or other proceeding of whatever nature by or against the

Transferor Company is pending, 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, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company as referred above in its name or have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company to the extent legally permissible after Scheme becoming effective. To the extent such proceedings cannot be taken over by the Transferee Company, the proceedings shall be pursued by the Transferee Company for and on behalf of the Transferor Company as per the instructions of and entirely at the cost and expenses of the Transferee Company.

- 9.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company only upon effectiveness of the Scheme and not otherwise.

10 CONTRACTS, DEEDS, ETC.

- 10.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, 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.
- 10.2 The 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, if so required or becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 10.3 It is expressly clarified that upon the Scheme becoming effective all taxes payable by the Transferor Company from the Appointed Date onwards shall be treated as the tax liability of Transferee Company; similarly all credits for tax deduction at source and advance tax paid on the income of Transferor Company shall be available to Transferee Company; or obligation for deduction of tax at source on any payment made by or to be made by Transferor Company shall be made or deemed to have been made and duly complied with as if so made by the Transferee Company.
- 10.4 All cheques and other negotiable instruments, payment orders received in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by Transferor Company for payment after the Effective Date.

11 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 4 above and the continuance of legal proceedings by or against the Transferee Company under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

12 STAFF, WORKMEN & EMPLOYEES

- 12.1 All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.
- 12.2 The services of such employees shall not be treated as broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their appointments with the Transferor Company.
- 12.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

13 WINDING UP

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

PART C

GENERAL TERMS AND CONDITIONS

14 APPLICATION TO HIGH COURT OF JUDICATURE AT MADRAS

The Transferee Company and the Transferor Company shall with all reasonable dispatch make all necessary applications to the High Court for sanctioning this Scheme under Section 391 to 394 of the Act (or such applicable provisions of the Companies Act, 2013, as the case may be) and orders under Section 394 of the Act (or such applicable provisions of the Companies Act, 2013, as the case may be), for carrying this Scheme into effect and consequent dissolution of the Transferor Company without winding up and apply for and obtain such other approvals, as required by law.

15 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to approval of High Court, the Transferee Company and the Transferor Company with the approval of their respective Boards 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 Boards 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 Hon'ble Court or any other authorities under law may deem fit to approve of to direct and or impose. The aforesaid powers of the Transferee Company and the Transferor Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Boards of Directors or any person authorized in that behalf by the concerned Board of Directors subject to approval of the Hon'ble Court or any other authorities under applicable law.

16 CONDITIONALITY OF THE SCHEME

16.1 This Scheme is and shall be conditional upon and subject to:

- (a) the Scheme being approved to by the respective requisite majorities in number and value of various classes persons including shareholders and/or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court;
- (b) the Scheme being sanctioned by the High Court in terms of section 391 —394 and other relevant provisions of the Act; and
- (c) the certified copies of the court orders referred to this Scheme being filed with the Registrar of Companies

17. EFFECT OF NON- RECIEPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2016 or within such further period or periods as may be

agreed upon between the Transferee Company and the Transferor Company by their Board of Directors (and which the Board of Directors of the Transferee Company and the Transferor Company are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect .

18 REPEALS AND SAVINGS

Any matter filed with Registrar of Companies, Regional Director or the Central Government under the Companies Act, 1956, before the notification of the corresponding provisions under the Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director or the Central Government, as the case may be, in terms of the Act. Any direction or order given by the Hon'ble High Court under the provisions of the Act and any act done by the Transferee Company and the Transferor Company, based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Companies Act, 2013. Accordingly, the provisions of the Companies Act, 2013, shall not apply to acts done by the Transferee Company and the Transferor Company and as per direction or order of the Hon'ble High Court sanctioning the Scheme.

19 RESIDUAL PROVISIONS

The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/ withheld, etc., if any, as may be required consequent to implementation of this Scheme.

20 SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

21 COSTS, CHARGES & EXPENSES

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